

stakeholder engagement



**The Connected
Corporate**





Stakeholder Engagement

Our key stakeholders are customers, shareholders and investors, suppliers, contractors, employees, government bodies, media and the community in and around our establishments. Understanding and responding to the concerns of our stakeholders is integral to the way we work. We regularly engage with our stakeholders and strive to match their expectations.

Our stakeholder engagement framework stands on the pillars of transparency, inclusiveness and trust. Various formal and informal channels of communication are used for a continuing dialogue with stakeholders. Apart from these, the Company has a dedicated Corporate Brand Management & Communications department which facilitates dialogue between the organisation and its stakeholders.

Shareholders and Investors

Our responsibility to shareholders is reflected in the way we do business. The contribution of shareholders and investors in the growth of the Company is deeply valued and we work hard to ensure that we deliver positive returns to the shareholders. Every year, L&T releases an Annual Report, Sustainability Report, Business Responsibility Report and Quarterly Financial Reports to provide shareholders with comprehensive information about the Company's performance and capabilities. Also it makes presentations to institutional investors and equity analysts on the Company's quarterly performance. Regular information updates are provided to the National Stock Exchange of India Limited and Bombay Stock Exchange Limited, along with updates on L&T's corporate website, Larsentoubro.com

We have a robust grievance handling and redressal framework. Investor queries are handled by our Company Secretary & Compliance Officer through igrc@Larsentoubro.com

As part of our effort towards environment conservation and in accordance with the circular issued by the Ministry of Corporate Affairs, Govt. of India, shareholders have been given the option of receiving documents related to General Meetings (including AGM), Audited Financial Statements, etc., through electronic mail. Our Sustainability Report is also available on an interactive website sustainabilityreport.Larsentoubro.com



Annual General Meeting, 2017

customers

Customers

We have continual dialogues through customer meets, workshops and conferences, exhibitions and trade fairs, product advertising campaigns, corporate print and TV campaigns, bulletins and news, one-on-one interactions and periodic reviews. This brings in a customer perspective to our work and helps us meet expectations better. L&T also releases the Annual Review of the Company, which is a capability statement, with highlights of the year, specifically for customers.

The L&T Infodesk infodesk@Larsentoubro.com is a single-point contact for information and feedback on

the entire range of L&T products and services. Customer satisfaction surveys are regularly conducted by each business and feedback forms are analyzed to understand the areas of improvement. The Buildings & Factories business has established a formal system for collection and review of customer feedback about its project sites. In this business, customer feedback is collected every quarter on a scale of 1 to 10 (10 = Excellent, 1 = Poor) and the feedback is reviewed during Management Review Meetings. Corresponding action plans are drawn up to improve the performance in the areas rated below the average 8.0.



L&T stall at Vibrant Gujarat 2017 exhibition

www.Larsentoubro.com

Game changers
don't dream of change.
They engineer it.

At Larsen & Toubro, we know what it takes to change the game. We draw on our rich engineering heritage. We cultivate the finest minds. And we partner nations, to build a newer, brighter future for all.

Over 75 years of engineering excellence

Smart Cities | Construction | Infrastructure | Defence and Aerospace | Shipbuilding | Special Steels & Forgings
EPC for Steel and Power Plants | Equipment for Oil & Gas | Technology, IT and Financial Services

For more information about L&T's capabilities, please email infodesk@Larsentoubro.com

Head Office:
Larsen & Toubro Limited, 557 Avenue, 5th Floor,
Robert Centre, Mumbai - 400 001, India
CIN: L2899MH1987PLC001734

L&T LARSEN & TOUBRO

We make the things that make India proud

From aerospace solutions that launch satellites, to defense equipment that delivers the decisive edge. Hydrocarbon projects that fuel growth, and smart city infrastructure that enhances urban living. From managing our precious resources, water, to powering solutions that light up lives. From harnessing the Internet of Things, to creating majestic gateways to the world. We make the things that make India proud.

Head Office: Larsen & Toubro Limited, 557 Avenue, 5th Floor, Robert Centre, Mumbai - 400 001, India. CIN: L2899MH1987PLC001734

L&T LARSEN & TOUBRO

Employees

A nurturing environment and a climate conducive to personal well-being and professional growth are intrinsic to the L&T culture. The engagement framework is built on the organization's values which contribute a lot towards making the Company a great organization to work for. Larsen & Toubro's vision states that it shall foster a culture of care and trust. This vision gets translated and integrated into our HR processes.

Regular communication from the Management forms an important driver for employee engagement. The employees are regularly informed about the Company's activities, new businesses and accolades, management changes, through Spot News and Newsman e-mailers. Email communications also share information with all employees on the various contracts awarded to L&T and details of some of our best-in-class projects. Internal magazines focus on individual achievements of employees/teams, which serve as encouragement to all. L&T Success Stories encourages employees to participate at such forums and showcase path-breaking product / process improvements they have executed.

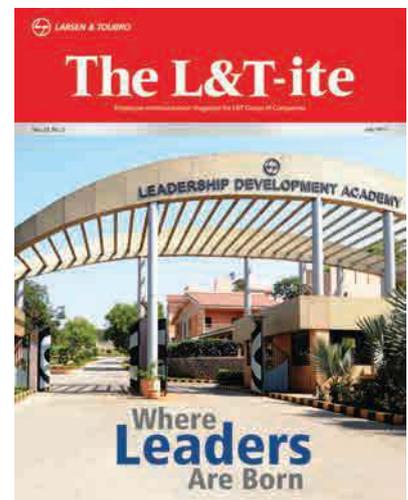
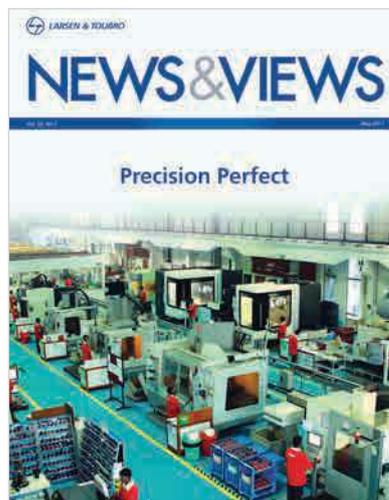
The success stories competition that is conducted across the organisation is also instrumental in instilling a sense of pride among the employees. Apart from these initiatives, we conduct Town Hall sessions and departmental meetings for employees to communicate with the management.

There are also 'HR connect sessions' wherein employees across various levels get an opportunity to communicate

their Ideas and concerns regarding various HR processes / services. Companywide competitions are organized for showcasing technical and creative ideas, and important festivals are celebrated together.

L&T Scape – a collaborative, enterprise-wide portal, provides employees with an opportunity to communicate, collaborate and access all employee welfare benefits provided by the Company. ATL – 'Any Time Learning' facilitates online learning and knowledge sharing at the employee's convenience. The Working on Wellness (WoW) initiative spearheaded by our Medical Health & Welfare team conducts regular programmes for employees to drive preventive healthcare practices. The Leadership Development Academy (LDA) has been recognised by Symbiosis International University as a 'Research Centre' which enables L&T-ites to pursue their Ph.D. Programmes.

At L&T, we believe that it is employees who shape the organization's character and drive its performance. This year our workforce participated in an Annual Engagement Survey conducted by Corporate Human Resource department, which gave us valuable insights into employee satisfaction with the company, their jobs and other aspects of their workplace experience. They were encouraged to provide honest feedback; based on which an action plan was prepared. This is incorporated into the business planning review processes.



Suppliers and Contractors

Suppliers, contractors and service providers are important partners for business growth and we engage with them on a continual basis. Our key suppliers, contractors and service providers include raw material vendors, machine suppliers, contract workmen providers and other service providers and we engage with them periodically through Partner meets.

The Supplier Meets act as an important platform to discuss their concerns, issues and expectations and the Company then plans to address the same. During these meets, the suppliers are also updated about the Company's progress and plans on aspects relating to business, sustainability and CSR.

L&T uses the e-tendering system which is an e-procurement model for paperless buying, systematic information flow and reverse auctioning.

At L&T we respect human rights and our practices follow prohibition of child labour, prohibition of forced & compulsory labour, non-discrimination on the basis of gender, caste and nationality. Our practices are extended to our suppliers, contractors and service providers, through combined Environmental & Social Code of Conduct which is included in our contract agreements and purchase orders. This encourages our suppliers to work in an eco-friendly way and contribute to society.



Suppliers Meet held at Leadership Development Academy.

Community

The community is an important stakeholder to us and we believe in inclusive development. Regular engagement is an essential part of our approach to community development. We field concerns from a broad range of community stakeholders including village panchayats, school authorities and District Health Officials. We take their input seriously and make every effort towards addressing concerns and building relationships. Based on widespread stakeholder engagements, the Company has developed thrust areas of work with the community, which are Water & Sanitation, Health, Education and Skill Development. Our efforts are focused towards enhancing the quality of life and livelihoods. A quarterly review of our Integrated Community Development projects is done with the Village Panchayats and local authorities.



Regular interactive sessions with the community stakeholders.

Over the years, L&T has developed an ethos that is deeply rooted in the welfare of its stakeholders, the country and the planet at large – while enhancing productivity and growth through technology leadership.

Government

Local Governments are our key stakeholders at L&T. In all the geographies that we operate, we abide by the laws of the land. We regularly interact with regulatory bodies and keep up to date with the latest laws and policy changes. We are a member of many industry associations and participate in national and international policy formulation and economic forums.

Media

The media is regularly updated about our work and company changes. Through regular media engagement, we reach out to our stakeholders and keep them informed about critical business developments. Four media briefings and two media visits were organised during the year.

Responses to Stakeholder Concerns

Key topics and concerns that have been raised through stakeholder engagement and our response to these are as follows:

Stakeholders	Concern areas	L&T's initiatives
Shareholders and Investors	<ul style="list-style-type: none"> - Business Performance - Improved ROI - Effective financial and non-financial risk controls - Fair business practices - No defamation 	<ul style="list-style-type: none"> - Transparency of business plans to investors - Uninterrupted dividend - Showcasing performance on non-financial disclosures in Sustainability Report - Carbon Disclosure Projects - Dow Jones Sustainability Index
Suppliers/ Contractors	<ul style="list-style-type: none"> - Timely payments - Repeat orders - Price reduction - Different purchase processes by businesses as per the projects / establishment requirements. 	<ul style="list-style-type: none"> - Regular visits to suppliers' and contractors' facilities - Combined Environmental & Social Code of Conduct for suppliers included in the Supplier Agreements - Screening, assessment, audits related to quality & EHS aspects are conducted. Providing support to implement resource conservation initiatives at select suppliers' premises. - Cost effective-price negotiations.
Employees	<ul style="list-style-type: none"> - Career growth - Employee benefits - Skill development - Effective/ high-quality training programs 	<ul style="list-style-type: none"> • Attracting and retaining talent • Promoting people wellness • Functional and soft-skill development programmes • Improving leadership skills • Development and continual improvement in programmes for structured learning and development of workforce
Community	<ul style="list-style-type: none"> - Expectation of livelihood creation - Improvement in overall living standard - Water and sanitation - Development of the community infrastructure 	<ul style="list-style-type: none"> • Education, health and skill development for the benefit of communities around L&T establishments and project sites • Access to drinking water and sanitation in water stressed regions • Implementing Integrated Community Development Programmes • 9 Construction Skills Training Institutes (CSTI) impart training in formwork, carpentry, bar-bending, steel-fixing, masonry, construction, electrician skills and welding.
Customers	<ul style="list-style-type: none"> - Timely completion of projects - Confidentiality - Competitive contract price bid - Innovation and state-of-the-art engineering techniques - High safety standards - Transparency in energy, water, GHG emissions performance 	<ul style="list-style-type: none"> • On-time project completion • Deeper customer connect at multiple levels • Tighter project monitoring and control • Increased after-sales support • Regular monitoring of Project KPIs – Safety, water, energy, GHG emissions etc.
Government	<ul style="list-style-type: none"> - Practicing fair and ethical business trade in all spheres - Economic, Environment and Social aspects. 	<ul style="list-style-type: none"> • Continual improvement in efforts for ensuring transparency in the triple bottom-line (people, planet & profit) disclosures through various mandatory and non-mandatory disclosures like BRR, DJSI and CDP.