

## Implementation

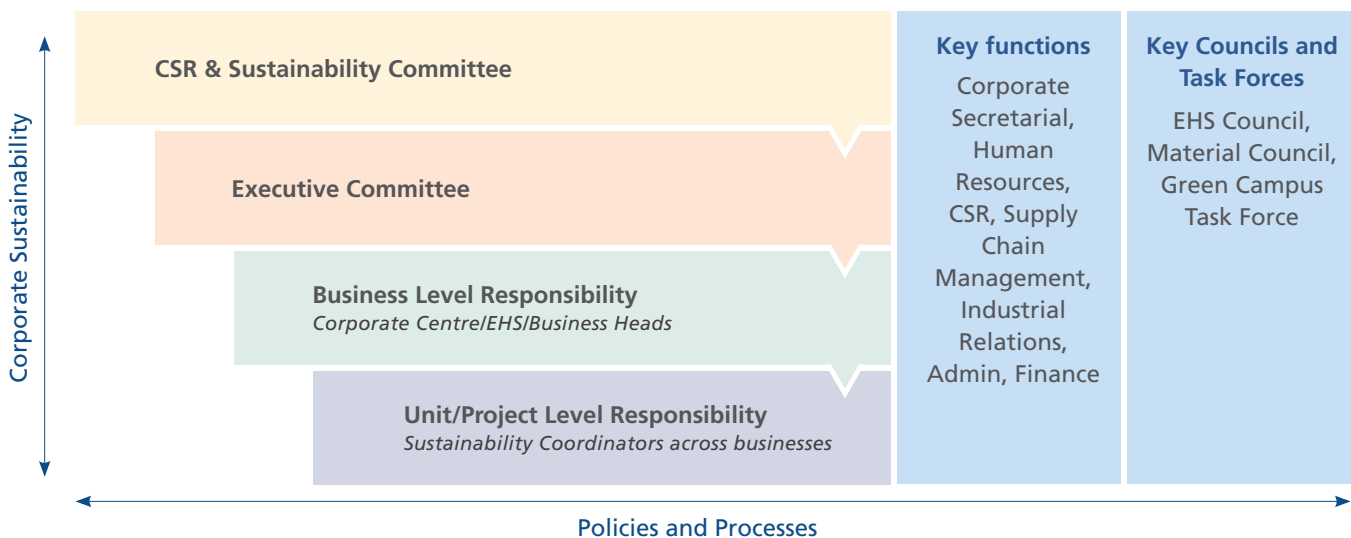
With the evolving landscape and regulatory requirements, the Company has put the necessary tools, systems, processes, and resources in place to incorporate ESG in business strategy and operations. The Company also conducts materiality assessment, which is a process to capture stakeholder concerns on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

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

The overall responsibility for ensuring the implementation resides with the Corporate

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

## Sustainability Governance Structure



## Sustainability Data Assurance

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

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

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

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

# SUSTAINABILITY HIGHLIGHTS OF FY 2023-24

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

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



## ENVIRONMENT



Energy

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

-16%\*

**9.2** %  
Electricity  
from renewables

+20%\*



Emissions

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

-12%\*

**~4** Mn  
Saplings planted

+200%\*



Water

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



Materials

**32** %  
Recycled and eco-friendly  
material used

+31%\*



Green  
Business

**50** %  
Revenue from  
Green Business

+54%\*



\* Improvement over FY 2022-23



## SOCIAL



Health and Safety

**6.9 Mn**

Safety training man hours

**0.07**

LTIFR



Human Rights

**2**

Key facilities SA8000 certified

**100 %**

Own facilities and offices assessed



Workforce Skilling and  
Talent Management

**24,000+**

Employees covered

**90,000+**

Workers covered



Diversity and  
Inclusion

**8.1 %**

Diversity ratio

**99**

Women in senior management



Social Impact

**1.6Mn**

CSR beneficiaries



## GOVERNANCE



Governance &  
Ethics

**100%**

New joinees trained on CoC

Brand Management  
& ESG Ratings

**ENR**  
Engineering News-Record

Ranked 3<sup>rd</sup> in 'Top 200  
Environmental Firms' in 2023



Customer  
Centricity

**9**

Customer Satisfaction Score out of 10



Data Privacy &  
Cyber Security

**Zero**

Cases of data breaches

**CDP**

Rated 'B-' for Climate  
Change 2023



Sustainable  
Supply Chain

**32%**

Sustainable sourcing  
by value

**100%**

of top 200 supply chain  
partners assessed on ESG

# NATURAL CAPITAL



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

### Key Highlights of FY 2023-24

**1,55,046 GJ**

Renewable Electricity consumption

**16 %**

Energy Consumption Intensity Reduction

**12 %**

Emission Intensity Reduction

**32 %**

Recycled and Eco-Friendly Material used of Total Material

**~4 Mn**

Saplings Planted

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



### SDGs Impacted



### Material Topics

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

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

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

## Net Zero Strategy

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

### Carbon Neutrality

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

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

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

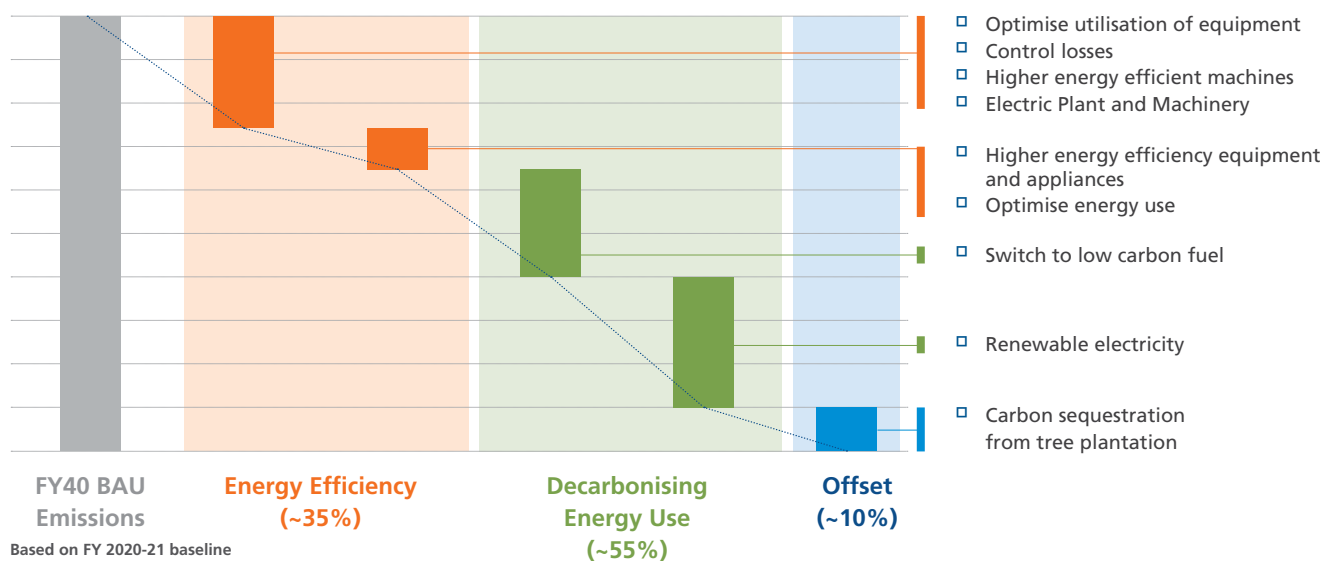


**Improving Energy Efficiency**



**Decarbonising Energy Consumption**

### Net Zero Path





Green Campus Task Force

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

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

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

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

Key initiatives identified for reducing diesel consumption:

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

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

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

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

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

## Lakshya 2026 Targets on Natural Capital

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

**25 %**

Emissions Intensity Reduction

**50 %**

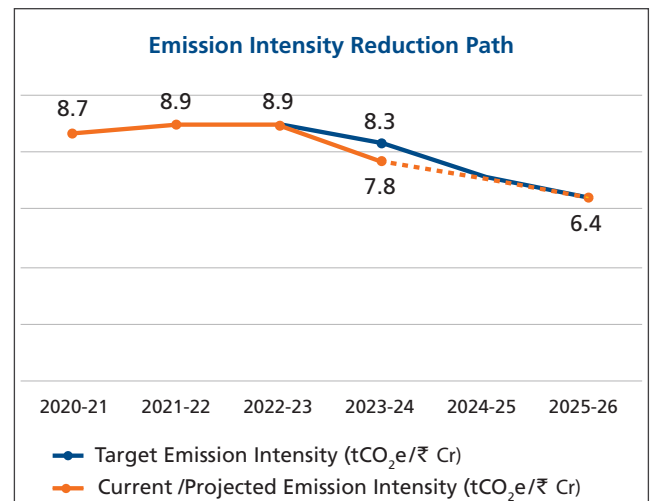
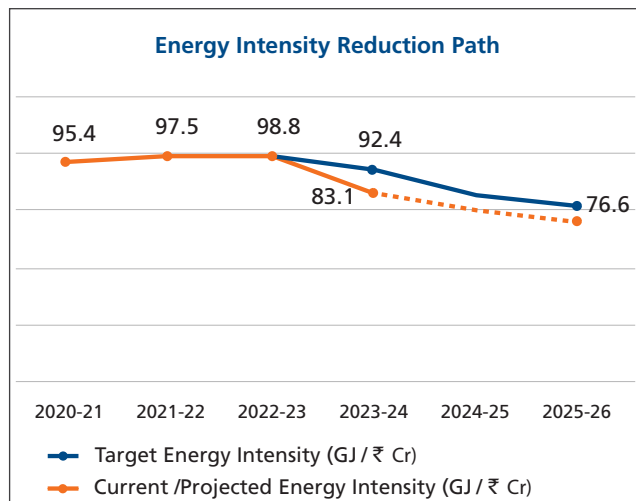
Renewable (% of Electricity Consumption)

**11 %**

Energy Intensity Reduction



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





## Energy

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

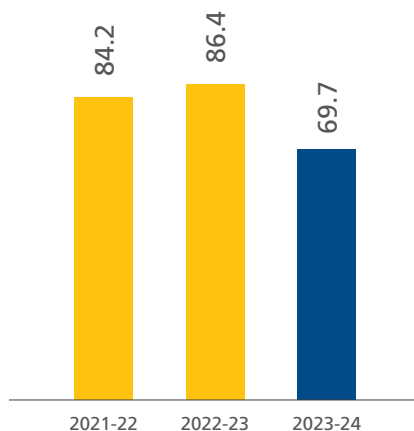
### Renewable Energy

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

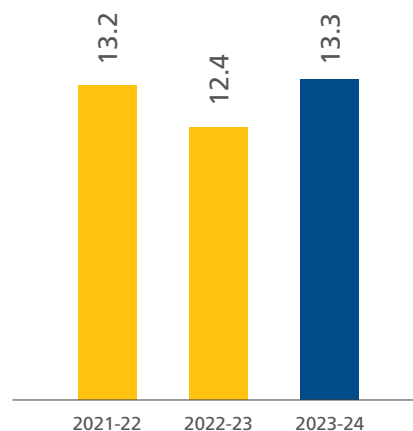
Source	Quantity Sourced (Mn kWh)
Solar (Captive and PPA)	10.3
Wind (Captive and PPA)	20.1
Others (Hybrid PPA and open access)	12.7

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

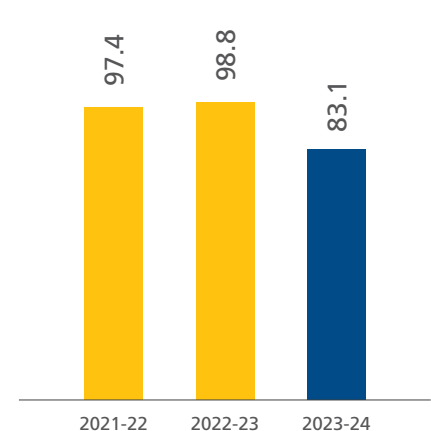
**Direct Energy Intensity**  
(GJ/₹ Cr)



**Indirect Energy Intensity**  
(GJ/₹ Cr)



**Total Energy Intensity**  
(GJ/₹ Cr)



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

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

## GHG Emissions

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

### Scope 1

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

**6,35,646 tCO<sub>2</sub>e**

### Scope 2

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

**3,49,682 tCO<sub>2</sub>e**

### Scope 3

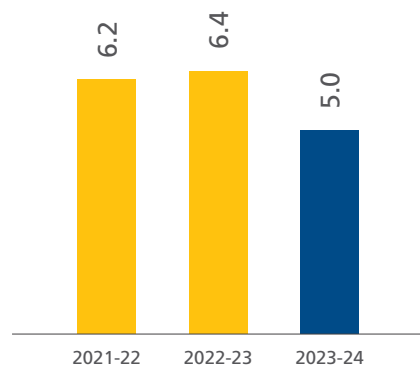
Emissions from purchased goods, upstream transportation and distribution, employee commuting, and business travel.

**70,73,536 tCO<sub>2</sub>e**

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

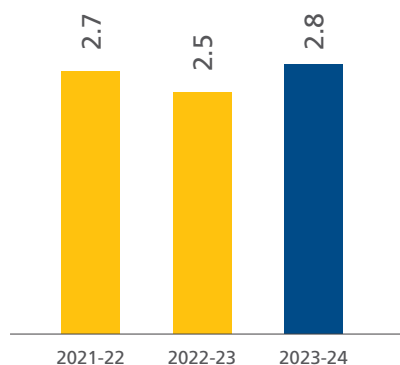
### Scope 1 Emission Intensity<sup>2</sup>

(tCO<sub>2</sub>e/₹ Cr)



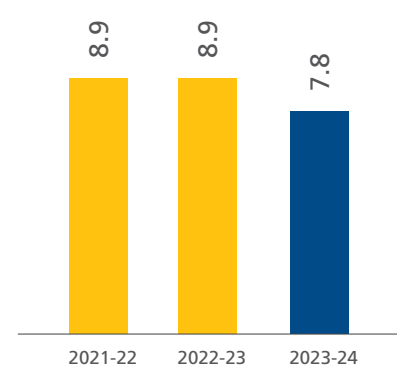
### Scope 2 Emission Intensity<sup>2</sup>

(tCO<sub>2</sub>e/₹ Cr)



### Scope 1+2 Emission Intensity<sup>2</sup>

(tCO<sub>2</sub>e/₹ Cr)



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

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

**~1,37,000 tCO<sub>2</sub>e**

<sup>2</sup>Emission factor for diesel has been revised to 2.68 from 2.73 tCO<sub>2</sub>e/kL, aligned to latest emission factors in IPCC AR5. Emission factor for grid electricity revised from 0.00081 to 0.000823 tCO<sub>2</sub>e/kWh based on the latest report of CEA, the central authority for power sector in India; [https://cea.nic.in/wp-content/uploads/baseline/2024/01/User\\_Guide\\_Version\\_19.0.pdf](https://cea.nic.in/wp-content/uploads/baseline/2024/01/User_Guide_Version_19.0.pdf)

## Emissions Reduction Initiatives

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

### Fossil Fuel Consumption Reduction through Operational Improvements

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

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**Emissions avoided in FY 2023-24:**  
22,207 tCO<sub>2</sub>e

### Switching from Diesel Generators to Grid Electricity for Power

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

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**Emissions avoided in FY 2023-24:**  
12,952 tCO<sub>2</sub>e

### Increasing Renewable Electricity Sourcing

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

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**Emissions avoided in FY 2023-24:**  
1,675 tCO<sub>2</sub>e

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

## Stack Emissions

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

### SO<sub>x</sub>, NO<sub>x</sub> and PM Emissions (mg/m<sup>3</sup>)

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

### *Adopting Cleaner Fuels*

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

**Emissions avoided in FY 2023-24: 1,017 tCO<sub>2</sub>e**



### *Replacing LPG with CBG*



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

**Emissions avoided in FY 2023-24: 2,490 tCO<sub>2</sub>e.**

### *Piloting Biofuels*

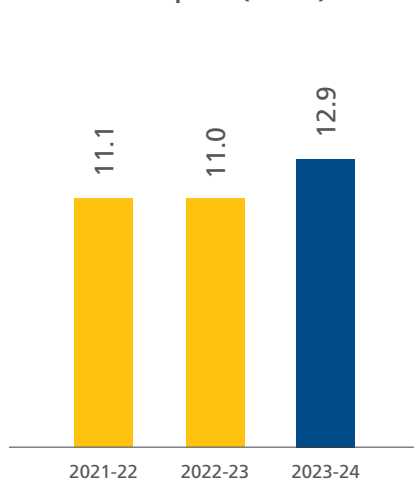
Under Carbon Neutrality initiatives, the Company has also started exploring options to replace fossil fuels with biofuels and identified an agency for sourcing renewable diesel. The key differentiator for this supplier is the use of agri and agro-industrial waste as feedstock compared to vegetable oils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



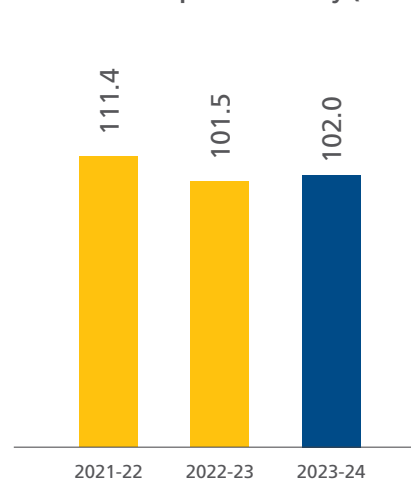
## Water

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

Water Consumption (Mn kL)



Water Consumption Intensity (kL/₹ Cr)



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

### Improving Rainwater Harvesting

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







### ***Using Steam Curing to Reduce Water Consumption***

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

### ***Recharging Groundwater***

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



### ***Recycling Wastewater***

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





## Awards and Accolades



Green Leaf Award in Energy Efficiency category for MAHSHR C4 Project



CII National Award for Environmental Best Practices



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



National Environment Award - Industrial Construction Sector at Global Safety Summit



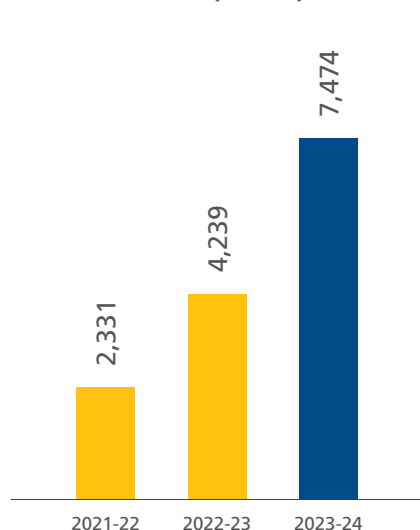
## Waste and Circular Economy

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

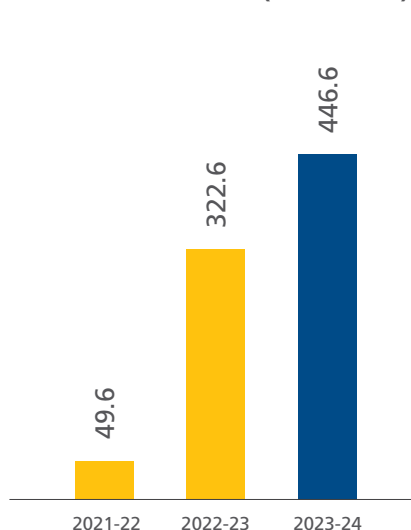
### Waste Management Measures

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

**Hazardous waste (tonnes)**



**Non-hazardous waste ('000 tonnes)**



**> 50%**

Waste Recycled/Reused of

**2.4 lakh tonnes**

Construction and Demolition  
waste generated

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

## Recycling and Reusing the Waste

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

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

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



Approach road using steel slag



Paver Blocks from concrete waste



Benches and chairs for labour colony from wooden waste



Support structure using steel scrap



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

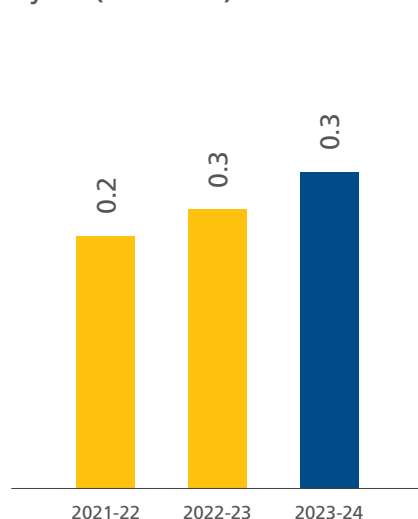
## Extended Producers Responsibility (EPR)

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

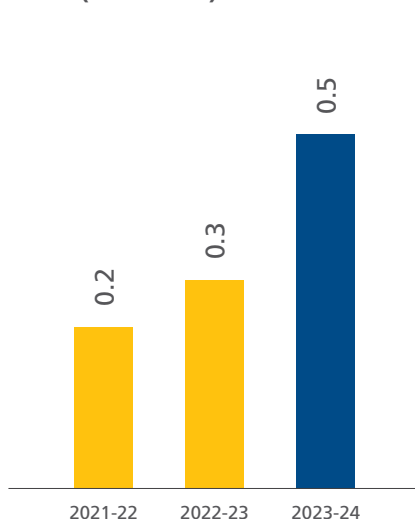
## Material Management

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

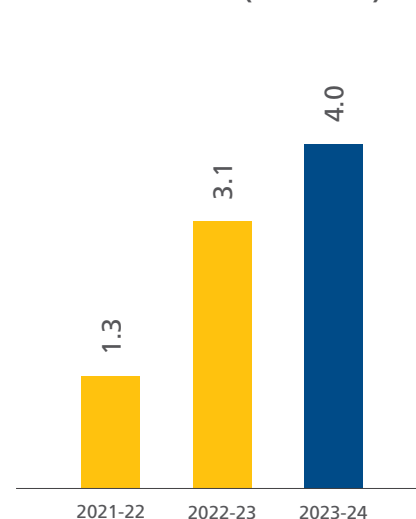
**Fly ash (Mn tonnes)**



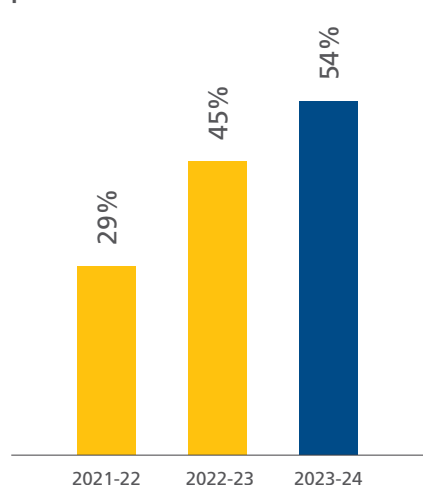
**GGBS (Mn tonnes)**



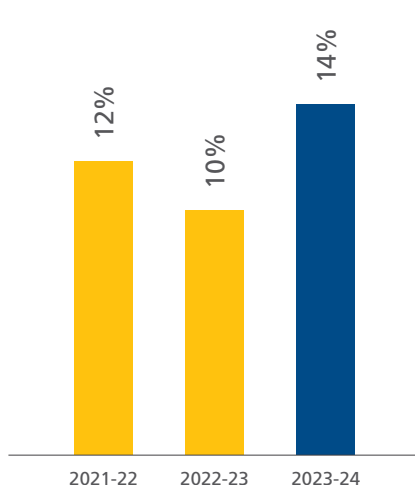
**Manufactured Sand (Mn tonnes)**



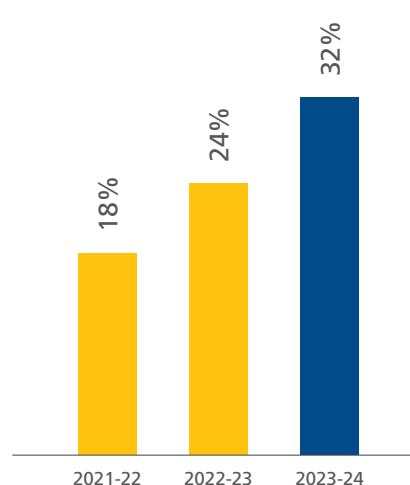
**% of Manufactured Sand used in place of sand**



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



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





### Presence in Eco-Sensitive Areas

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



### Green Buildings of the Company

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



## Biodiversity

### Tree Plantation

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



Chennai HQ



Boudh and Kandhamal project, Odisha



Ad Dakhiliyah project, Oman



Lower Sutkel project, Odisha



24x7 water project, Pune



Indore water project, Indore



Water Technology Centre, Kancheepuram



Bargarh project, Odisha



### Blue Carbon Initiatives

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

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

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



Before Plantation



Current state

## Strategy for Climate Change Mitigation and Adaptation

As the effects of climate change intensify, establishing a pre-emptive strategy to respond to the risks and opportunities has become a significant factor for a company's long-term competitiveness and business growth. Based on the international framework<sup>1</sup>, climate change risks can be classified into transition and physical risk. Transition risk represents the risk that may arise during the transition to a low-carbon economy – categorised into risks resulting from law and policy, technology, market, and reputation. Physical risk represents the risk arising from physical impacts such as flooding and rising temperatures – categorised into acute and chronic risk. On one hand, managing climate change-related risks is crucial for the Company, and on the other, it also provides opportunities for growth for current and new businesses. A brief overview of risks and opportunities is presented below:

### Transition Risks



#### Regulatory

##### Risk

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

##### Company's Plans and Actions

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



#### Technology

##### Risk

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

##### Company's Plans and Actions

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



#### Market

##### Risk

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

##### Company's Plans and Actions

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

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

## Physical Risks



### Acute

#### Risk

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

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

#### Company's Plans and Actions

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

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



### Chronic

#### Risk

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

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

#### Company's Plans and Actions

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

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

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

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





## Climate Change Opportunities



### Energy Source

#### Opportunity

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

#### Company's Plans and Actions

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



### Resource Efficiency

#### Opportunity

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

#### Company's Plans and Actions

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



### Products and Services

#### Opportunity

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

#### Company's Plans and Actions

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



### Market

#### Opportunity

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

#### Company's Plans and Actions

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

# MANUFACTURED CAPITAL





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

### Key Highlights of FY 2023-24

# 716

Active project sites

# 18

Manufacturing facilities

# ₹ 63,426 Cr

Green Business revenue

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



### SDGs Impacted



### Material Topics

Customer Experience and Satisfaction

Quality of Products and Project Delivery

Water, Waste, and Hazardous Materials Management

Skilled Manpower

Sustainable Supply Chain

Human Rights and Labour Conditions

Data Security, Privacy, and Cyber Security

Brand Management

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

## Hi-Tech Manufacturing

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



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

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



### **Modular Fabrication Facility, Kattupalli, Tamil Nadu**

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



### **Shipbuilding Facility, Kattupalli, Tamil Nadu**

Globally recognised shipbuilding facility near the waterfront.



### **Strategic Systems Complex, Talegaon, Maharashtra**

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



### **Manufacturing Units, Kancheepuram, Tamil Nadu**

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

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

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





## EPC Projects

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



### Buildings & Factories

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



### Transportation Infrastructure

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



### Heavy Civil Infrastructure

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



### Power Transmission & Distribution

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



### Water & Effluent Treatment

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



### Minerals & Metals

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



### L&T Energy – Hydrocarbon

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



### L&T Energy – Power

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

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

## Green Business

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

conservation through recycling or repurposing through its Green Business offerings.

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

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

A third-party assessment was conducted in the previous year to understand the positive impact of Green Business on the environment. It was estimated that the projects commissioned in FY 2021-22 and FY 2022-23 would help avoid emissions annually to the tune of 1 million tCO<sub>2</sub>e. The Company's green commitment has also been acknowledged globally by Engineering News-Record (ENR), which is one of the globally recognised construction industry publications. L&T has been ranked third in the Top 200 Environment Firms Survey by ENR for the second year in a row (2022, 2023).

### ■ Clean Energy

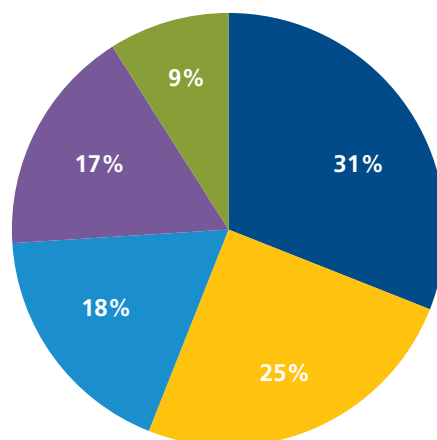
- Renewable Energy (Solar, Hydro)
- Nuclear

### ■ Green Infrastructure

- Green Buildings

### ■ Others

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



### ■ Clean Mobility

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

### ■ Water & Sanitation

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

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



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

## Strategy

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

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

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

## Offerings

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

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

## Snapshot of Company's Green Business



Water Treatment Plant



Hydro Power Plant



Mass Transit System



Railways



Solar Power Plant



Nuclear Power Plant

# HUMAN CAPITAL





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

### Key Highlights of FY 2023-24

# 59,344

Total employee strength

# 6.9

 Mn

Safety training man hours

# 33

 Years

Median age of employees

# 0.07

Lost Time Injury Frequency Rate (LTIFR)

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



### SDGs Impacted



### Material Topics

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

Skilled Manpower

Talent Management - Attraction, Retention and Development

Diversity, Inclusion and Equal Opportunity

Human Rights and Labour Conditions

Business Ethics

Brand Management

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

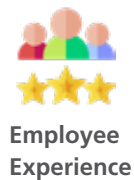
## HR Strategy

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



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

### Strategic Themes and Key initiatives in FY 2023-24



Project NEEV

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Talent Council

---

Employee-centric policies and schemes



Launch of People Leadership Excellence Framework

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

---

270-degree feedback for people managers

---

People Leadership Development Programme



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

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



Diversity Ratio 8.1%

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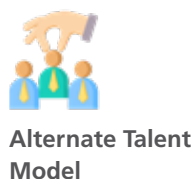
Implementation of a progressive maternity leave policy

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

---

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



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

---

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

## Accelerating HR Digitalisation

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

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

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

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

## Talent Strategy

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

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

# 30%

**GETs and PGETs hired were women over the last two years**

GET: Graduate Engineering Trainee  
PGET: Post Graduate Engineering Trainee

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

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





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

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

## Building a Powerful Employer Brand: FY 2023-24 Highlights

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

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

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





## Talent Development

### Talent Identification and Succession Planning

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

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

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

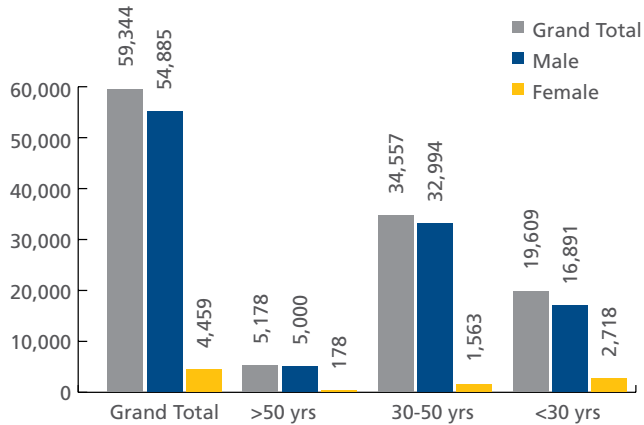
Leadership Development is the cornerstone of L&T's L&D framework. Through the Leadership Development Academy, L&T charts a clear path for potential leaders with its **Seven Step Leadership Pipeline Programme**, designed to nurture leadership qualities at every

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

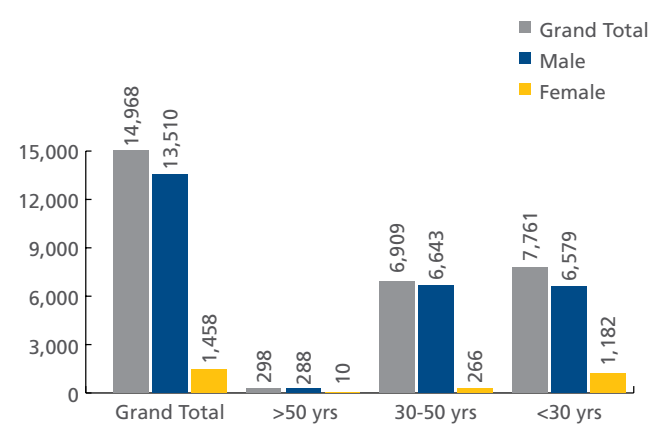


Launch of L&T Business Excellence Model

Employee Profile: Age and Gender



New Joinees profile: Age and Gender



## Compensation Philosophy

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

### Pay for Position

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

### Pay for Performance

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

### Pay for Potential

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



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

## Corporate Learning and Development

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

## Leadership Development

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

## People Leadership

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



## Summary of Corporate L&D Offerings

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



## Learning Infrastructure and Initiatives

### Academies for Specialised Skill Development

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



### L&T Institute of Project Management

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

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



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

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

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

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

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



CTEA Mysore

## ATLVarsity

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

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

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



**5.2 lakh**

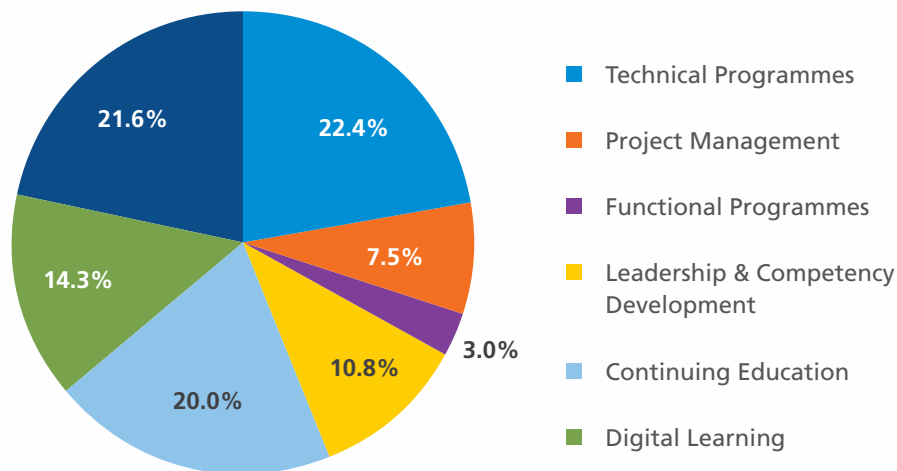
Training hours clocked by

**38,500**

Employees during FY 2023-24

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

### Training Person-days



**7.89**

Average Person Days

**36,14,615**

Number of Hours of Learning

**41,919**

Number of Unique Learners

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

## Enhancing Employee Experience

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

### Project NEEV

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

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

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

### Engagement Activities

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

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

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



### Talent Council

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

### Annual HR Awards (AHA)

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

### HR Conclave

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

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

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

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



## Diversity Equity and Inclusion (DEI)

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



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

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

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

### Differently abled

**45**

Employees

**28**

Workmen

**495**

Women underwent Leadership Journey Programmes in last 2.5 years, showcasing

**142%**

Rise in participation rates

## Commitment Towards Human Rights

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

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

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

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



## Commitment towards Health, Safety, and Well-Being

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

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

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



## Promoting Mental Health and Well-Being in the Workplace

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

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

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

1

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

41

Webinars on  
Mental Health

7,324

Total Participants

2

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

12,537

Total Registrations for  
External Services

1,007

Total  
Counselling Cases

363

Wellness  
Coaching

1,275

Self assessments  
by employees

3

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

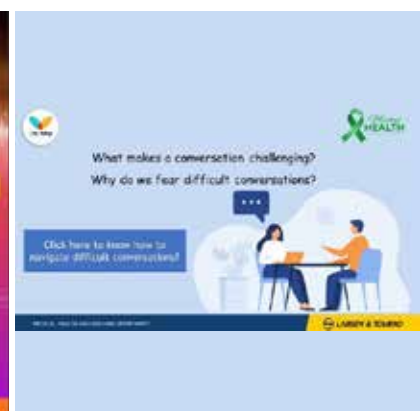
4

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

5

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

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





# INTELLECTUAL CAPITAL

