

Connected for a Better Tomorrow



social
performance



Our Social Performance

L&T leverages its inherent capabilities to devise unique technology-driven, innovative solutions to address social causes. One of its key strengths lies in its understanding of the lives and workings of local and underprivileged communities. Deep roots into the community and years of close interactions have equipped it to identify the most pressing needs and provide suitable remedies.

The Company's Corporate Social Responsibility (CSR) theme is 'Building India's Social Infrastructure'. The objective is to improve the quality of life, while empowering communities and women with sustainable solutions. The community development projects undertaken are selected as per the revised CSR Policy formulated in 2014. It partners with all the stakeholders like communities, NGOs and institutions across areas like water & sanitation, health, education and skill development.

Access to cleaner water, hygienic surroundings, better health, education and new skills, has altered the lives of around 1.46 million individuals through our Community Development Programmes in 2016-17.

Corporate Social Responsibility Policy and Board Committee

The Company's interventions are in line with the revised Companies Act 2013. In 2014, the Company constituted its Corporate Social Responsibility (CSR) Board Committee. It also revised its Corporate Social Responsibility Policy and developed a new CSR theme, 'Building India's Social Infrastructure'. This was based on a large scale interactive process with inputs from employees, NGO partners and the communities we serve. The theme acts as a lighthouse for the CSR programme, guiding the execution of holistic and integrated social development projects at identified locations.

The CSR Committee accords its approval for projects in line with the provisions of the Act. The CSR Committee is responsible for activities to be undertaken by the Company. It makes recommendations on the expenditure and monitors the implementation of the CSR Policy. As on March 31, 2017, CSR Committee Comprised of an Independent Director as the Chairman of the Committee and two Executive Directors

Building India's Social Infrastructure

Our aim is to improve the quality of life, mitigate social inequalities and help individuals achieve their true potential, in identified communities.

| CSR Programme Beneficiaries | | |
|--|------------------|--|
| Focus Areas | 2016-17 | |
|  Water & Sanitation | 1,07,253 | |
|  Health | 9,93,878 | |
|  Education | 3,32,013 | |
|  Skill Development (Including CSTI, vocational training and Neev) | 34,696 | |
| Total Beneficiaries | 1,467,840 | |

Social Intervention Propellers



Corporate Social Responsibility (CSR Team)

This dedicated team, driving social interventions across the L&T Group, deploys the most effective levers of change to bring about long-term solutions for critical social problems.

Ladies Clubs

A unique intervention, the Ladies Clubs comprise employee's spouses who initiate and implement developmental programmes in the communities near our campuses.

Larsen & Toubro Public Charitable Trust

Complementing the CSR team's activities, the Larsen & Toubro Public Charitable Trust undertakes a wide spectrum of community development work.

Backyard-to-fork solutions

Kitchen garden training brings organic food to the table

One of L&T's women empowerment initiatives is helping them grow kitchen gardens in their backyards. Seeds of ten vegetables were provided to women in six villages of Ahmedabad district. They were also provided with technical knowledge in growing Brinjal (Wangi), Palak, Drumstick (Shevga), Gawar, Dingari, Ladies finger (Bhendi), Karle, Chilly (Mirchi), Kakadi and Mula. The women took active part in the programme and took up

the responsibility of executing and maintaining the gardens. Within a short span of three to four months, the households could harvest fresh, clean and organic vegetables for consumption. It saved them monthly vegetable expenses for an entire season, and cut down travel to distant markets. A variety of vegetables added nutritional value and diverse taste to their diet; and left with them cleaner backyards.



Integrated Community Development Programme

One of L&T's flagship CSR project is to aid water conservation in drought-prone areas by building watersheds. A thorough study on water availability was conducted before the projects commenced in select water-starved areas across the country. The interventions that were kicked off to improve the availability of water, progressed to health, education and skill development in a phased manner, achieving holistic development. The Integrated Community Development (ICD) programme was conceptualised and launched in 2014-15 to enable water-stressed rural communities to turn self-reliant, meet drinking water requirements, maintain sanitation, promote agriculture, with access to improved healthcare and education. After over two years, the programme noted many measurable outcomes.

The water-conservation structures and watershed activities were successful in increasing the water table and recharging ground water across project locations. Ground water levels were monitored periodically to gauge the effect of their activities. Improved ground water table, recharged open wells and bore wells led to better access to drinking water. Fields which were previously left fallow are gradually being brought under cultivation.

The projects brought communities together with enthusiastic engagement. A strong sense of ownership was witnessed across planning, monitoring and implementation phases of the programme. Not only were the beneficiaries willing to give up their private land for watershed activities, they also laboured for the construction. The beneficiary communities carried out 95% of watershed work, which also generated alternate employment opportunities for the community.

Thirty Village Development Committees (VDCs) were formed across locations, with participation from women. The VDCs took up the responsibility of meeting community members on a regular basis, monitoring and reviewing the progress of work and resolving issues at the community level. The VDCs have their own bank accounts where common funds and community contributions (generated through watershed activities) are deposited. The funds in the accounts act as a corpus to sustain the programme.

The progress of land treatments has enthused some VDCs to allocate Panchayat funds on an ongoing basis for the purpose. This is a significant step towards self-sufficiency and sustainability of the Programme. Many villages have also formed user groups which formulate operational norms for usage of water resources. The programme also conducts capacity building workshops on soil and water conservation techniques. These activities, along with crop demonstrations on Kharif and Rabi helped improve agricultural productivity.

Women play a key role in VDCs and have significantly contributed to watershed interventions so far. They helped as labour to build the structures and influenced decisions on implementation at different stages. They are being encouraged to form Self-help Groups to take up income-generating activities.

Empowerment of communities is essential for all the projects. An external impact assessment was carried out this year to gain an insight from an outsider's perspective about the ICD programme.

Highlights

Integrated Community Development Program in States of Maharashtra, Rajasthan and Tamil Nadu, has had a significant impact on the community

FOCUS AREAS

Construction of 'Water Infrastructure' including check dams, anicuts, contour trenches, farm bunds, farm ponds, and well restoration

Drudgery-free access to clean drinking water, ensuring improved health and sanitation

Empowering communities for long term viability of the initiatives through self-help groups participation

Availability of adequate fodder for livestock

QUANTITATIVE IMPACT

80 SHGs formed

66 trainings conducted across issues like agricultural techniques, animal husbandry, access to markets, livelihood skills

28 animal health camps

1,130 kitchen gardens for households

9 exposure visits to view successful interventions for enhancing knowledge and awareness

Support to 7 Balwadis benefiting 500 children

Seed banks in 2 villages

150 crop demonstrations for farmers



CASE STUDY

Cream of the Crop

Modern farming techniques and water availability improve agri-productivity

Agriculture is the largest provider of livelihood in the country. This key sector is far removed from the advantages of modernization, that other sectors enjoy. Most of the farmers across the country continue to use traditional and outdated methods of cultivation. Some areas suffer from lack of sufficient irrigation facilities that support agriculture.

One of L&T's Integrated Community Development programmes is improving farmland productivity in six villages of Pathardi. The villages of Dharwadi, Dongarwadi, Damalwadi, Gitewadi, Joharwadi and Khandgaon have a total population of over 4,500 people. These villages were selected based on a Water Stress Index (WSI) study conducted by L&T across India. The study identified the most water-stressed areas in the country.

L&T undertook a two-step intervention as a part of its programme. The first step was to increase water availability to the areas, and the second is to subsequently improve crop productivity. As a part of the first step, the Company built check dams and farm bunds, to help raise the ground water table and provide fresh water to crops. The second step was to improve crop productivity levels with modern farming methods, taught by farm field schools. The schools helped develop soft skills of farmers and farmer groups, and trained them in scientific methods of farming.

L&T arranged 22 farm field schools, attended by more than 600 members of the community, including women. Horticulture experts taught them new techniques of farming, introduced them to organic fertilizers, and imparted knowledge on growing specific crops like onion, pomegranates.

After coaching by farm field schools, a change in farming practices was observed. Multiple crops were cultivated on lands which were previously under single cropping. Farmers brought in additional area under cultivation due to increased soil moisture contact and ground water availability. New cultivation techniques learnt through farm field schools, helped them improve yields as compared to the year before, with lesser input costs. The profit margins for farmers improved, leaving them with additional funds for investment.

The area under cultivation increased by 720 hectares. In the Rabi season, farmers cultivated crops like chickpea, jowar, wheat and onion. Many fields grew wheat for the first time in five years, after the volume of water available for farming, increased. Cultivation of Tur dal provided additional income to many farmers. The cost of cultivation went down by 30-40%, with the adoption of compost as manure, along with other integrated pest management techniques.



Demonstration of Farming techniques





CASE STUDY

Re-powering Fallow Lands

Water conservation methods bring farmers back to their lands

L&T implemented a watershed project at Pappampatti in Coimbatore district of Tamil Nadu state, using a holistic systems approach to its natural resource management strategy. The strategy helped the programme achieve multiple benefits in a truly integrated manner.

Many farmers in Coimbatore district had started abandoning their farm lands, and taking up other trades. Agriculture had become unviable as the area carries a high risk of drought, and its natural resources were fast declining. To reverse this dangerous trend, L&T instituted a participatory watershed programme along with the Pappampatti panchayat. The objective was to create a positive impact on the area's natural resources, livelihoods and the environment.

As a part of the project, L&T constructed water harvesting and groundwater recharging structures. The watersheds, along with interventions, helped retain rainwater effectively, and were later utilized diligently. The farmers in the watershed villages were trained in lean farming techniques, helping them achieve higher productivity with lesser input costs. After many knowledge empowerment sessions by professionals, farmers started preparing organic manure. This manure has the potential to improve immunity of plants, against pests and diseases. Empowered with better knowledge on spraying organic and chemical formulations, farmers started practicing inter-cropping patterns, which involves planting crops with vegetables, leguminous fodder and minor millets.

The natural resource management activities helped improve groundwater availability. The interventions included water harvesting and curbing soil erosion. This helped improve cropping intensity, and diversified the use of land systems into areas like livestock management, horticulture, and vegetable cultivation. The number of income generating activities increased due to allied trades. Overall, the watershed programme helped curtail land degradation, enhance agricultural productivity, and saved farmers from moving away from their land. It stalled intense labour migration, and improved the quality of environment.

Creating a difference in farmers' lives

Ms. Sarojini of Chinnakalangal village of Pappampatti watershed is grateful to L&T. Her lands had been lying barren for a decade, before they were brought into cultivation. L&T's interventions used chisel and disc ploughing, and trench cum field bund formation. She is now confident of cultivating a second crop in her fields, thanks to water retention.

Mr. Rangasamy increased his cropping area due to a substantial rise of water level of his borewells. He diversified his pattern of cultivation to include vegetable production. He feels very motivated through methodical interventions, rendered by L&T.

L&T's watershed programmes brought Mr. Eswaran of Peedampalli village in Pappampatti back to farming. He had left his farms barren earlier as agriculture had become difficult. He started cultivating Drumstick (Moringa) in his fields which were adjacent to a channel renovated by L&T. Farming had become profitable for him, once again.

Mr. Ayyasamy of Kalangal village wound up the flooding method of irrigation he was practicing earlier, to use drip irrigation after L&T's intervention.



CSR-ICD project - Farm intervention

education

Education

The Company's education initiatives include supporting pre-schools / Balwadis, infrastructure development for schools, providing educational materials, introduction of innovative teaching and learning methods for mathematics and languages, and capacity development of relevant stakeholders.

The Balwadi programme prepares children in disadvantaged communities for schooling. Urban and rural community learning centres were set up to provide after-school academic support to help children cope with their curriculum and prevent them from dropping out. The programme aids personality development of children with extracurricular activities, workshops on life skills and generating awareness on social issues.

L&T supports 201 schools and has reached out to over 0.33 Mn children with its initiatives.



L&T-eering: Employee Volunteering Initiative

L&T encourages its employees to don the role of community volunteers, outside their working hours. It developed a platform to implement initiatives that are meaningful and effective for volunteers and beneficiaries. L&T employees are sensitive to social causes, passionate and committed to community development. L&T employee volunteers or 'L&T-eers' as they are called, are giving back enthusiastically to society each year, across locations.

This year, 3,366 employees opted to volunteer and worked on various initiatives.



Catching them young

Children's Newsletters promote creative thinking and writing

L&T Construction's flagship programme Single Teacher Schools, spread over 125 villages in Kancheepuram and Thiruvallur districts of Tamil Nadu, have been improving academic capabilities and soft skills amongst 3,125 children. The primary objective of the programme is to infuse quality into education by supporting learning after school hours.

In 2016, the programme hit upon a unique idea of creating a children's newsletter. The content of the newsletter including articles, art and puzzles were to be contributed by children. The motive is to infuse the love for writing, and thus improve linguistic skills of children at a very young age. The children who are trained appropriately, themselves came up with the title of the newsletter, called 'Chutti Madal'

(Children's Souvenir). Children voluntarily contributed articles on issues relating to their village, social issues, information gathered on science, etc. An editorial committee was formed by children from upper primary classes to select and edit stories. This built confidence, improved communication skills, and sparked their imagination.

Children have been enthusiastically participating in this exercise, displaying their creative writing skills. They are exhilarated when their news items are selected for the newsletter. It recognized the efforts of some children and motivated the rest. This exercise also has an important lesson for adults too, that 'children have things to say'.



CASE STUDY

Digitally driven schooling

Teaching digital skills improves lives of tribal youth

Talasari, located 140 km from Mumbai, is a backward and a poor district of Maharashtra. It is home to tribal communities who are either farmers or migrant labourers. Poor education, lack of proper nutrition and healthcare facilities, and the resulting problems have left the area economically and socially backward.

L&T Public Charitable Trust in partnership with SAP India and Pratham InfoTech Foundation have implemented a Computer-Aided Learning (CAL) and Digital Literacy as a Life Skill (DLLS) programme in the area. The main objective of this programme is to Bridge the Digital Divide in Government schools and enable school children to experience technology and understand how to operate computers. At the beginning of the programme, a baseline survey of the schools was carried out to assess the number of students and facilities available. Parallely, trainers (sancharak) were recruited from villages and trained for 14 days to effectively teach the CAL and DLLS programme to the school children. Currently 82 sancharak, four team leaders and a programme co-ordinator are appointed in the area.

CAL programme focuses on providing underprivileged children in the age group of five to nine, with access to Information Technology. Each centre has high quality hardware with educational software developed by Pratham, in various Indian languages. The programme is aptly designed around the school curriculum; with a

library corner that has numerous educational books in the local language. They also have a craft corner that enables children learn their subjects through projects and the craft items that they prepare. Efficient computer instructors assist children in enhancing their day-to-day learning and skills.

The DLLS programme imparts IT education among secondary and higher secondary school children in the 10-15 years age group. The programme focusses on teaching basic technological skills which are in demand today. The activities improves job skills of the students and expands the relevance and scope of their education, making them technically competent.

The programme allows bright students to periodically take the laptops at their home. This helps children invest additional time in learning computer skills, and teach other children living nearby. It enhances their leadership and training skills. These children are named 'Young Instructors'.

CAL and DLLS programme exposed students to new and interesting technologies, improved quality of learning at schools and piqued student interest, thereby improving enrollment and reducing dropout rates.



Health

L&T organises health and welfare activities for the underprivileged across its establishments in India. Permanent Health Centres or Health Camps have been set up to provide healthcare services in remote areas which have limited access to facilities. The Company set up its first Health Centre at Andheri in Mumbai in 1967. L&T has twelve Community Health Centres operational currently, at Ahmednagar, Chennai, Kattupalli, Coimbatore, Kansbahal, Thane, Lonavla, Surat, Vadodara and three in Mumbai. These provide healthcare facilities to the underprivileged. Apart from these, L&T has set up Artificial Kidney Dialysis clinics for the underprivileged at six Health Centres in Mumbai, Thane, Titwala, Vadodara, Surat and Chennai.

The health initiatives include conducting diagnostic and health camps for women and children in the areas of reproductive health and immunization, among others. The Company organizes malnutrition and anaemia mitigation camps, school and community health camps, eye check-up camps, blood donation and health awareness programmes. L&T Mumbai's Anti-Retroviral Therapy (ART) centre conducts HIV/AIDS awareness camps, healthcare facilities, Anti-Retroviral Therapy (ART), counselling and testing.

Around 1 Mn individuals this year are not only aware of their medical conditions but also have better access to healthcare facilities, due to health camps and other health initiatives.



Hygiene for high-marks

Toilet facilities bring girl children back to schools

L&T is building social infrastructure that enhances the quality of life in small villages. In line with the national programme, 'Swachh Bharat Abhiyan', L&T's Water and Effluent Treatment business constructed 26 toilet blocks consisting of 100 toilets. These are spread across nine states and constructed at 30 of its project sites. The toilets were constructed at Government and Trust run schools with provision for soak pits, and uninterrupted water supply in the

form of a tank. Constructing toilets helped further the cause of girl child education. Their attendance improved, dropout rates were cut and even fresh enrollment of girls was noted in schools with good toilets.

Open dumping of sewage was cut down due to the intervention, reducing reported cases of illnesses.

Skill Development

Skill development has always been a significant area of interest for L&T and its CSR programmes. Vocational training courses and other skill building activities align well with the objective of providing sustainable and inclusive growth. L&T's Construction Skills Training Institutes (CSTIs) provide free-of-cost training in construction skills like bar bending, formwork carpentry, masonry, scaffolding, welding and electrical wiring, etc., to rural and urban youth to enhance their employability. The training is executed at nine CSTIs operational at Kancheepuram and Pulicat in Tamil Nadu, Panvel in Maharashtra, Pilkhuwa in Delhi, Jadcherla in Telangana, Cuttack in Orissa, Attibelle in Karnataka, Chacharwadi in Gujarat and Serampore in West Bengal.

| Skill Development Programme | |
|-----------------------------|---------------------|
| Formwork Carpentry | Pipe Welding |
| Masonry | Electrical Wiremen |
| Bar Bending & Steel Fixing | Tiling and Plumbing |
| Construction Electrical | Tailoring |
| Rural Electrification | Beautician |
| Solar Electrical | Nursing |
| Quality Control | Food Processing |

34,696 rural and urban youth, along with women from underprivileged communities, are being taught skills that will improve their employability and expand their opportunities.

Empowering rural women

Self-help Groups spark entrepreneurship in rural women

Self-help Groups (SHGs) were formed in six villages as a part of the women empowerment initiative under the Integrated Community Development Programme at Pathardi in Ahmednagar district of Maharashtra state. Currently, 28 SHGs are actively functioning in the villages, with a membership strength of 350. All the SHG members are trained, records are kept diligently, and meetings are held on a monthly basis. All the members contribute ₹ 100 per month and the funds collected are utilized to provide loans. Most women take loans, given out at two percent interest rate, for children's education and similar requirements. The payback period is determined before the amounts are disbursed. For example, a loan of ₹ 3,000 has to be paid back in three months. If none of the members require loans, the money is deposited in the common bank account of the SHG. Sanyukta Mahila Samiti (SMS) is a federation formed with select members of SHGs. It is an overarching body and a common platform for all SHGs.

Apart from regular activities, 16 women of SHGs members are given ₹ 10,000 each as a revolving fund. This is a part of the income generation activities undertaken by the community. The amounts given as loans are utilized for entrepreneurial ventures.

Some of the activities undertaken by the initiative are backyard poultry, setting up cutlery stores and bangle shops, and purchase of picot-fall machines. These activities help them earn around ₹ 3,000 to ₹ 4,000 per month. As a steady stream of income starts flowing in, the women start repaying their loans. The other social development initiatives include drudgery reduction by giving out flour mills, LPG connections and sewing machines.



Aligning to Sustainable Development Goals



Goal 1: End poverty in all its forms, everywhere

Vocational and life-skills training
Income generation for underprivileged youth, and differently-abled
Farm Field Schools
Check dams and farm bunds for better water availability
Page 55, 62, 79, 92, 93



Goal 2. End hunger, achieve food security and improved nutrition and promote sustainable agriculture

Nutritional support in pre-primary and primary schools
Kitchen Gardens
Page 88, 90



Goal 3. Ensure healthy lives and promote wellbeing for all at all ages

Welfare teams at the workplace
Providing access to maternal, paediatric and general healthcare
Regular health check-ups in schools and pre-schools
Pre- and post-natal care
Access to family planning methods
Integration with national health programmes
Page 55, 62, 86



Goal 4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

Improving quality of education
Promoting girl child education
Nurturing talent
School infrastructure development and providing learning aids, enhancing curriculum and impacting classroom learning
Page 92, 93



Goal 9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

Creating resilient infrastructure and sustainable industrialization for our clients, through our product offerings – Green Products and Services Portfolio
Encourage automation and focus on applying for patents / Intellectual Property Rights (IPR) to encourage innovation
'Make in India' initiatives, instead of importing, to create employment opportunities
Page 69, 71, 101, 106



Goal 10. Reduce inequality within and among countries

Equal Opportunity Employer
Policies and practices for empowering employees irrespective of age, gender, disability, race and religion
Page 54, 55



Goal 11. Make cities and human settlements inclusive, safe, resilient and sustainable

L&T creates comprehensive smart technology solutions for critical infrastructure, covering airports, power plants, metro rails and IT parks
L&T offers specialized turnkey GIS-based network management solutions for city surveillance, traffic monitoring and analysis
Integrated Community Development Programme for water-stressed rural settlements
Page 105



Goal 12. Ensure sustainable consumption and production patterns

L&T proactively sets measurable targets through Sustainability Roadmaps, since 2009
Material conservation, energy efficiency and sustainable production practices are key material aspects
Page 69, 82, 83, 84



5 GENDER EQUALITY
Goal 5. Achieve gender equality and empower all women and girls

Skill development and vocational training programme
Formation of women's Self-help Groups (SHGs)
Creating livelihood opportunities for women
Toilets facilities in schools
Page 54, 95



6 CLEAN WATER AND SANITATION
Goal 6. Ensure availability and sustainable management of water and sanitation for all

Integrated Community Development Programmes – Water & Sanitation projects through watershed development in rural areas
Supporting Swachh Bharat Abhiyan
Creating water bodies for communities
Toilets facilities in schools
Page 77, 85, 92, 93, 96



7 AFFORDABLE AND CLEAN ENERGY
Goal 7. Ensure access to affordable, reliable, sustainable and modern energy for all

Increasing renewable energy use within campuses and project sites
Executing off-grid solar power projects for communities
Green Products and Services Portfolio for customers
Page 30, 70



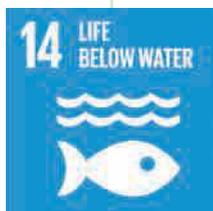
8 DECENT WORK AND ECONOMIC GROWTH
Goal 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

Empowering the workforce through learning, development and welfare initiatives
Construction Skills Training Institutes – skilling youth
Empowering women for self-employment
Better resource availability for economic growth
Page 55, 62, 79, 97



13 CLIMATE ACTION
Goal 13. Take urgent action to combat climate change and its impacts

Climate Change Mitigation Initiatives: promoting use of renewable energy, green buildings and energy efficiency
Aligning efforts with National Action Plan on Climate Change (NAPCC), Government of India
Page 30, 31



14 LIFE BELOW WATER
Goal 14. Conserve and sustainably use the oceans, seas and marine resources for sustainable development

Risk Review of business processes to ensure that no negative impacts are created
Page 76



15 LIFE ON LAND
Goal 15. Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss

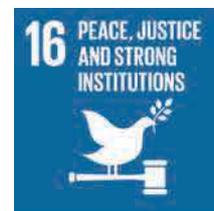
This year, we have planted more than 295,000 saplings across locations and over 150,000 fully-grown trees are being nurtured across major campuses.

In house guidelines on scientific tree plantation and maintenance

Felicitation of guests with a Tree Plantation Certificate, instead of a floral bouquet

Optimising use of natural resources

Page 69, 92, 93



16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Goal 16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.

Collaboration with industry associations and Government bodies for promoting sustainable development

Page 33, 43



17 PARTNERSHIPS FOR THE GOALS
Goal 17. Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development

Collaboration and partnership with State Governments, NGOs and ITIs

Skill building programmes in the Middle East.

Sharing best practices with stakeholders

Page 95