

INTEGRATED REPORT

Forward-looking Statement

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



Approach to the Sustainability Disclosures

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

Reporting Framework, Guidelines and Standards

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

Reporting Period, Scope and Boundary

This section covers relevant financial and non-financial information for the Company on a standalone basis. The information in this Report pertains to the period April 01, 2025 to March 31, 2026.

External Assurance

An independent reasonable assurance of the Company's BRSR Core parameters has been conducted by BDO India Services Pvt. Ltd.



NATURAL CAPITAL

► Pg. 210



MANUFACTURED CAPITAL

► Pg. 240



HUMAN CAPITAL

► Pg. 248



INTELLECTUAL CAPITAL

► Pg. 284



SOCIAL AND RELATIONSHIP CAPITAL

► Pg. 300

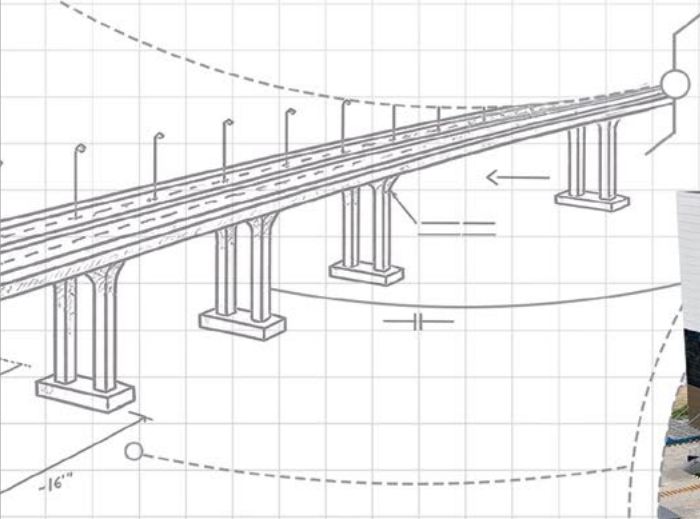


FINANCIAL CAPITAL

► Pg. 338

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VALUE CREATION PROCESS

VISION, VALUES AND STRATEGY

Strategic Objectives

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

Strategic Enablers

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



MATERIAL TOPICS

STAKEHOLDER ENGAGEMENT

GOVERNANCE: POLICIES, PROCESSES, RISK MANAGEMENT

VALUE CREATION

VALUE CREATED



**NATURAL
CAPITAL**



**MANUFACTURED
CAPITAL**



**HUMAN
CAPITAL**



**INTELLECTUAL
CAPITAL**



**SOCIAL AND
RELATIONSHIP
CAPITAL**



**FINANCIAL
CAPITAL**

Business Models

Creating Value for

EPC Projects



**Hi-Tech
Manufacturing**

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



Customers



Shareholders



Employees



Supply Chain Partners



Government



Communities



**Productive
Assets for Clients**



**Dividends
and Buybacks**



**Employee Benefits
and Capability
Development**



**Business for Supply
Chain Partners**









**Payment to
Exchequer**



**Community Assets
and Livelihood**

VALUE CREATION MODEL

Input

	<p>Natural Capital</p>	<p>Water Consumed: 12.7 Mn kl Energy Consumed: 10.2 Mn GJ Spend on Environment¹: ₹ 159 Cr Material Consumed (Mn tonnes): - Cement: 3.2 - Sand: 5.1 - Ferrous: 1.8</p>
	<p>Manufactured Capital</p>	<p>Active Project Sites: 630 Manufacturing Facilities: 22</p>
	<p>Human Capital</p>	<p>Employees: 59,403 Worker: 3,78,039 Gender Diversity: 9.6% Safety Training Hours: 7.4 Mn</p>
	<p>Intellectual Capital</p>	<p>R&D Spend (cumulative of 3 years): ₹ 524 Cr IPR filed: 49 R&D Engineers and Scientists: 90 Active Collaborations and Partnerships²: 42</p>
	<p>Social & Relationship Capital</p>	<p>CSR Spend: ₹ 189.9 Cr CSR Partners: 66 Sourcing from MSME: 11% Memberships of Industry Chambers: 63</p>
	<p>Financial Capital</p>	<p>Order Book: ₹ 6,13,235 Cr Net Current Assets: ₹ 35,958 Cr Net Fixed Assets: ₹ 13,712 Cr</p>

Business Processes and

L&T BUSINESS EXCELLENCE MODEL

VALUE ENGINEERING



VALUE ENGINEERING



LEAN OPERATIONS



LEAN OPERATIONS



INTEGRATED ENGINEERING



INTEGRATED ENGINEERING



INTEGRATED ENGINEERING



¹ Spend on environmental management: pollution control, environmental monitoring, waste management, wastewater treatment etc. improve project delivery and increase customer satisfaction

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

Offerings

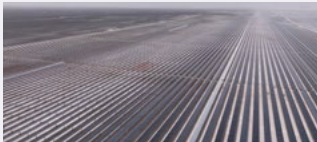
SPEED & SCALE



Elevated Corridors



Urban Tunnels



Solar Power Plants



Nuclear Power Plants



Refining and Petrochem Plants



Ferrous and Non-ferrous Plants



Launch Vehicles

DIGITALISATION

AUTOMATION

INNOVATION

GLOBAL SOURCING

Output

GHG Emissions: **0.9 Mn tCO₂e**
 GHG Emission Intensity: **5.9 tCO₂e/₹ Cr**
 Water Offset Created: **4 Mn kl**

SDG Linkage



Green Business (Revenue): ~₹ **78,700 Cr**
 Building Infra Created³: **67.1 Mn sq. ft.**
 Mobility Infra Created⁴: **623**
 Bridges & Tunnels: **122 km**
 Power Infra Created:
 - Transmission Lines: **6,900 ckm**
 - Solar Power Capacity: **8,006 MWp**
 - BESS Capacity: **1,014 MWp**
 Water & Sanitation Infra Created⁵:
 - Water Storage Capacity: **572 Mn ltr**
 - Treatment Capacity: **1,173 Mn ltr/day**
 Factory Output : **3,00,493 tonnes**



Revenue per Employee: ₹ **2.6 Cr**
 Women in Senior Management: **130**
 Accident-free Working Hours: **1,369 Mn**



IPR Granted: **9**
 Value Engineering Projects⁶: **207**



CSR beneficiaries: **1.9 Mn**
 Contribution to Exchequer: ₹ **7,742 Cr**
 Complaints Received⁷ : **1,694**
 Complaints Resolved : **1,503**



Turnover: ₹ **1,53,680 Cr**
 PBIT: ₹ **17,938 Cr**
 Dividend Payout: ₹ **5,227 Cr**
 Return on Net Worth: **8.59%**



³ Also includes Green Building (19.7 Mn sq. ft.)

⁴ Mobility Infra created includes Roads (169 lane km), Rail electrification (166 track km), Rail track (174 track km) and Mass Transit-viaducts (115 km)

⁵ Also includes Irrigation Capacity (1 lakh ha) and Water Pipelines (0.5 lakh km)

⁶ Initiatives for improving processes, products and services to reduce cost, improve project delivery and increase customer satisfaction.

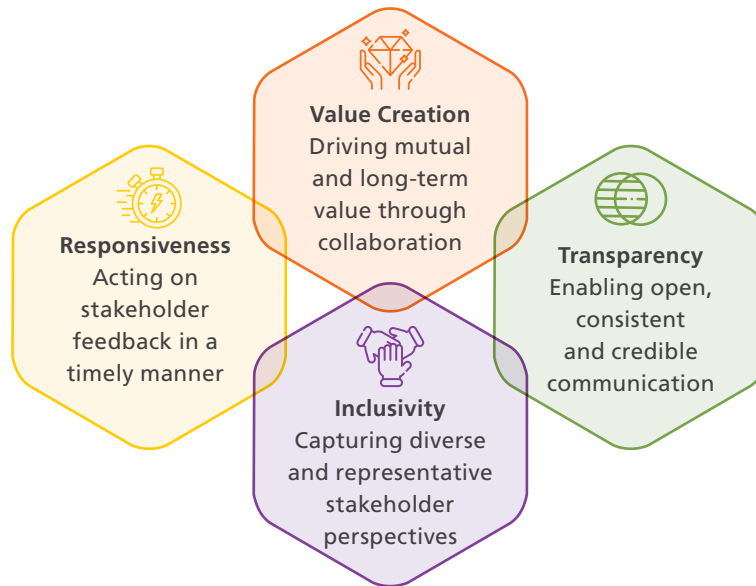
⁷ Across the stakeholders, for breakup refer to Section A in BRSR.

Driving Stakeholder Engagement

Stakeholder engagement is integral to L&T’s business and sustainability strategy and is recognised as a key enabler of long-term value creation, responsible growth and effective risk management. Operating across diverse geographies, sectors and value chains, the Company proactively engages with stakeholders to build trust, foster collaboration and respond to evolving expectations in a transparent and accountable manner.

L&T adopts a structured, continuous and inclusive approach to stakeholder engagement to understand material concerns, inform decision-making and align its actions with strategic priorities and ESG commitments. Insights gathered through engagement shape business strategy, strengthen operational agility and enhance the Company’s ability to deliver sustainable outcomes across the value chain.

Core Principles of Engagement



Engagement Approach and Governance

Stakeholder engagement at L&T is embedded within its governance framework, policies and management processes. Oversight rests with the Board and its CSR & Sustainability Committee, with senior management accountable for translating stakeholder insights into strategic and operational actions. Engagement outcomes inform, among others:



Business strategy and capital allocation



Project execution and operational excellence



Materiality and ESG priority setting



Enterprise risk identification and mitigation



Policy development and disclosures

Stakeholder inputs also form a core component of the Company’s double-materiality assessment, ensuring that both business impacts and stakeholder concerns are systematically evaluated.

The Company engages with a diverse range of stakeholders who influence, or are influenced by, the operations — including employees, customers, investors, shareholders, supply chain partners, regulators, communities, media and civil society organisations. Key stakeholder groups are periodically reviewed based on their influence and impact on the business, ensuring focused and effective engagement. Key examples include:



Customers: Integration of feedback into contract execution, improving delivery timelines and quality benchmarks



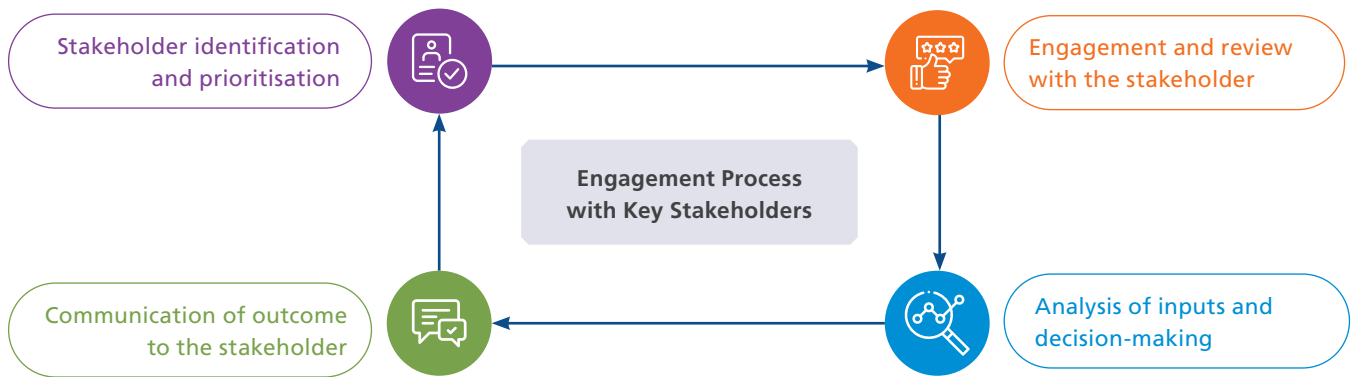
Employees: Enhanced focus on engagement, safety, well-being and capability building



Supply Chain Partners: Strengthening ESG assessments and capacity-building initiatives to improve overall sustainability performance



Communities: Alignment of CSR programmes with local needs through structured assessments and ongoing consultations



Stakeholder Engagement Overview

L&T engages with a diverse set of stakeholders and engagement mechanisms are tailored to stakeholder needs, ranging from continuous project-level interactions to structured surveys and strategic forums.



Government

The government is a key driver of infrastructure development and digital transformation, and a critical customer for L&T. Government entities, including sovereign, sub-national, local bodies and public sector enterprises, account for over ~65% of the Company's revenue. Leveraging strong engineering and execution capabilities, L&T delivers nationally significant projects, reinforcing its position as a trusted nation-building partner.

- Contractual and periodic review meetings
- Representations - direct and through industry associations
- Ongoing, aligned with contract requirement
- Project progress and delivery milestones
- Concerns and support for fulfilling contractual obligations
- Resolution of issues/challenges
- Regulatory compliances and reporting requirements
- Advocacy for policy changes and inputs for new or existing legislations/rules
- Creating nation-building infrastructure
- Job creation and skill development
- Advancing sustainable infrastructure



Customers

Private sector customers constitute a significant segment for L&T, contributing approximately ~35% of the Company's revenue. Growth is driven by long-standing relationships built on execution excellence, reliability and customer satisfaction. These partnerships also enable collaboration with customers on areas including innovation, technology adoption and policy advocacy, thereby strengthening long-term value creation.

- Contractual review meetings
- Direct communication
- Customer satisfaction surveys and feedback
- Account management
- Visits and audits
- Ongoing, aligned with contract requirement
- Customer satisfaction surveys: annual/bi-annual/project completion
- Quality and safety
- Timely execution and delivery of product/project
- Data privacy and confidentiality
- Updates and issues w.r.t. contractual obligations
- Collaboration on innovation and technology
- Customer satisfaction and enhanced customer experience
- Creation of high-quality, productive assets
- Long-term trusted business relationship and partnership

Legend

- Engagement channels
- Frequency
- Key focus areas and topics of discussion
- Value creation



Employees and Workers

The workforce, including employees and contract workers, is central to L&T's performance and success. An engaged workforce drives productivity, safety, quality and innovation, while promoting the Company's culture and reputation. Continued investment in well-being, capability building and engagement supports talent retention, boosts morale and sustainable growth.

- Leadership interactions and townhalls
- Employee feedback and engagement surveys
- Induction programmes, trainings, learning programmes
- Performance management process
- Complaints and grievance redressal processes
- Internal communication channels (digital and print) – circulars, broadcasts, magazines and newsletters
- Welfare initiatives and Employee Assistance Programmes
- HEERA: an AI powered employee assistant for HR queries
- Engagement events

- Continuous and need-based

- Work environment and organisational culture
- Professional development and career growth
- Health, safety and well-being
- Compensation and benefits
- Learning, development and career progression
- Business outlook, organisational strategy, policies, priorities and updates

- Enhanced skills and career growth
- Improved well-being and workforce morale
- Employee engagement and productivity
- Safe and inclusive workplace



Supply Chain Partners

L&T's global and complex supply chain, comprising over 1,00,000 partners, is integral to its operational excellence, innovation and resilience. Strong supplier partnerships ensure continuity of goods and services, while also advancing sustainability objectives in an increasingly dynamic and disruption-prone environment. The Company focuses on building collaborative, transparent and responsible relationships to enhance flexibility and long-term value creation.

- Supply chain partner conference and meets
- Leadership interactions and review meetings
- Contractual engagements and grievance redressal platforms
- Training and capacity-building programmes (online and offline)
- Sustainability supply chain assessment of critical supply chain partners
- Partner Portal enabling supply chain partners to manage profiles, update documents and track performance

- Ongoing, aligned with sourcing and contract requirements
- Annual partner engagements

- Contractual and non-contractual grievances, and resolution
- Capacity building and ESG assessments
- Sourcing, quality and service delivery
- Compliance to regulations and industry standards
- Performance monitoring and continuous improvement
- Quality control and improvements
- Risk management and contingency planning

- Strong, long-term and trusted partnerships
- Ethical, transparent and responsible supply chain practices
- Enhancing quality and ESG standards
- Knowledge sharing and innovation
- Enhanced supply chain resilience and risk mitigation
- Economic development of MSMEs
- Ensuring compliance with regulations

Legend

- Engagement channels
- Frequency
- Key focus areas and topics of discussion
- Value creation



Shareholders and Investors

Shareholders and investors are critical to L&T’s growth, providing capital, shaping strategic direction and supporting innovation. The Company’s focus on transparency, value creation and sustainable performance aligns closely with investor expectations, strengthening long-term confidence and trust.

- Investor meets and one-on-one/group interactions
- Integrated Annual Reports and other public disclosures
- Annual General Meetings (AGMs)
- Quarterly results communications
- Investor Relations (IR) function, exclusive section on the Company website at <https://investors.larsentoubro.com/>, Dedicated email ID (igrc@larsentoubro.com) and contact nos. (India: 1800 209 4545, International: +91 22 67525899)
- Press releases, newsletters, digital platforms and social media
- Regulatory filings and stock exchange disclosures

- Continuous and need-based
- Quarterly performance updates
- AGM

- Business performance – financial and non-financial
- Strategy, outlook and capital allocation
- Governance, policies and risk management
- Sustainability priorities

- Strengthened investor trust and confidence
- Value enhancement – shareholder returns, dividends and buybacks
- Constructive inputs into strategy and governance



Communities and NGO Partners

Communities and NGO partners are key stakeholders in building trust, strengthening L&T’s social licence to operate and creating shared value. Local communities provide insights into social, cultural and environmental contexts, ensuring that business activities are respectful, inclusive and responsive. NGO partnerships bring expertise and execution capability in social development and sustainability. Collaborating with these stakeholders not only supports long-term community well-being but also reinforces the Company’s reputation, resilience and purpose-driven growth.

- Direct engagement and partnerships with NGOs and civil society organisations
- CSR programmes, including need and impact assessments
- Community visits and interactions with local representatives
- Engagement with village institutions and local bodies
- NGO Mela, Annual Conclave

- Need-based as required for specific programme or project
- Quarterly – NGO partners

- Need-based community development initiatives
- Local employment and livelihood generation
- Grievance resolution related to CSR implementation
- Strengthening local infrastructure and services

- Improved quality of life and empowerment of underprivileged and vulnerable communities
- Skilling and economic development
- Strengthened social licence to operate
- Enhanced community relations and trust
- Positive impact on employee engagement and morale

Legend

-  Engagement channels
-  Frequency
-  Key focus areas and topics of discussion
-  Value creation



Regulatory Bodies

Regulatory bodies shape L&T's operating environment through standards on finance, governance, sectoral regulations, environmental protection, labour and data privacy. Proactive compliance and engagement support a transparent, level playing field while mitigating legal and reputational risks.

- Participation through industry associations, fora and public consultations
- Collaborative policy development initiatives
- Direct regulatory interactions and submissions
- Regulatory audits, inspections and compliance reviews

- Need-based

- Regulatory compliance and governance standards
- Inputs on new policies and regulations
- Transparency and disclosures
- Climate change and natural resources management

- Alignment with national priorities
- Strengthened governance and responsible conduct
- Stronger brand reputation, credibility and enhanced stakeholder trust



Media

Media plays a critical role in shaping public perception and influencing L&T's reputation. While positive coverage strengthens brand trust, adverse reporting can impact credibility and investor confidence. Proactive engagement with media serves as an important feedback mechanism and supports transparent communication of the Company's strategy, performance and initiatives.

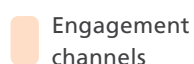
- Interviews and press briefings by leadership
- Media briefing and press releases, available at [Press-Releases](#)
- Integrated Annual Reports and public disclosures
- AGM
- Quarterly results communications, investor presentations
- Updates on key developments and emerging issues
- Digital and social media: [LinkedIn](#), [X/Twitter](#), [Youtube](#)

- Ongoing and issue-based
- Quarterly – results and business performance overview

- Major contract wins and business milestones
- Strategic initiatives, including new technology, partnerships and businesses
- Business updates, actions and achievements
- Financial and operational performance
- Sustainability strategy, actions, progress and practices

- Strengthened brand value and public trust
- Inputs and constructive feedback for strategic improvement
- Enhanced visibility of responsible business practices

Legend

Engagement
channels

Frequency

Key focus areas and
topics of discussionValue
creation

Outlook and Strategic Priorities

Looking ahead, L&T will continue to enhance its stakeholder engagement framework by leveraging digital technologies, data analytics and structured feedback mechanisms to enable more insight-driven interactions. Key priorities include:



Deeper integration with ESG

Strengthening linkages between stakeholder inputs and material sustainability priorities. Inform and raise awareness on sustainability and ESG practices of the Company and seek inputs for further improvements.



Collaborative value creation

Increasing partnerships with stakeholders to co-create innovative and sustainable solutions.



Community engagement

Further strengthen community engagement efforts; these collaborations will continue to focus on social development projects, education, skilling, healthcare, water and sanitation, ensuring positive impacts on the communities.



Enhanced communication

Leverage broadcast, digital, print, social and streaming media to maintain continuous and transparent communication with stakeholders. Supported by updates through newsletters, dedicated stakeholder portals, advertising, events and forums.



Transparent reporting

Enhance the reporting mechanisms to provide stakeholders with clear and comprehensive information about the Company's performance, governance, partnerships, technology, new business and sustainability initiatives.

By deepening relationships, acting on shared insights and communicating with clarity, L&T seeks to ensure that every great story it builds, for business and society, truly begins with a leap taken together with its stakeholders.



Understanding Materiality

Materiality assessment is a foundational element of L&T’s approach to sustainable value creation. It enables the identification and prioritization of environmental, social and governance (ESG) topics that are most significant to L&T’s business performance, long-term strategy and stakeholder expectations. The Company undertakes a comprehensive materiality assessment every three years, supported by annual reviews to ensure continued relevance in a dynamic operating and regulatory environment.

The FY 2025-26 assessment was conducted by an independent third party agency and guided by leading global sustainability and disclosure frameworks, including the European Sustainability Reporting Standards (ESRS) and the Global Reporting Initiative (GRI) Standards 2021. It also aligns with SEBI’s BRSR requirements, along with other internationally recognised frameworks such as IFC Performance Standards, SASB, ILO guidelines and key ESG rating methodologies.

Methodology

In FY 2025–26, L&T undertook its first **Double Materiality Assessment** to align with evolving global standards and rising stakeholder expectations. L&T assessed material topics across two dimensions: Impact Materiality and Financial Materiality.

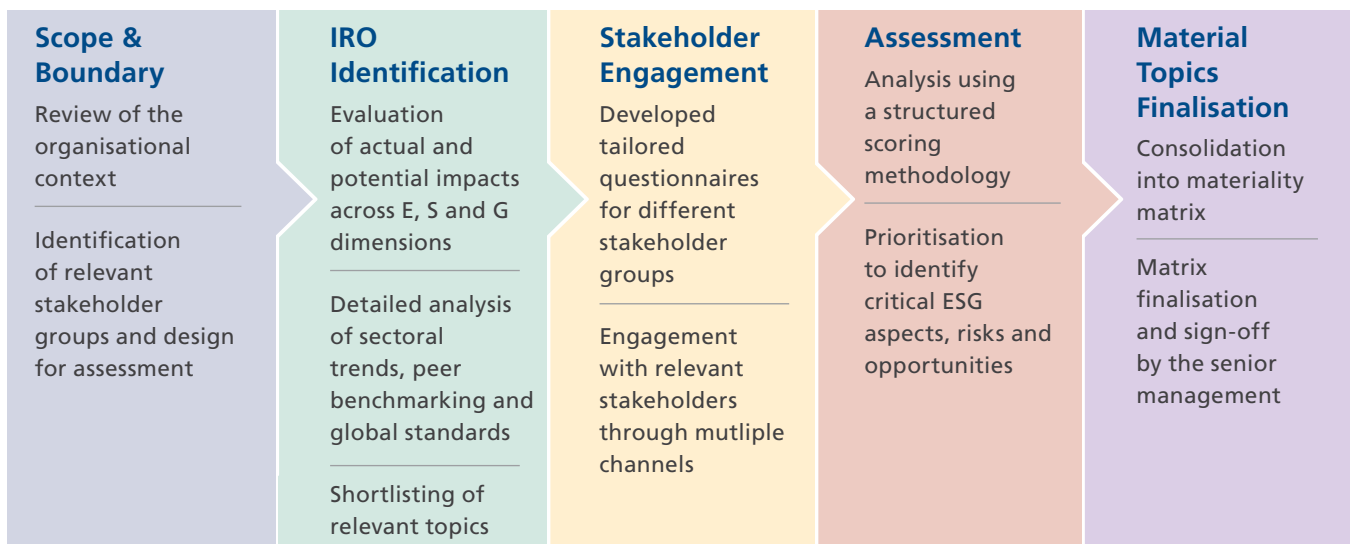
- **Impact Materiality:** Evaluates the Company’s actual and potential positive and negative impacts on the environment and society across short-, medium-, and long-term horizons. Actual and potential impacts (positive and negative) were evaluated using the following criteria:
 - **Scale:** Intensity of the impact
 - **Scope:** Extent of impact
 - **Irremediability:** Difficulty of reversing the impact (applicable to negative impacts only)

- **Financial Materiality:** Assesses how ESG factors affect financial performance, including revenues, costs, cash flows, access to capital and profitability. Risks and opportunities were assessed based on:
 - **Financial impact:** Effect in terms of revenue, order inflow and costs
 - **Reputational and compliance impact:** Potential to affect reputation or regulatory compliance

Identified IROs (Impacts, Risks and Opportunities) were assessed across two dimensions: **severity (magnitude)** and **likelihood**.

Each criterion, along with likelihood, was scored on a **scale of 1 to 5** (1 = lowest, 5 = highest). The same scoring scale was applied to both impact and financial materiality.

Process



Assessment Principles



Business Relevance

Aligned with L&T's business model, operating context and strategic priorities.



Stakeholder Inclusivity

Incorporates inputs from internal and external stakeholders.



Structured Scoring

Uses defined criteria and thresholds to evaluate impacts, risks and opportunities.



Governance Integration

Outputs designed to inform strategy, KPIs, enterprise risk management and disclosures.

Stakeholders and their engagement channels

Senior management	1:1 interactions and detailed questionnaire
Employees including Sustainability teams	Questionnaire
Sustainability teams across the Company	Detailed questionnaire
Customers	Questionnaire
Supply chain partners	Focussed group discussions
Local Communities, NGOs and Civil Societies	Survey
Business and Trade Associations, Academia, investors	

Outcome

An initial longlist of 34 topics was identified for evaluation. Following detailed assessment and prioritization, 15 topics were determined to be most material based on their impact and/or financial significance. The identified material topics span environmental, social and governance dimensions and include topics assessed as double material as well as those driven primarily by financial materiality. These topics represent priority areas of focus for L&T's strategy, risk management and sustainability initiatives.

The materiality matrix and its associated targets and KPIs are published on the website.



Environment

Climate Change

Air Quality Management

Water and Waste Management

Land Use and Ecosystem



Social

Labour Practices and Human Rights

Talent Management and Workforce Engagement

Diversity, Equity & Inclusion

Occupational Health and Safety

Community Relations

Sustainable Supply Chain



Governance

Product Quality and Reliability

Customer Satisfaction

Data Privacy and Security

Business Ethics

Geopolitical Risks

  New topics

Material Topics: IRO and Linkages



Climate Change

Energy-intensive construction and manufacturing operations rely on fossil fuels, leading to GHG emissions. Business growth may further increase energy demand and emissions. At the same time, opportunities in renewable energy and clean technologies, along with emission reduction and resilience measures, can lower costs and enhance long-term competitiveness.

Actual, Risk and Opportunity

- Exposure to physical and transition climate risks
- Physical risks (e.g., extreme weather) may disrupt operations, affect assets and impact business continuity.
- Transition risks may influence costs, investments and future business opportunities.

Negative

- Potential financial and reputational impacts due to insufficient measures to control emissions
- May lead to increased costs and potential loss of future business opportunities especially in environmentally sensitive areas.
- Inadequate mitigation and adaptation measures may lead to reputational damage and potential regulatory costs, including carbon pricing.

- Targets set for carbon neutrality by 2040 and water neutrality by 2035, supported by energy efficiency and renewable energy initiatives
- Climate risk management is integrated into the Enterprise Risk Management framework
- Project schedules incorporate buffers to mitigate potential disruptions from extreme weather events.
- Portfolio diversification towards low-carbon opportunities to support climate-resilient growth.

Strategy Linkage



SDG Alignment



Air Quality Management

Operations rely on vehicles and diesel-powered equipment that emit nitrogen oxides, sulphur oxides, particulate matter and construction dust, degrading air quality and posing health risks to workers and nearby communities.



Actual, Risk

Construction activities at EPC sites involve extensive use of machinery and equipment, generating pollutants and dust that pose health risks to workers and surrounding communities.

Negative

- Failure to manage air quality may lead to regulatory penalties, reputational damage and loss of competitiveness in environmentally conscious markets.
- Stricter environmental regulations may lead to increased compliance costs and potential project delays

- Air quality management is integrated into the Environmental Management System at EPC sites.
- Preventive and mitigation measures are implemented.
- Air quality is monitored through on-site stations and third-party assessments.

Strategy Linkage



SDG Alignment





Water and Waste Management

Manufacturing and construction activities generate hazardous waste that poses environmental and safety risks. Improper disposal of non-biodegradable construction waste can lead to land, air and water pollution, including soil contamination from landfilling. Mismanagement of wastewater may pollute nearby water bodies, harming aquatic life and shared water resources.

Actual, Risk

- Improper management of operational waste, particularly hazardous waste, poses environmental and social risks to surrounding communities.
- Construction activities require significant water use, potentially affecting availability for other stakeholders.
- Untreated or inadequately treated wastewater can harm ecosystems and nearby communities.

Negative

- Ineffective management may lead to penalties, reputational damage and potential loss of license to operate.

- Waste management is integrated into EHS management system, with defined protocols and monitoring.
- Compliance with regulations for waste, water and wastewater is ensured.
- Recycling and reuse of non-hazardous waste are promoted to reduce impact and support circularity.
- Water efficiency measures, including wastewater recycling and rainwater harvesting, are implemented across locations.

Strategy Linkage



SDG Alignment



Land Use and Ecosystem



Land use changes from construction and infrastructure development can lead to deforestation, habitat loss and ecosystem degradation. These impacts affect biodiversity, soil and water quality and the well-being of surrounding communities. In sensitive coastal and marine areas, activities such as dredging can further disrupt fragile ecosystems, increasing environmental and regulatory risks.

Actual, Risk

- Construction and infrastructure development can lead to land-use change, including deforestation, habitat loss and alteration of natural waterways.
- Environmental disruption may result in legal, social and economic risks, including community opposition and strained stakeholder relationships.

Negative

- Failure to manage habitat alteration may result in regulatory non-compliance, project delays, reputational damage and increased costs due to penalties and environmental restoration requirements.

- All compliances are ensured before start of on-site activities at EPC project sites.
- Environment Management Plan implemented at EPC project sites incorporates all relevant elements from EIA conducted by the customers.
- Responsible sourcing of natural materials monitored closely in resource-depleted regions.
- The Company also helps in mitigation and restoration efforts of the customers.

Strategy Linkage



SDG Alignment





Labour Practices and Human Rights

Nature of operations and dependence on a large contractual workforce presents potential human rights and labour risks. Potential Impact arising from human rights violations in own operations and supply chain due to insufficient measures

Potential, Risk

- Non-compliance with labour laws or human rights standards, including within the supply chain, may result in reputational damage and regulatory action.
- Inadequate local engagement may lead to social unrest, legal disputes and project delays.
- Negative publicity can damage reputation, reduce stakeholder trust, and potentially impact long-term business.
- Improper resettlement can cause social unrest, significant project delays, cost overruns, and reputational damage threatening social license to operate

Negative

- Issues may lead to higher compliance costs, operational disruptions, and stakeholder concerns.
- Human rights violations can result in significant fines and legal costs.
- May cause project delays due to strengthened compliance requirements

- Human rights embedded in the Code of Conduct for employees and suppliers, with mandatory annual sign off.
- Training and awareness programmes conducted on ethical labour practices and compliance.
- Internal Human Rights Due Diligence carried out at sites and facilities to identify risks and gaps.
- Sustainability assessments conducted for critical suppliers to ensure compliance with human rights and labour standards.
- Grievance redressal mechanisms implemented for employees and workers to ensure timely and transparent resolution of concerns.

Strategy Linkage



SDG Alignment



Diversity, Equity & Inclusion

A diverse and inclusive workforce enhances innovation, decision-making, and problem-solving by bringing varied perspectives. Promoting equity ensures fair opportunities, strengthens employee engagement and supports talent attraction and retention.



Actual, Opportunity

- A diverse and inclusive workplace fosters a sense of belonging, which boosts morale, productivity and organisational commitment.
- Strengthens investor confidence and builds a positive brand image that attracts top talent

Positive

- A healthy work environment helps support high employee retention, reduced legal and reputational scrutiny.
- Inclusive environment supports personal growth and equal opportunity for career advancement, drives collective success

- Inclusive culture being fostered – hiring without prejudice or discrimination, inculcating right attitudes through awareness and training.
- Supported by Equal Opportunity Policy, Policy on Prevention of Sexual Harassment at Workplace and Code of Conduct.
- As L&T expands into new markets and hires younger, more diverse talent, inclusive culture positioned as essential for long-term growth.

Strategy Linkage



SDG Alignment



■ Material topic ■ Impact materiality ■ Financial materiality ■ Actions taken



Talent Management and Workforce Engagement

A skilled, motivated, and engaged workforce is essential for safe, efficient and timely execution of complex EPC projects. Engagement initiatives contribute to a more inclusive and collaborative work environment, where employees feel safe and encouraged to share ideas and co-create innovative solutions. This results in a more agile, responsive workforce aligned with continuous improvement goals.

Actual, Opportunity

- Effective engagement improves employee retention and satisfaction.
- Effective talent management reduces attrition, enhances productivity, and strengthens long-term competitiveness.

Positive

- Effective talent management improves productivity and operational efficiency.
- Strong workforce engagement and lower attrition reduce hiring and training costs.
- A robust leadership pipeline enhances execution capability, enabling timely project delivery and improved financial performance.
- Higher employee retention and capability development strengthen revenue growth potential.

- Customized learning and development programmes are delivered in partnership with leading educational institutions, aligned to role-specific and organizational needs.
- Digital platforms used for training, feedback, and engagement to ensure scalable, accessible, and effective capability development.
- Welfare initiatives and Employee Assistance Programmes in place
- Holistic well-being strategy addressing both physical and mental health needs
- Mental health awareness programmes, counselling, coaching and sensitisation workshops

Strategy Linkage



SDG Alignment



Community Relations

Strong community relations build trust, secure social license to operate, and support smooth project execution. Proactive engagement reduces resistance, enhances reputation, and strengthens stakeholder confidence, contributing to sustainable business growth.



Actual, Opportunity

- Strong community engagement builds trust, strengthens relationships, and supports smooth project execution.
- Positive engagement reduces the risk of resistance and enables timely project delivery.
- Community initiatives create shared value and improve socio-economic outcomes for local stakeholders.

Positive

- Enable smoother project execution, reducing delays and associated costs.
- Positive engagement lowers the risk of disputes, improving cost efficiency and project timelines.
- Enhanced reputation and stakeholder trust support project approvals, repeat business and revenue growth.

- Community engagement is integrated into strategy and aligned with business objectives and societal needs.
- CSR Policy provides the guiding framework for community initiatives.
- Community programmes create shared value while enhancing reputation, stakeholder trust, and goodwill among communities, customers, and investors.

Strategy Linkage



SDG Alignment





Occupational Health and Safety

Increased incidents of occupational health and safety resulting from inadequate health and safety measures

Actual, risk

- Ineffective implementation of health and safety systems can expose the workforce to hazards, leading to safety incidents, reduced productivity, lower morale, and higher turnover.
- Adversely affect operations, business performance, and the Company's reputation.
- Employee mental well-being is also an increasing area of concern alongside physical safety.
- Proactive health and safety management helps attract talent and strengthen the Company's brand image.

Negative

- Inadequate safety measures and protective equipment can result in workplace accidents, leading to liability and compensation costs.
- Unsafe work environments may result in regulatory penalties and reputational damage.
- Safety incidents reduce productivity, and result in loss of skilled man-hours.

- Comprehensive OHS approach covering preventive measures, training, and regulatory compliance; systems certified to ISO 45001:2018 and other global standards.
- Focus on leading indicators and preventive controls over reactive incident management.
- Extensive training and awareness programmes to strengthen safety systems and practices.

Strategy Linkage



SDG Alignment





Product Quality and Reliability

Ensuring durability and reliability of L&T's engineered products and systems is critical for long-term success as well as quality of infrastructure delivered

Actual, Opportunity

- High-quality, timely project delivery enhances customer satisfaction and strengthens long-term relationships.
- Strong execution capability creates opportunities for repeat business and new contract wins.
- Consistent quality improves operational reliability and safety, reinforcing trust and brand reputation,
- Robust quality practices reduce errors, minimize risks, and support efficient, cost-effective project delivery.

Positive

- High product quality and reliability enables repeat business and higher order inflows.
- Strong quality performance supports premium pricing and margin improvement.
- Reliable delivery reduces rework, warranty, and life-cycle costs, improving overall profitability.
- Consistent quality strengthens brand reputation and long-term revenue growth.

- Quality assurance systems, continuous improvement practices, and certifications (e.g., ISO 9001) ensure high standards and operational excellence.
- Focus on quality drives innovation in project delivery, supporting cost optimisation, sustainability, and client satisfaction.

Strategy Linkage



SDG Alignment



Customer Satisfaction

Customers expect quality execution and timely delivery in line with contractual commitments. Consistently meeting and exceeding these expectations enables L&T to build trust, enhance customer loyalty, and create differentiation in the market.



Actual, Opportunity

- Drives customer loyalty, positive brand perception, and long-term business relationships.
- Enables repeat business, strengthens competitive positioning, and allows the Company to command pricing premiums.

Positive

- Strong customer satisfaction drives repeat business, higher order inflows, and long-term revenue growth.
- Enhances pricing power and supports margin improvement through premium positioning.
- Reduces customer churn and acquisition costs, improving overall profitability and financial stability.

- L&T strives to strengthen and maintain its customer-centric approach by focussing on first time-right quality, timely execution and continuous improvement.
- Constant engagement with customers for improvement areas as well as technology and business collaborations.

Strategy Linkage



SDG Alignment





Sustainable Supply Chain

L&T's large and diverse supplier base makes supply chain sustainability a critical issue - both as a risk and a strategic opportunity. Weak practices in the supply chain can expose the Company to ESG, regulatory, and reputational risks, while strong sustainability integration enhances resilience, compliance, and long-term value creation.

Actual, Risk and Opportunity

- Supply chain disruptions due to climate events, resource scarcity, or geopolitical instability can affect project timelines and costs.
- A sustainable and resilient supply chain improves efficiency, drives innovation, enhances vendor performance, and strengthens customer trust and alignment with sustainability expectations.

Negative

- Non-compliance by suppliers can expose company to reputational damage and operational disruptions.

- Comprehensive policies, processes, and a Supplier Code of Conduct established to promote responsible practices across the value chain.
- Mandatory acceptance of the Code of Conduct during onboarding of all supply chain partners.
- ESG assessments initiated for critical suppliers to evaluate performance and identify improvement areas.
- ESG awareness sessions conducted to align suppliers with evolving expectations and Company priorities.

Strategy Linkage



SDG Alignment



Geopolitical Risks



Geopolitical instability, such as conflicts, regime transitions, or changes in government policy, causes business risks. These events can disrupt the value chain impacting the overall dynamics of the business environment. Trade wars can disrupt global supply chains, leading to tariffs, trade barriers, and economic sanctions.

Actual, Risk

- Geopolitical instability can disrupt project execution through supply chain constraints, trade restrictions and movement limitations.
- Exposure to conflict zones or politically sensitive regions may increase risks to workforce safety and operational continuity.
- Changes in international relations, sanctions or regulatory regimes can impact market access and project opportunities.

Negative

- Geopolitical conflicts may disrupt supply chains, delay project execution, increase costs, and impact business operations.
- Trade wars and economic sanctions can reduce order inflows and affect revenue from global customers.

- Geopolitical risks are integrated into the Enterprise Risk Management framework.
- Continuous monitoring of geopolitical developments with mitigation measures such as contract structuring, hedging, and contingency planning to manage project and financial exposure.
- Business and geographic diversification enhances resilience and enables response to risks as well as capture of emerging opportunities.

Strategy Linkage



SDG Alignment



Business Ethics



Refers to ethical business practices, legal compliance, transparency, and integrity across all operations and stakeholder interactions. It includes anti-corruption, fair dealing, responsible conduct, and adherence to laws and internal codes. Strong business ethics help maintain stakeholder trust, ensure compliance, and protect reputation, while reducing risks of fraud, corruption, and penalties and supporting long-term sustainable competitiveness.

Potential, Risk

- Lapses in ethical conduct can cause reputational damage, weaken stakeholder trust and lead to regulatory non-compliance.
- Compliance to SOPs can be a challenge due to the nature and wide expanse of the businesses, large workforce and frequent changes to regulatory requirements.

Negative

- Increased regulatory scrutiny, talent acquisition and retention challenges, project delays, financial losses, and erosion of market position.
- Non-compliance with ethical business practices may result in reputational damage and legal liabilities.
- Overall impact may lead to reduced financial performance and weakened market standing.

- Core values of L&T – Integrity, Transparency, Professionalism, Accountability and Fairness, enabled the Company to acquire trust and build a strong brand.
- Clear policies, procedures, code of conduct and management systems are in place to foster ethical behaviour.
- Regular training on business ethics provided to employees.
- Whistleblower Policy establishes a vigil mechanism, allowing employees and supply chain partners to report concerns about unethical behaviour, fraud, or violations of the Company's ethics policies.

Strategy Linkage



SDG Alignment



Data Privacy and Security



Critical to maintaining stakeholder trust, particularly for sensitive project and client information. Strong cyber risk management, continuous monitoring, and employee awareness are essential to protect digital assets and ensure operational reliability amid increasing digital transformation.

Potential, Risk

- Increasing digitalisation heightens cybersecurity risks, making protection of company and customer data critical.
- Cyber incidents or data breaches may disrupt business continuity and result in reputational damage.

Negative

- Inadequate protection of sensitive data may result in legal liabilities, regulatory penalties and loss of stakeholder trust.
- Cyber incidents can disrupt business continuity and lead to significant financial losses.

- Multi-year cybersecurity and resilience roadmap implemented with investment in advanced security platforms.
- Policies and practices aligned with ISO/IEC 27001:2022 certification.
- Security Operations Centres established for 24x7 monitoring and incident response.
- Vendor and third-party cyber risks managed through due diligence and continuous monitoring.
- Regular training and awareness campaigns conducted for employees.

Strategy Linkage



SDG Alignment



■ Material topic ■ Impact materiality ■ Financial materiality ■ Actions taken

For more details, refer to Natural Capital, Human Capital, Social and Relationship Capital of Integrated Annual Report FY 2025-26.

Sustainability Governance

L&T’s sustainability governance framework is designed to support long-term value creation by integrating sustainability considerations into strategy, capital allocation, enterprise risk management and operational decision-making. In line with the International Sustainability Standards Board (ISSB) Standards (IFRS S1 and IFRS S2) and the Task Force on Climate-related Financial Disclosures (TCFD), sustainability and climate-related risks and opportunities are assessed and handled through a structured, multi-tier framework that ensures effective oversight and accountability across the organisation.

Sustainability considerations are embedded within the Company’s strategic planning framework, **Lakshya**, and are periodically reviewed to reflect evolving regulatory requirements, global sustainability trends, stakeholder expectations, and emerging risks and opportunities. This governance framework enables L&T to enhance resilience, strengthen competitiveness, optimise resource allocation and protect stakeholder trust while delivering sustainable financial performance.



Sustainability Governance Framework

L&T has established a multi-level governance architecture to oversee sustainability strategy, performance, risks, and disclosures. The framework ensures alignment among strategic intent, operational execution and accountability, consistent with ISSB and TCFD governance principles.

The governance structure comprises:

- Board of Directors oversight through the CSR & Sustainability Committee
- Executive leadership through the Executive Committee
- Dedicated Corporate Sustainability leadership
- Cross-functional councils and committees
- Business, function and project-level implementation teams

This integrated structure ensures sustainability risks and opportunities related to environment, social, governance and climate are systematically identified, evaluated, managed and monitored across the value chain.



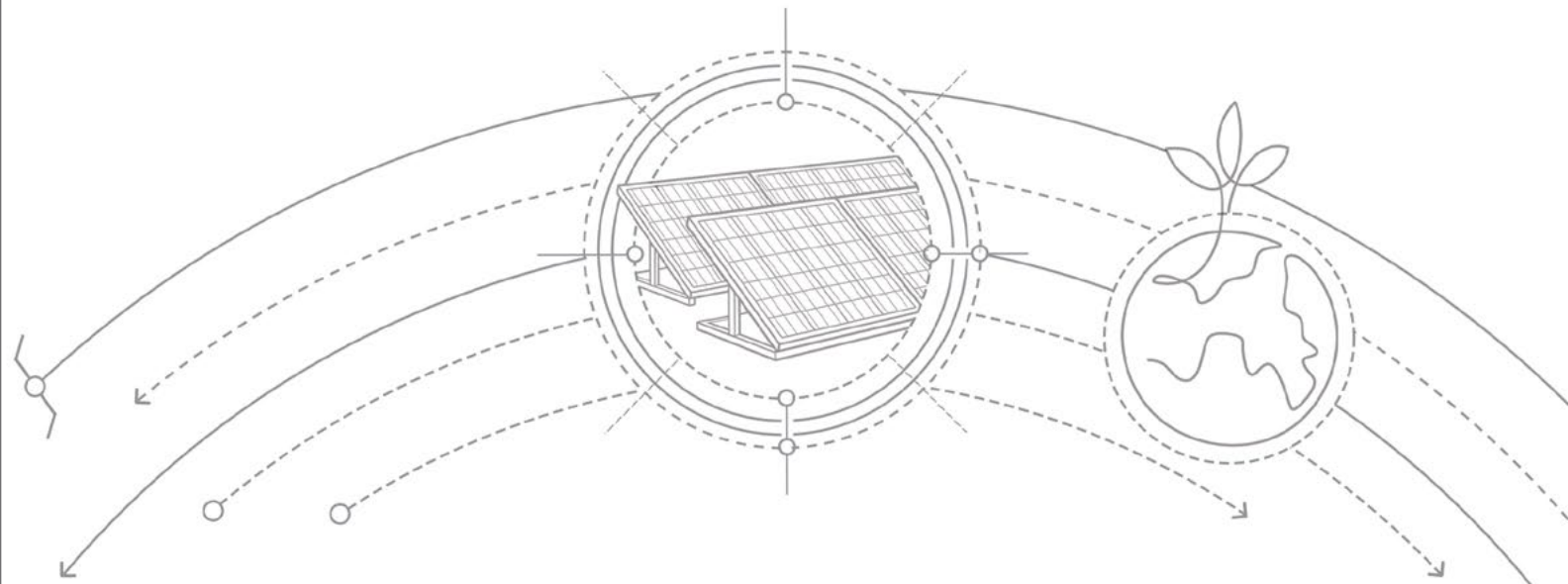
Board Oversight and Strategic Direction

The Board of Directors has overall accountability for sustainability governance, including climate-related risks and opportunities, as part of its fiduciary responsibilities. Oversight is exercised through the CSR & Sustainability Committee of the Board, which provides strategic direction and monitors the execution of sustainability priorities.

The Committee reviews, at least on quarterly basis, sustainability and climate-related matters. This governance approach aligns with the TCFD Governance pillar and IFRS S1/S2 requirements for Board oversight of sustainability-related risks and opportunities. The Committee’s responsibilities include:

- Recommending sustainability and climate-related policies to the Board
- Overseeing integration of sustainability into corporate strategy and capital allocation
- Monitoring progress against sustainability and climate targets
- Reviewing sustainability and climate-related disclosures, including the Integrated Report, BRSR and global disclosures
- Overseeing ethical conduct, responsible business practices and stakeholder engagement





Executive Leadership and Accountability

The Executive Committee is responsible for translating sustainability and climate strategy into operational action across L&T's diversified businesses. Sustainability and climate-related considerations are integrated into:

- Strategic and annual business planning
- Project execution and operational decision-making
- Enterprise risk management and internal control systems

Key ESG and climate performance indicators are periodically reviewed by the Executive Committee, ensuring accountability for outcomes and timely corrective actions where required. In line with IFRS S2, senior management is accountable for identifying, assessing and managing:

- Climate-related transition and physical risks
- Climate-related opportunities linked to technology, markets, and services
- Impacts of climate factors on financial performance, cash flows, and long-term resilience

Climate-related risks are integrated into the enterprise risk management framework and are reviewed at senior management and Board level.



Corporate Sustainability

The Company has a central Corporate Sustainability function, headed by the Chief Sustainability Officer, to drive the implementation of sustainability strategy across the organisation. The Corporate Sustainability team drives and collaborates with business units and corporate functions to integrate sustainability principles into operations and decision-making processes. Key responsibilities include:

- Developing sustainability and climate strategies, roadmaps and policies
- Coordinating sustainability and climate initiatives across businesses
- Monitoring sustainability and climate performance and targets
- Supporting integration of sustainability into enterprise risk management
- Managing sustainability and climate-related disclosures
- Engaging with stakeholders, including investors, customers and ESG rating agencies
- Driving awareness, training, and capacity-building across employees and the supply chain



Cross-Functional Governance

To strengthen coordination and implementation of sustainability initiatives, the Company has established several cross-functional councils and committees. The members are representatives from Executive Committee and leaders from different business units and corporate functions, who drive collaboration, implementation of best practices and monitor sustainability performance. These Councils meet at least once in a quarter or on a need basis to review performance, identify improvement opportunities and guide the implementation of sustainability initiatives across the organisation. Key councils and committees include:

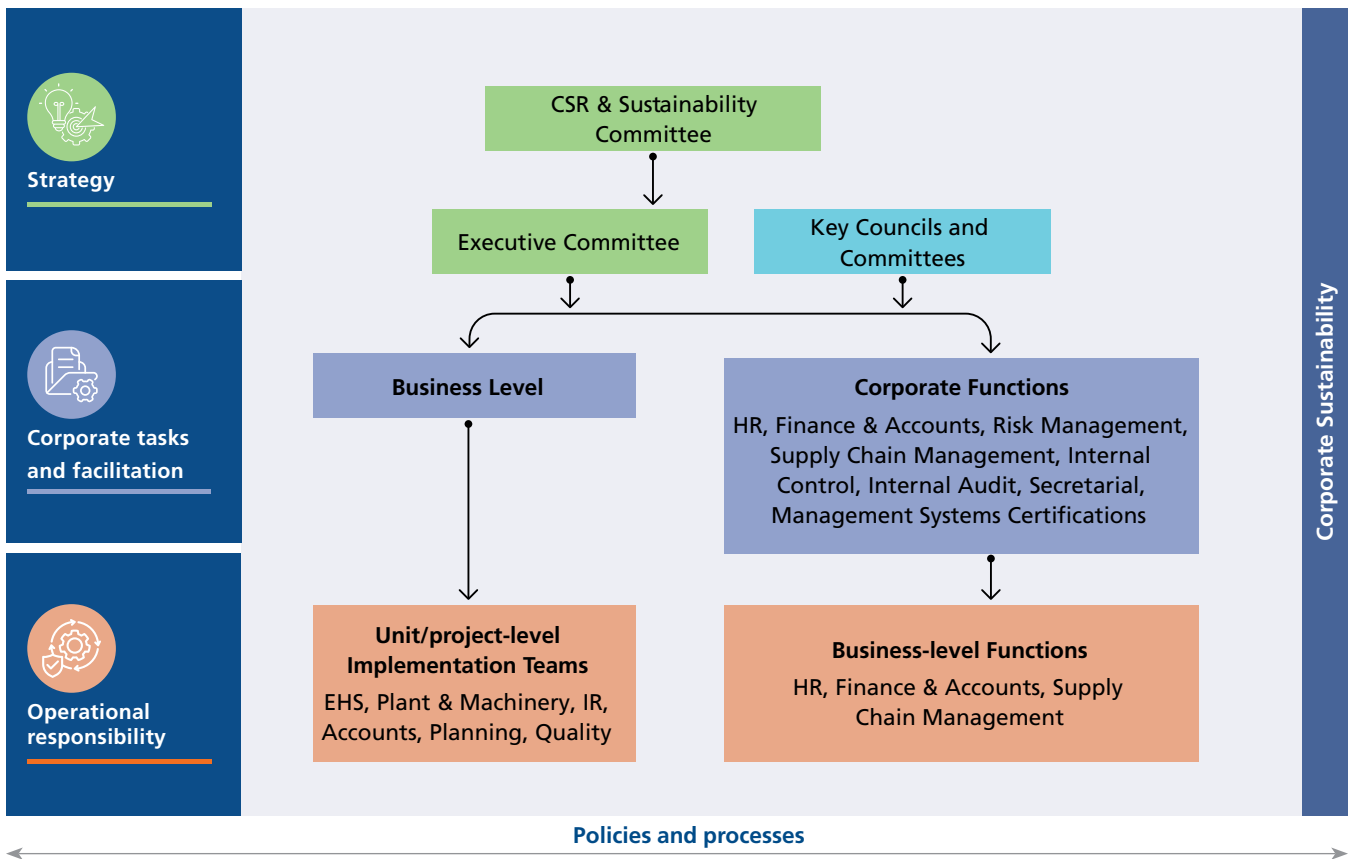
Councils and Committees	Scope	ECom Representative	Headed By	Convened By
Group CSR Council	Comprising members across the Group companies, the Council ensures alignment of CSR initiatives to the overall Group vision and strategy, collaboration for effective execution, and leveraging synergies in community development efforts	Group CFO	Head - Strategy & Special Initiatives	Head-CSR
HRC Council	Focuses on improving and implementing HR policies and procedures for talent retention, recruitment, learning & development, skilling, leadership development, and other related areas	Group CFO	Chief Human Resources Officer	
EHS Council	Drive EHS objectives of the Company by embedding a proactive, organization-wide safety culture, ensuring adoption of global best-in-class EHS practices, and driving continuous improvement	Deputy MD	Group Head-Corporate EHS	
Green Campus / Sustainability Task Force	Focuses on setting targets linked to the environment, driving the implementation of Carbon and Water Neutrality plans, and identifying improvement areas	Deputy MD	Head - Strategy & Special Initiatives	Chief Sustainability Officer
Material Council	Formulate strategies for procurement of key input materials, supply chain risk management, cascading best practices in supplier management and sustainability in the supply chain	Whole-time Director	Senior Vice President	Vice President & Head - Supply Chain Management
Group IT & Cybersecurity Council	Apex level Council focuses on strategic decisions related to IT systems and infrastructure management, cybersecurity management, and implementation of policies and procedures	Whole-time Director	Head - Strategy & Special Initiatives	Chief Information Officer
Quality Council	Apex level Council aims for continuous improvement of quality across the Company by integrating quality leadership in its diverse businesses through collaboration and leveraging cross-learning	Whole-time Director		Head - QA & QC of one of the businesses

Business Level

Comprises representatives from various business verticals, facilitates collaboration and ensures that sustainability goals are met across all work locations i.e. EPC project sites, manufacturing facilities and offices.

Board and Leadership Oversight

Review level	Review frequency
Board Committee overseeing sustainability	Every quarter by the CSR & Sustainability Committee
Review by Group CMD and CFO	Quarterly
Executive Committee updates	Monthly
Board Committee review of sustainability disclosures	Annually, Integrated Report and BRSR



Integrating Sustainability into Business Operations

Sustainability is integrated into day-to-day operations through dedicated teams across key functions including planning, execution, environment, EHS, procurement, HR, finance, quality, IT and digital. This integrated approach ensures that sustainability and climate considerations are embedded into:

- Project planning and execution
- Resource utilisation and operational efficiency
- Health, safety and environmental management
- Supply chain engagement and responsible sourcing
- Stakeholder engagement and community development

Management Systems and Standards

The Company has implemented management systems certified against globally recognised standards (e.g., ISO 9001, ISO 14001, ISO 45001) to ensure structured, reliable processes that enhance quality, efficiency, and stakeholder trust. Core systems such as Quality, Environment, Occupational Health & Safety, and Integrated Management Systems, are deployed across all business units, while other standards (e.g., Energy Management, Social Accountability, Information Security) are implemented in select businesses or locations. All systems are certified by independent third-party agencies.

Coverage of the business

100%

ISO 9001: Quality Management System (QMS)

100%

ISO 14001: Environment Management System (EMS)

100%

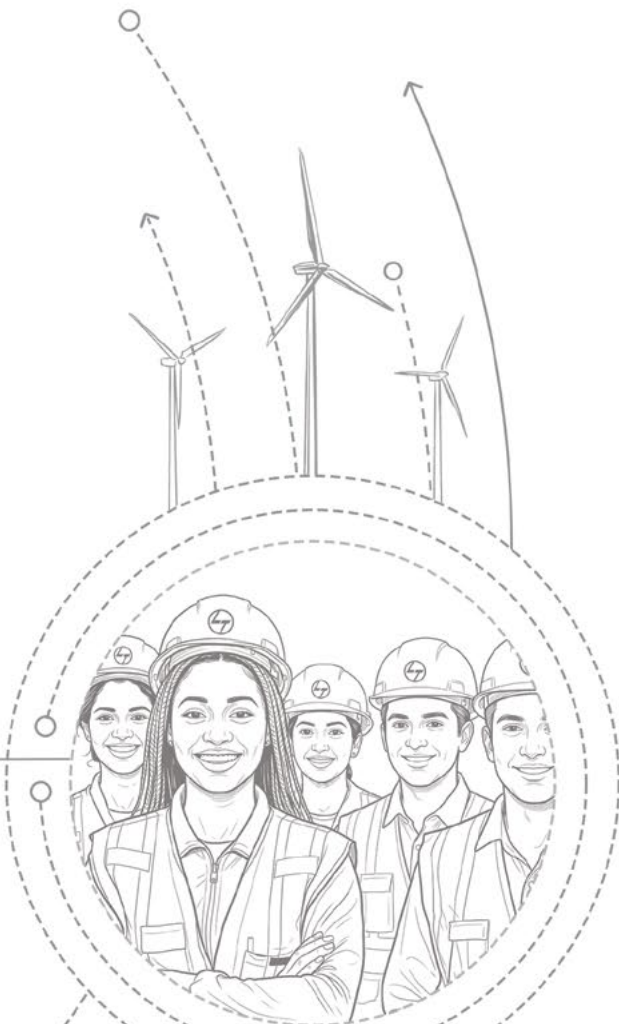
ISO 14001: Environment Management System (EMS)

>50%

ISO 50001: Energy Management System (EnMS)

Modular Fabrication at Kattupalli and Hazira

SA8000: Social Accountability Standard





Responsible and Ethical Business Practices

The Company is committed to maintaining the highest standards of integrity and ethical conduct across its operations. This is supported by a comprehensive set of policies that guide responsible business behaviour. These policies establish clear expectations for employees, contractors and supply chain partners regarding ethical conduct, transparency and compliance.

The leadership and senior management oversee ethical compliance, ensuring that the operations align with good practices. Key elements include:

- **Anti-Bribery and Anti-Corruption Policy**
- **Code of Conduct for Board Members and Senior Management**
- **Code of Conduct** applicable to all employees and supply chain partners
- Training and awareness for employees at all levels
- **Whistleblower Policy** to encourage reporting of unethical behaviour without fear of retaliation

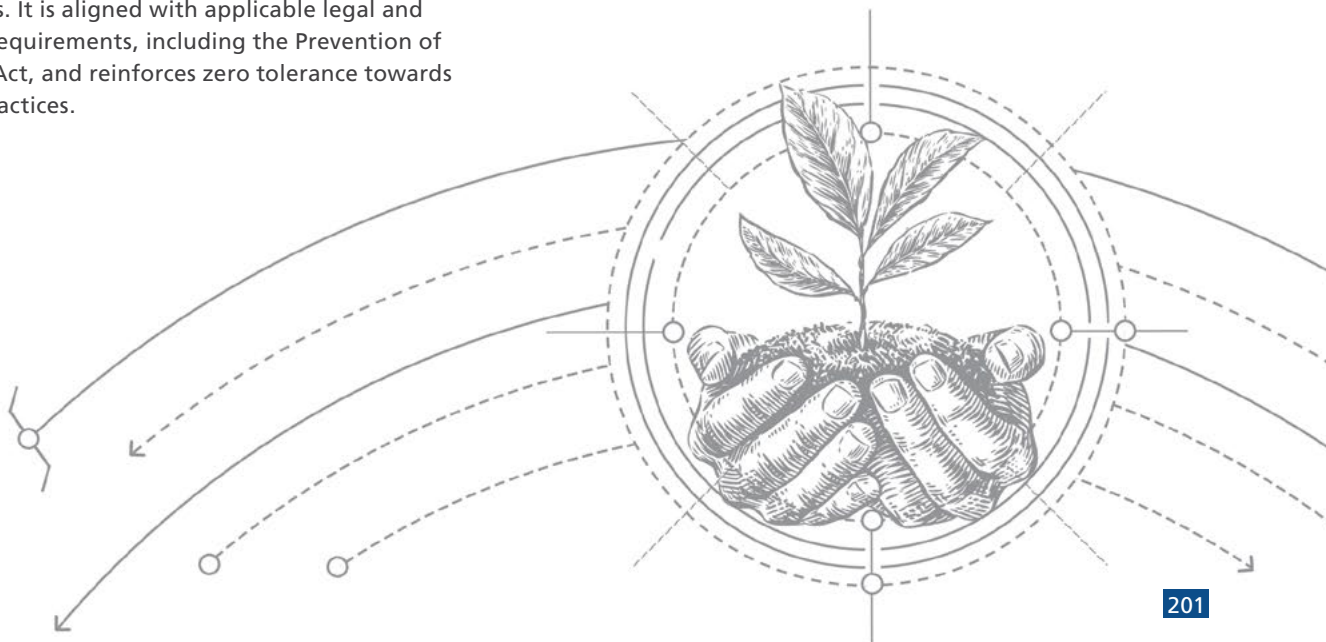


Anti-Bribery and Anti-Corruption (ABAC) Framework

L&T's Anti-Bribery and Anti-Corruption Policy form a core pillar of its governance framework, reflecting the Company's long-standing commitment to integrity, transparency and ethical conduct across all operations. The policy and its associated processes provide a comprehensive framework to prevent, detect, and address bribery and corruption risks, and is applicable to all employees, Board members, and associated persons, including third parties across the value chain.

The policy strictly prohibits any form of bribery, including facilitation payments, kickbacks, or unlawful inducements, whether direct or indirect, and extends to interactions with government officials, business partners, and other stakeholders. It is aligned with applicable legal and regulatory requirements, including the Prevention of Corruption Act, and reinforces zero tolerance towards unethical practices.

To operationalise this commitment, the Company has instituted robust internal controls and monitoring mechanisms to prevent, record and report potential violations. Regular training, guidance and awareness programmes are conducted for employees and relevant third parties to strengthen understanding and compliance. The ABAC framework is further supported by complementary policies, including Code of Conduct and Whistleblower Mechanisms, enabling transparent reporting and timely resolution of concerns.





Prevention of Sexual Harassment (POSH)

The Company remains committed to providing a safe, respectful, and inclusive workplace, reinforced by a zero-tolerance approach to sexual harassment. A gender-neutral Prevention of Sexual Harassment (POSH) Policy is implemented across the organisation, ensuring protection and equal recourse for all employees. The guiding principles are as:

Zero Tolerance: Sexual Harassment in any form will not be tolerated.

Confidentiality: All complaints and investigations will be handled discreetly.

Fairness: Both the Complainant and the Respondent will be given a fair chance to present their case.

Non-Retaliation: Protection for individuals who report or participate in an investigation, against any form of retaliation

To strengthen governance and enhance transparency, the Company has deployed a dedicated third-party case management portal which enables:

Secure and confidential reporting of complaints by employees

End-to-end tracking of cases from registration to closure

Role-based access for Internal Complaints Committee (ICC) members

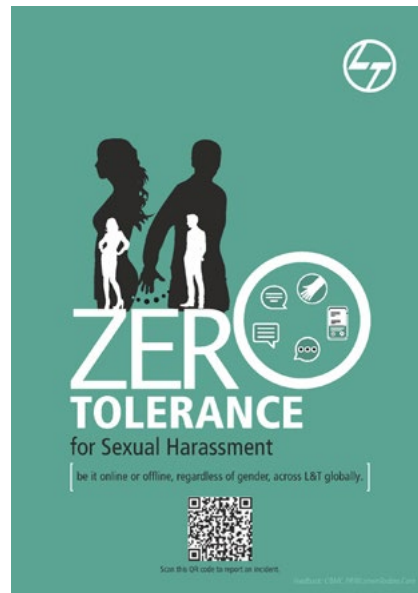
Automated alerts to ensure timely action and adherence to defined timelines

Real-time dashboards and analytics for improved oversight and monitoring

This digital platform enhances the effectiveness of grievance redressal while ensuring compliance with the POSH Act and internal policies.

In addition, the Company continues to invest in awareness and capacity-building initiatives. Updated e-learning modules on Diversity, Equity and Inclusion (DEI) and POSH have been integrated into the Learning Management System (LMS), featuring scenario-based content to improve understanding, sensitisation and responsible workplace behaviour.

Indicator	Status
Applicability	All establishments of L&T and its Affiliates, globally
Scope	<ul style="list-style-type: none"> Gender neutral Covers all employees of L&T, including part-time or full-time All consultants, contract staff, sub-contractors, clients, visitors, suppliers, customer’s employees, vendor’s employees and any other individual involved in any work-related activity.
Training coverage through LMS	~15,100 employees
Other awareness sessions conducted	Online and offline, 162 programmes covering ~7,900 participants





Whistleblower Policy and Mechanism

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

Confidentiality and Anonymity: Whistleblowers' identities are fully protected

Non-Retaliation: The Company ensures that no whistleblower faces discrimination or retaliation for reporting in good faith

Reporting Channels: Concerns can be reported via email, orally, written or post

Investigation Process: All complaints are reviewed by an independent Whistleblowing Investigation Committee, ensuring fair and prompt action

Accountability: If misconduct is substantiated, appropriate corrective measures and disciplinary actions follow

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

Confidential and Anonymous Reporting: Vendors can report concerns without fear of identity disclosure

Non-retaliation Assurance: The Company ensures protection against any adverse action for whistleblowers reporting in good faith

Multiple Reporting Channels: Complaints can be raised via a dedicated email or post

Independent Investigation: All reports are assessed objectively by Corporate Audit services

Strict action against violations: Proven cases result in corrective measures, including contractual actions or legal recourse

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

100%

Employees covered under Code of Conduct

~18,400

Employees completing Code of Conduct training

Zero

Cases of Anti-Bribery and Anti-Corruption violations





Cybersecurity and Digital Governance

Cybersecurity is an integral component of the Company’s governance and enterprise risk management framework, underpinning the protection of digital infrastructure, safeguarding data and continuity of operations. Robust cybersecurity systems and governance mechanisms have been established to manage evolving cyber risks effectively. Regular assessments, employee awareness programmes and technical training initiatives are conducted to strengthen cyber resilience across the organisation.

Governance and Accountability:

Cybersecurity risks are systematically monitored and are integrated into enterprise risk management processes. The cybersecurity roadmap and key risks are periodically reviewed by the Board Risk Management Committee (BRMC) and the Apex Risk Management Committee (ARMC), reflecting strong oversight at the highest level. Cybersecurity is recognised as a critical enterprise risk with potential financial and reputational implications. Regulatory compliance is also ensured according to applicable requirements such as Information Technology Act, CERT-In guidelines and SEBI directives. In addition, structured cybersecurity assurance assessments are conducted across businesses to proactively identify vulnerabilities and enable timely mitigation.

Employee Training & Awareness:

Cybersecurity awareness is conducted through regular training programmes, phishing simulations, newsletters and capacity-building initiatives for technical teams

Risk Management and

Incident Response A ‘Defence in Depth’ strategy has been implemented, through Firewalls, Web Application Firewall (WAF), Endpoint Detection and Response (EDR), Data Loss Prevention (DLP) and Privileged Access Management (PAM). Vulnerability assessments are conducted regularly and a 24x7 Security Operations Centre (SOC) uses Security Information and Event Management (SIEM) tools for continuous monitoring, detection and responding to cyber threats. A well-defined Cyber Crisis Management Plan is in place to respond to critical incidents. Incident response follows a structured life-cycle detection, containment, investigation, mitigation, recovery and reporting to ensure timely and effective action.

Key performance indicators such as Mean Time to Detect and Mean Time to Respond are monitored to strengthen incident responsiveness. Third-party and supply chain risks are managed through structured due diligence, contractual safeguards and continuous monitoring using digital risk assessment tools. Contractual clauses ensure that critical service providers maintain cybersecurity resilience.

Data Privacy and Protection

The Company has proactively aligned its data governance practices with the Digital Personal Data Protection (DPDP) Act and established a centralised data privacy framework to ensure enterprise-wide compliance. Coverage of security controls across production and internet-facing systems is tracked, with ongoing efforts to enhance measurement of financial impacts arising from cyber incidents. The Company is committed to sustaining continuous compliance and will further strengthen its controls in line with mandatory regulatory requirements.

Standards, Certifications and

Assurance: The Company’s cybersecurity framework is certified against ISO 27001:2022, ISO 22301:2019, ISO 42001:2023, ISO 27017:2015, ISO 27701:2019 and aligned with NIST-CSF, IEC 62443, CEA guidelines and CERT-In requirements. Independent audits and certifications reinforce the robustness, consistency and effectiveness of the control environment.



Information Security and Data Governance

Investments and Future Risk Mitigation: Cybersecurity investments are aligned with a strategic roadmap, addressing both current threat landscapes and evolving regulatory expectations. These efforts reflect the Company's commitment to safeguard its digital assets while ensuring business continuity in an increasingly complex cyber risk environment.

The Company is strengthening its cybersecurity posture through a focused set of strategic and technology-driven initiatives. An AI-enabled next-generation Security Operations Centre (SOC 2.0) is being deployed to enhance threat detection and response capabilities. Key security controls, including Cloud Security Posture Management (CSPM), are being implemented to safeguard critical data and cloud environments. A centralised Governance, Risk and Compliance (GRC) platform is being rolled out to enable enterprise-wide continuous compliance monitoring. In parallel, a Group-wide Digital Personal Data Protection (DPDPA) framework, supported by privacy tools, is being implemented to strengthen data privacy practices.

The Company recognises information assets as critical to business continuity, stakeholder trust and long-term value creation. Accordingly, a robust information security governance framework has been established, supported by defined policies, structured programmes and globally recognised standards.

The Company's Information Security Policy emphasises the protection of information assets by ensuring their confidentiality, integrity, and availability. This is achieved through the deployment of appropriate people, process, and technology controls, aligned with the Cyber Security Assurance Framework (CSAF). The policy applies to information assets of both the Company and its customers, reinforcing a comprehensive and risk-based approach to data protection.

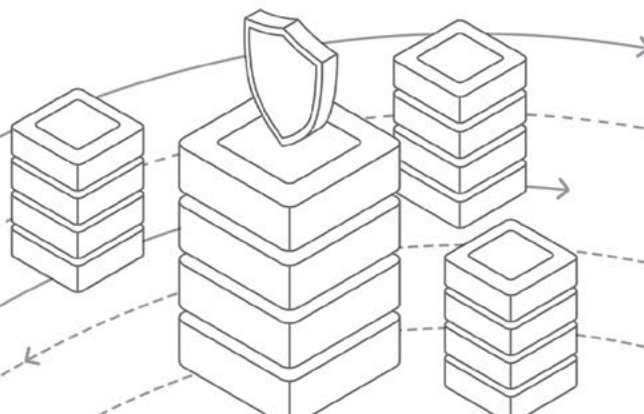


Information security management is further strengthened through enterprise-wide programmes that focus on risk assessment, continuous monitoring, incident management and awareness initiatives. These programmes are periodically reviewed and updated to address evolving cyber threats and regulatory requirements.

The Company's businesses are certified under ISO/IEC 27001:2022, demonstrating alignment with globally accepted best practices for Information Security Management Systems (ISMS).

40%
Employees completing
Cybersecurity training

Zero
Data breach and
Cybersecurity incidents





Sustainability Data Governance and Reporting

L&T has established robust systems and internal controls to ensure the accuracy, completeness, and reliability of sustainability and climate-related data. Sustainability data governance is supported by a dedicated technology platform **L&T-EARTH** (*ESG Analysis and Reporting Tool for Holistic Initiatives*), which integrates automated data capture, validation and reporting processes.

The Company follows recognised national and international frameworks to ensure transparency in sustainability reporting. The Company publishes sustainability disclosures through:

- Integrated Annual Report aligned with the Integrated Reporting Framework
- Business Responsibility and Sustainability Reporting (BRSR) in accordance with SEBI requirements
- Global sustainability disclosures such as CDP
- ESG Ratings such as MSCI, CRISIL



Building a Sustainability Culture

The Company promotes sustainability awareness and capability building across the organisation. Training programmes, workshops and awareness initiatives are conducted to strengthen employee understanding of sustainability issues and to responsible practices. These initiatives extend to employees, contract workers and leadership teams through online learning modules, on-site awareness sessions and targeted engagement programmes.



Reasonable Assurance of Sustainability KPIs

As part of the commitment to robust ESG governance and regulatory compliance, L&T has been undertaking reasonable assurance on select BRSR Core Key Performance Indicators since FY 2023-24. The assurance in FY 2025-26 has been undertaken by BDO India Services Pvt Ltd, an independent third-party assurance partner, in accordance with *International Standards on Assurance Engagements (ISAE) 3000*. Underneath this standard are several other ISAE standards which, or can be, applied to areas such as performance, internal controls and behaviours. These include at the international level: *ISAE 3402 Assurance Reports on Controls at a Service Organisation* and *ISAE 3410 Assurance Engagements on Greenhouse Gas Statement*.

BRSR Core KPIs that have been reasonably assured include GHG footprint, water footprint, energy footprint, waste management, spend towards well-being measures, safety statistics of employees and workers, gross wages paid to females as percentage of wages paid, complaints on POSH, purchase from MSMEs and from within India, job creation in smaller towns, events related to data breach and cybersecurity and financial KPIs. This assurance process strengthens the integrity of disclosures and enhances stakeholder confidence in the credibility, accuracy, and transparency of the Company's sustainability reporting.



Strengthening Governance for the Future

L&T remains committed to continuously strengthening its sustainability and climate governance framework in response to evolving regulatory expectations, investor requirements, and global sustainability challenges. The Company will continue to enhance Board and management oversight, integrate sustainability into enterprise risk management and capital allocation, and align disclosures progressively with ISSB and TCFD standards. Through robust governance, strong leadership accountability and integrated management systems, L&T seeks to deliver sustainable long-term value for all stakeholders.





Sustainability Highlights


Environment

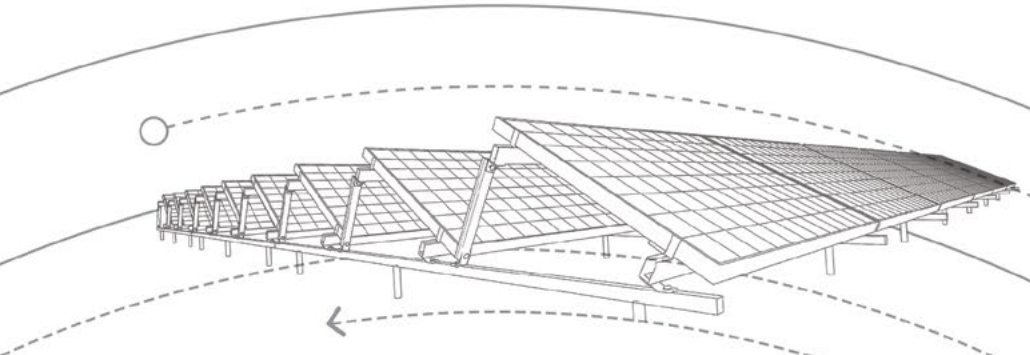
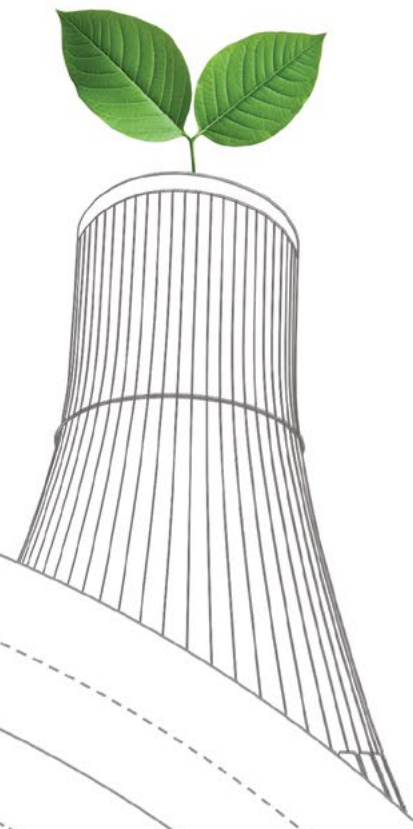
	Energy	66.5 GJ/₹ Cr Energy consumption intensity -4.5%*	19 % Electricity from renewable sources +42%*
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	Emissions	5.9 tCO _{2e} /₹ Cr GHG emission intensity -4.8%*	1 Mn Saplings planted
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	Water	82.8 kl/₹ Cr Water consumption intensity
---	-------	--

	Materials	32 % Sustainable material [#] used
--	-----------	---

	Green Business	51 % Revenue from Green Business
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* Improvement over FY 2024-25
 # Comprises recycled & eco-friendly non-virgin material

Social

	Health and Safety		7.4 Mn Safety training hours
	Human Rights	2 Key facilities SA8000 certified	>11,000 Employees completed online training module
	Skilling	>3,59,000 Workers covered	
	Diversity Equity and Inclusion	9.6% Gender diversity	130 Women in senior management 84 Differently abled persons
	Social Impact	1.9 Mn CSR beneficiaries	10,461 Employee Volunteering

Governance

	Governance & Ethics	100% New joinees trained on CoC
	Customer Centricity	9.1 Customer Satisfaction Score (out of 10)
	Data Privacy & Cybersecurity	Zero Cases of data breaches
	Sustainable Supply Chain	20% Sustainable sourcing by value of purchase

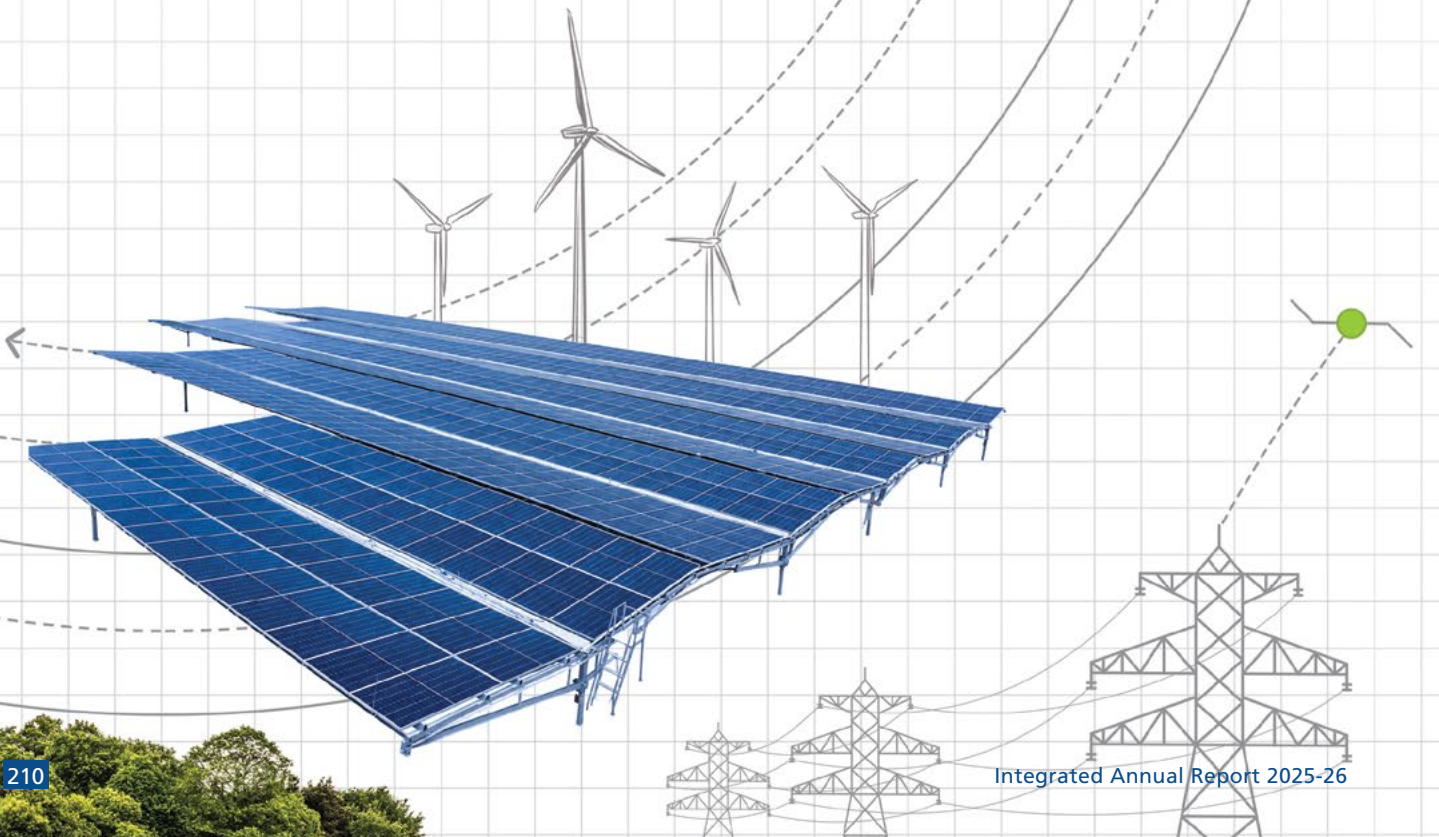
ESG Ratings 2025



NATURAL CAPITAL

L&T recognises natural capital as a fundamental pillar of its business model, resilience and long-term value creation. Guided by the principle of **double materiality**, the Company evaluates both its impacts on nature and the financial risks and opportunities arising from its dependence on natural resources. While L&T does not operate in inherently resource-intensive sectors, its activities interface with natural capital through energy consumption, material sourcing, land use and interaction with local ecosystems. These interfaces give rise to material themes such as climate change, air quality management, water and wastewater management, waste and circularity, and biodiversity.

Aligned with this year's overarching theme of **"Every great story begins with a leap"**, L&T's approach to natural capital reflects a series of deliberate leaps- towards decarbonisation, water stewardship, circularity, biodiversity conservation and climate resilience. These leaps are embedded across governance, strategy and execution, allowing the Company to mitigate environmental impacts while unlocking opportunities in low-carbon, resource-efficient and nature-positive solutions that support responsible growth.



Key Highlights of FY 2025-26

42%

Y-o-Y Increase in Renewable
Electricity Consumption

4.5%

Energy Consumption
Intensity Reduction

2.7 Mn kl

Wastewater Recycled

32%

Sustainable Material Used

Strategy Linkage¹

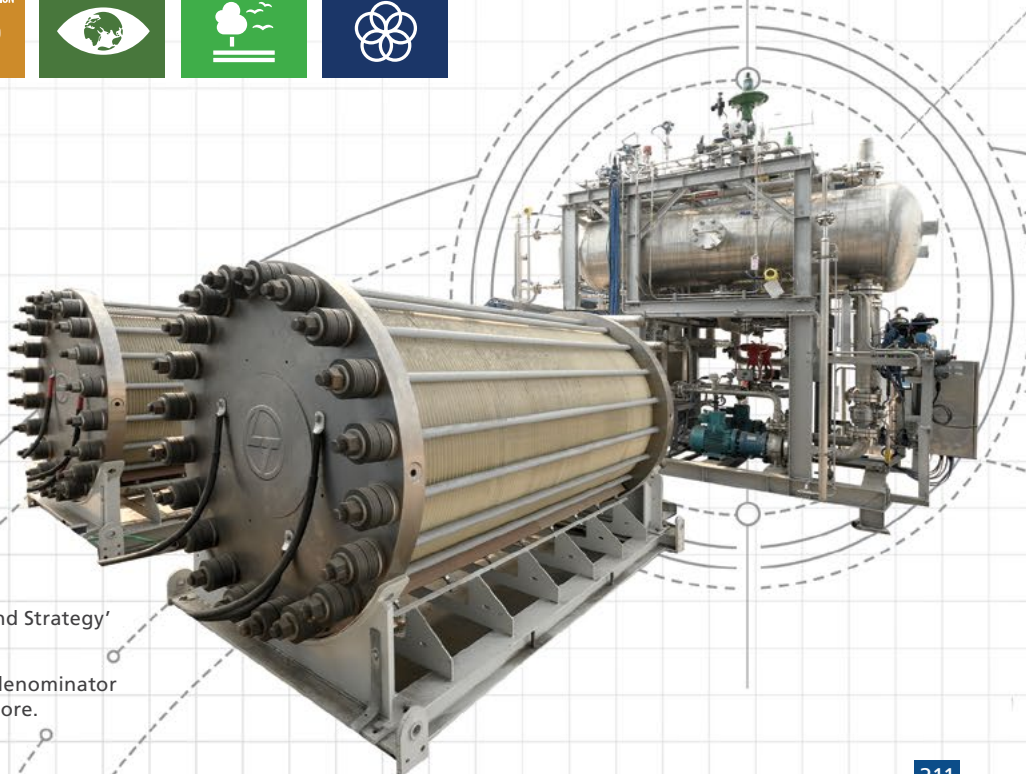


SDGs Impacted



Material Topics

- Climate Change
- Water and Waste Management
- Land Use and Ecosystem
- Air Quality Management
- Sustainable Supply Chain
- Business Ethics



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

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

Carbon Neutrality Strategy

In 2022, L&T took a decisive leap by committing to achieve Carbon Neutrality by 2040, covering Scope 1 and Scope 2 emissions, with FY 2020–21 as the baseline for absolute emissions and intensity. This commitment reflects the company’s recognition that climate leadership is not incremental, it requires conviction, scale and long-term resolve. The decarbonisation roadmap is structured across short-term (1–2 years), medium-term (2–5 years) and long-term (5–15 years) horizons, aligned with the Company’s strategic planning cycle, including its five-year business plan, **Lakshya**.

Long term business as usual (BAU) projections are developed using baseline emissions intensity, enabling systematic tracking of progress, prioritisation of interventions and a phased transition towards low carbon operations.

The strategy is anchored on two primary levers:



Reduction in energy consumption intensity



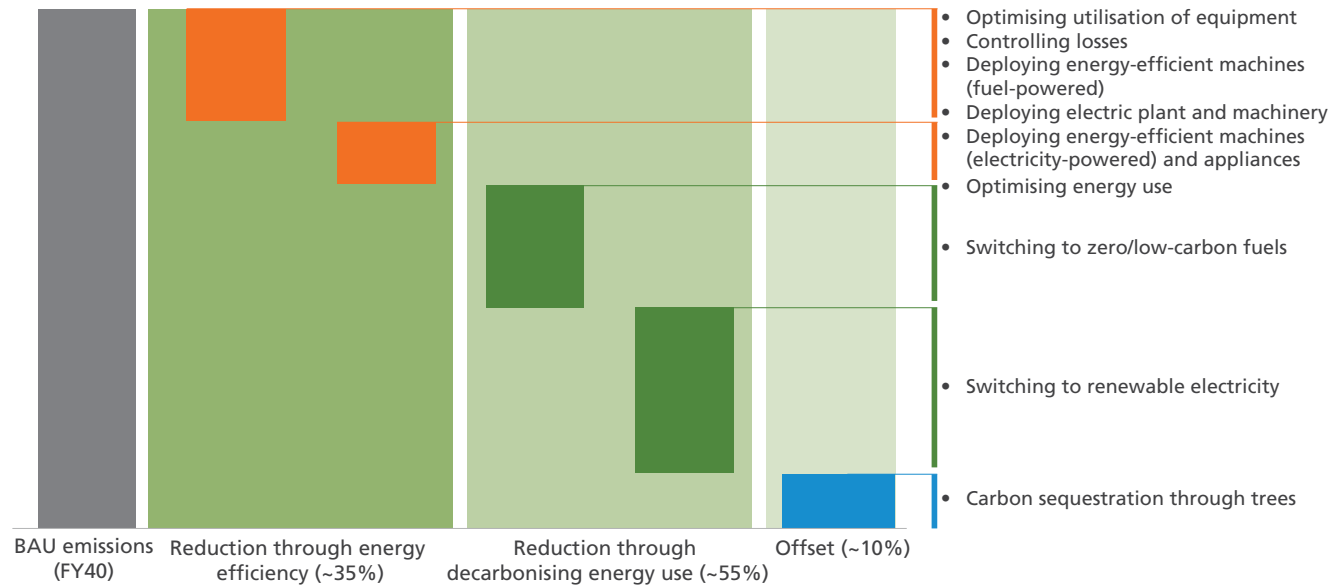
Decarbonising energy consumption

In the short and medium term, the focus is on moderating emissions growth by improving equipment productivity, optimising processes, deploying energy conservation

measures and electrifying operations. Over the longer term, L&T is driving deeper decarbonisation through accelerated adoption of renewable electricity and integration of low

and zero-carbon fuels. This phased, technology-enabled approach balances emissions reduction with business growth, reflecting anticipated shifts in the global energy ecosystem.

Carbon Neutrality Path



Reduction in Energy Intensity

A significant share of revenue is generated from Engineering and Construction businesses, where dependence on construction machinery and diesel generator sets results in inherently high direct energy intensity. Diesel remains the dominant contributor to Scope 1 emissions, followed by electricity consumption across equipment and facilities. Together, these accounted for over **93%** of total energy consumption and more than **95%** of Scope 1 and 2 emissions in FY 2025–26, making diesel reduction a strategic priority.

To address this, L&T has institutionalised a structured, technology led approach, including a dedicated diesel reduction task force and a Corporate Energy Management Cell.

Key solutions being pursued include:



Transition from Diesel Generator (DG) sets to grid electricity supply



Electrification of equipment through replacement of diesel-powered assets



Phased replacement of ageing equipment with energy-efficient alternatives



Adoption of hybrid or electric equipment, e.g. light masts, wheel loaders



Strengthening monitoring and control of energy and fuel consumption through digital systems

Parallel efforts to reduce electricity intensity include adoption of Variable Frequency Drives (VFDs), Variable Voltage Variable Frequency (VVVF) systems, IE4/IE5 motors and brushless DC motors, along with upgrades to high efficiency HVAC and lighting systems across offices and facilities. Additionally, energy efficiency improvements are being undertaken across offices and facilities through upgrades in air-conditioning and lighting systems, including the transition from 3-star to 5-star rated equipment.

Tracking of energy consumption and reduction initiatives is being enabled through digital systems and implementation of Energy Management Systems (EnMS). Energy audits across the Company, internal as well as through third-party agencies, additionally help identify the areas for further improvement.

Decarbonising Energy Consumption

In addition to improving energy efficiency, the Company is focused on decarbonising its energy consumption by increasing the share of renewable energy in its overall energy mix. Multiple sourcing pathways are being pursued, including Power Purchase Agreements (PPAs) for solar, wind and hybrid power, on-site solar installations, procurement through the open access route, and adoption of green tariffs. Priority is accorded to on-site solar deployment, wherever feasible; however, in cases of space or technical constraints, alternative sourcing mechanisms are leveraged.

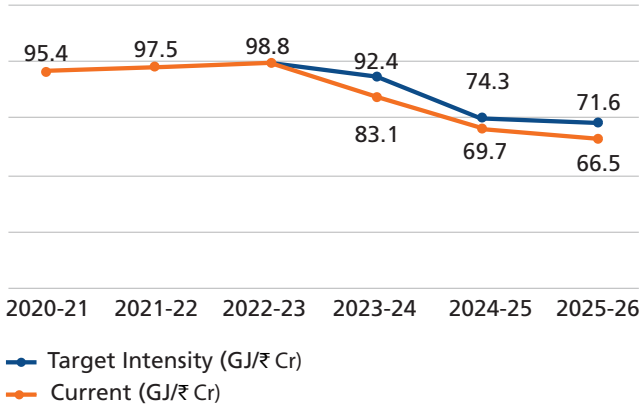
In 2025, following detailed evaluation, the Company decided to proceed with Group Captive renewable energy, which is expected to enhance renewable electricity sourcing for key manufacturing facilities and major offices in Gujarat and Tamil Nadu. A cross-functional team is currently driving its operationalisation.

In parallel, the Company is advancing the use of low-carbon fuels to reduce emissions from both stationary and mobile combustion sources. Initiatives include blending biodiesel with diesel, deployment of compressed biogas (CBG) in place of conventional fuels such as LPG and LDO in select manufacturing facilities, use of biomass pellets in equipment and adoption of compressed natural gas (CNG) for vehicles. While challenges such as supplier availability and OEM-related constraints persist, defined targets have been established across business units to scale up biofuel adoption.

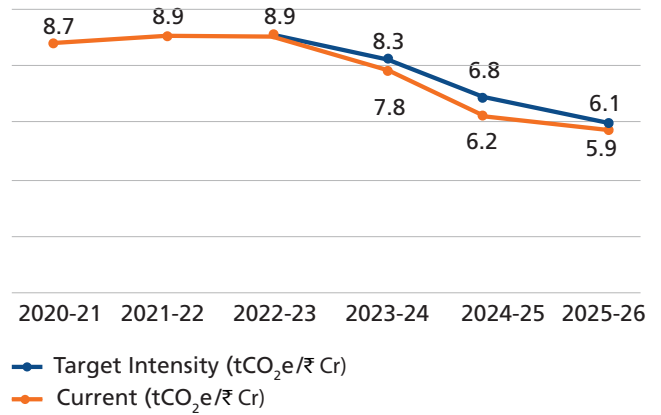
Collectively, these initiatives support the Company's transition plan by reducing emissions intensity, diversifying energy sources and enhancing operational resilience.

Progress on Carbon Neutrality Path

Energy Intensity Reduction Path



Emission Intensity Reduction Path

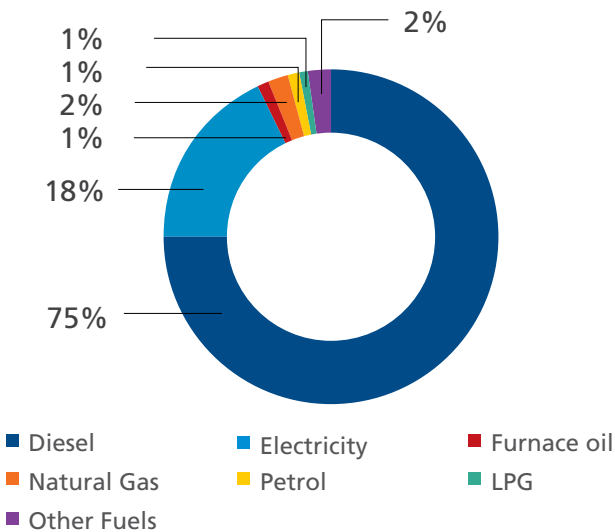


Energy

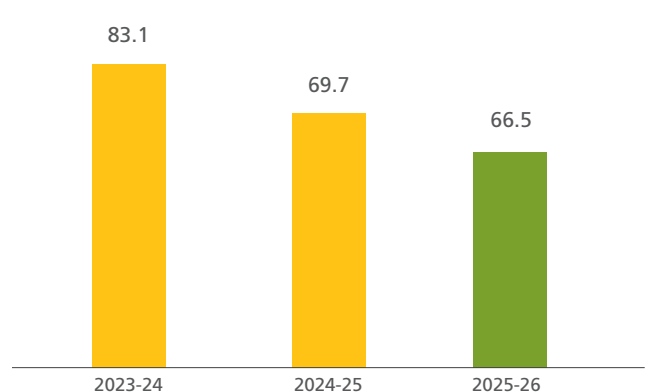
In FY 2025–26, the Company’s total energy consumption stood at **10.2 million GJ**, comprising **~8.4 million GJ of direct energy** (fuel consumption) and **~1.8 million GJ of indirect energy** (electricity consumption). *The detailed breakdown of energy consumption by renewable and non-renewable sources is disclosed under Principle 6 of the BRSR section of the Integrated Annual Report.*

Diesel remains the dominant energy source, contributing approximately **75%** of the total energy consumption. The contribution of other energy sources is presented in the chart below.

Fuel-wise Energy Breakup



Energy Intensity Trend (GJ/₹ Cr)



Renewable Energy

As a result of initiatives implemented across all locations, the share of renewable electricity consumption increased to **19% (98 million kWh)** of total electricity consumption (**509 million kWh**) in FY 2025–26, compared to 15% in FY 2024–25. In absolute terms, renewable electricity consumption rose from **0.25 million GJ in FY 2024–25 to 0.35 million GJ in FY 2025–26**, representing an increase of 42%. In the case of fuel consumption, the share of renewable energy stands at **1% in FY 2025–26**, compared to **0.8% in FY 2024–25**. Given the relatively high proportion of fuel-based energy consumption in the Company's overall energy mix, the share of renewable energy in total energy consumption stands at **4.3% in FY 2025–26**. The Company continues to evaluate and scale multiple pathways to address challenges associated with the sourcing of renewable electricity and renewable fuels, as part of its broader decarbonisation and energy transition strategy.

Renewable Energy (electricity): Split by type of contract or source

7.2 Mn Kwh
Solar (On-site)

17.6 Mn Kwh
Solar (PPA)

33.8 Mn Kwh
Wind (PPA)

25.6 Mn Kwh
Hybrid (PPA)

13.8 Mn Kwh
Green Tariff

Renewable Energy (fuel): Split by type of fuel

64,740 GJ
Biodiesel

6,018 GJ
Compressed Biogas (CBG)

12,236 GJ
Biomass

The Company's energy intensity declined by 4.5% compared to FY 2024-25, primarily driven by a reduction in direct energy intensity of 6%. This improvement was largely supported by initiatives aimed at reducing diesel consumption across project sites, as well as the completion or transition to closing stages of certain large contracts e.g., contracts related to the high-speed rail, dedicated freight corridor, buildings, and water treatment plants. This reduction was partially offset by higher energy consumption associated with the execution of offshore projects contracts by the Company's Offshore business and increased activity in EPC projects in the Middle East, reflecting the evolving project mix and execution profile.

Top 10 business-wise split of Energy Consumption (Mn GJ)



HCI: Heavy Civil Infrastructure, **TI:** Transportation Infrastructure, **RENU:** Renewables, **LTEH-Offshore:** L&T Energy Hydrocarbon-Offshore, **B&F:** Buildings & Factories, **WET:** Water & Effluent Treatment, **LTEH-Onshore:** L&T Energy Hydrocarbon-Onshore, **PT&D:** Power Transmission & Distribution, **M&M:** Minerals & Metals, **Others:** Heavy Engineering, Offices, L&T Energy-CarbonLite Solutions, Precision Engineering and Systems, and other businesses (please refer to 'Notes on Sustainability Information' section for business-wise breakup of all businesses)

GHG Emissions

Emissions (Scope 1+2) intensity has decreased by 4.8% in FY 2025-26 compared to FY 2024-25. The decrease is primarily due to reduction in energy intensity.

Scope 1 Emissions

Direct greenhouse gas emissions arising from the combustion of fuels such as high-speed diesel (HSD), furnace oil, natural gas, liquefied petroleum gas (LPG), acetylene, and other fuels used in mobile equipment (construction machinery) and stationary sources (diesel generator sets, hot mix plants, furnaces, and other equipment at manufacturing facilities). In addition, Scope 1 emissions include fugitive emissions from the use of carbon dioxide (CO₂) in welding applications and fire extinguishers, as well as emissions from refrigerants used in air-conditioning and cooling systems across offices, manufacturing facilities, and project sites.

6,17,113 tCO₂e

Incl. fugitive emissions

10,941 tCO₂e

Scope 2 Emissions

Scope 2 emissions for the Company represent indirect greenhouse gas emissions arising from the consumption of purchased electricity, as well as electricity generated from captive renewable sources such as on-site solar installations. These emissions are associated with the Company's operations across EPC project sites, manufacturing facilities and office locations. Scope 2 emissions are accounted for across all work locations where electricity is consumed for construction activities, production processes and facility operations.

2,89,920 tCO₂e

Market- based

3,59,421 tCO₂e

Location- based

Scope 3 Emissions

Scope 3 Emissions for the Company are emissions related to the value chain of the Company. Data has been disclosed on nine categories, out of 15 as per the GHG Protocol, which are relevant and material for the Company.

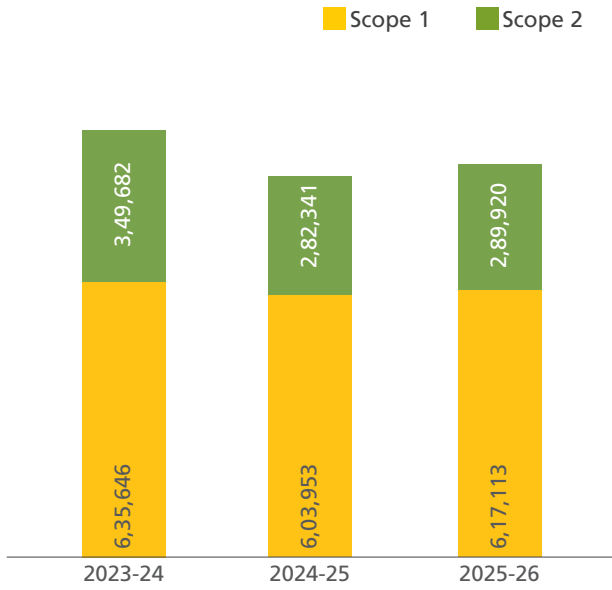
65,48,226 tCO₂e

Scope 3 Emissions split by category

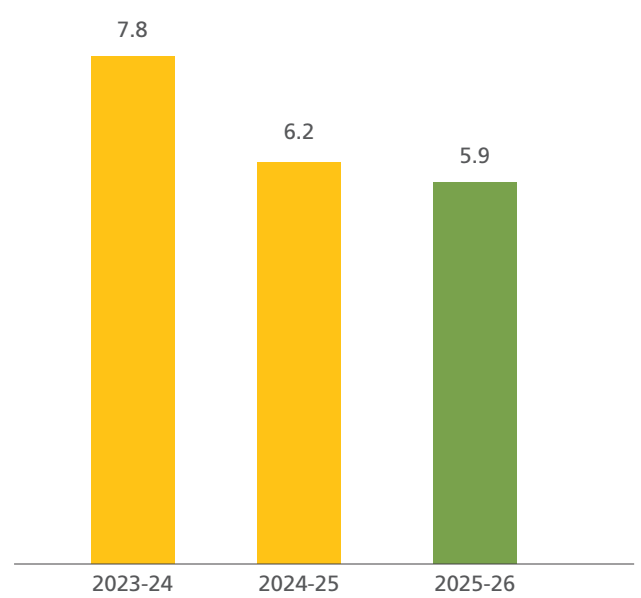
Type	Category	FY 2025-26	FY 2024-25
Upstream	Purchased goods and services	63,80,211	72,71,731
	Capital goods	1,114	
	Fuel- and energy-related activities	355	
	Upstream transportation and distribution	77,487	1,26,338
	Waste generated in operations	14,182	
	Business travel	13,717	14,048
	Employee commuting	50,014	43,925
Downstream	Downstream transportation and distribution	11,135	
	Downstream leased assets	11	2,201
Total		65,48,226	74,58,242

Scope 3 disclosure has been improved in FY 2025-26 and more categories have been disclosed compared to FY 2024-25. For details on methodology and calculations of emissions, please refer to "Notes on Sustainability Information" section.

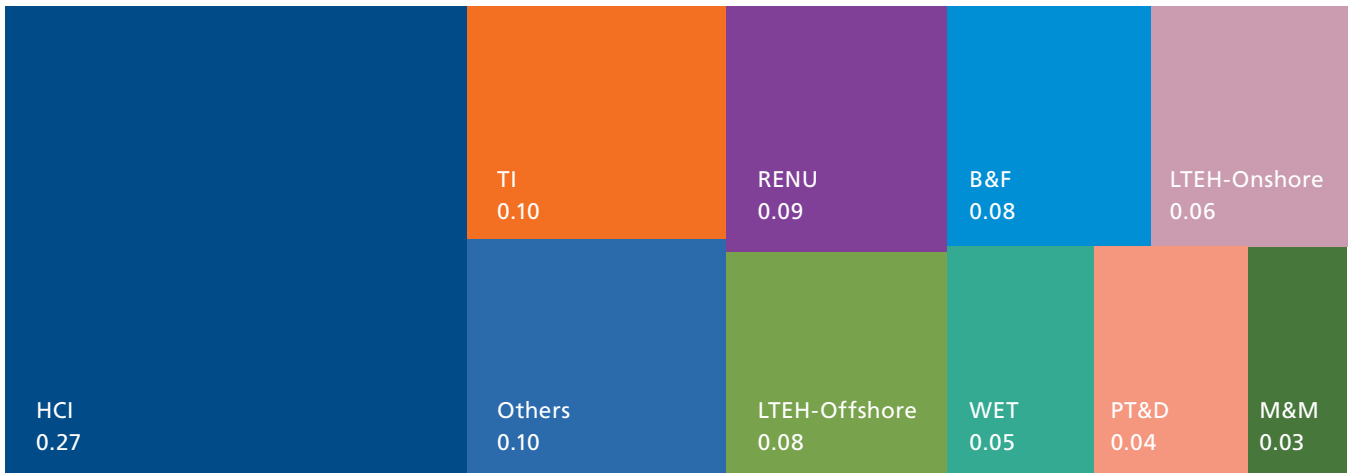
Emissions Trend (tCO₂e)



Emissions Intensity Trend (tCO₂e / ₹ Cr)



Top 10 business-wise split of Emissions [Scope 1 and 2] (Mn tCO₂e)



HCI: Heavy Civil Infrastructure, **TI:** Transportation Infrastructure, **RENU:** Renewables, **LTEH-Offshore:** L&T Energy Hydrocarbon-Offshore, **B&F:** Buildings & Factories, **WET:** Water & Effluent Treatment, **LTEH-Onshore:** L&T Energy Hydrocarbon-Onshore, **PT&D:** Power Transmission & Distribution, **M&M:** Minerals & Metals, **Others:** Heavy Engineering, Offices, L&T Energy-CarbonLite Solutions, Precision Engineering and Systems, and other businesses (Refer to 'Notes on Sustainability Information' section for business-wise breakup of all businesses)

GHG Emissions Reduction Initiatives

The Company is implementing a range of initiatives across its operations to reduce GHG emissions and support its decarbonisation objectives. These initiatives are being deployed across EPC project sites, manufacturing facilities, and office locations, with a focus on improving energy efficiency, reducing fossil fuel dependence, and increasing the share of low-carbon energy sources.

An overview of key initiatives is presented below:

Reduction levers	Scope	Actions	Emissions avoided during FY 2025-26
Biodiesel for reducing diesel consumption and emissions	Scope 1, own operations	<p>The Company initiated the use of biodiesel two years ago as a measure to reduce diesel consumption and is now scaling up its deployment across all locations.</p> <p>WET business has taken a lead role in driving implementation across operations. Key challenges related to biodiesel sourcing volumes, fuel quality and equipment performance are being addressed through the dedicated task force focused on diesel consumption reduction. In parallel, phased targets have been established for systematic substitution of conventional diesel with biodiesel across all business segments.</p>	~4,900 tCO ₂ e
Renewable energy (electricity)	Scope 2, own operations	<p>In FY 2025–26, renewable electricity sourcing increased significantly across multiple sites, including manufacturing facilities at Kansbahal, Kancheepuram, Kattupalli and Talegaon and a few EPC project sites. This was enabled through a mix of on-site solar installations, Power Purchase Agreements (PPAs), and green tariff procurement.</p>	~6,130 tCO ₂ e
Electrification of processes	Scope 1, own operations	<p>Electrification of processes is being expanded across different locations of the Company. A few locations have undertaken in-house retrofitting of equipment, including the conversion of diesel-powered machinery to electric alternatives, such as the transformation of a walk-behind baby roller into an electric-powered unit at one site. The deployment of electric plant and machinery for specialised applications is also being expanded; for instance, electric Brokk machines have been successfully used in tunnelling operations.</p>	~685 tCO ₂ e
Decarbonisation beyond own operations	Scope 3, value chain	<p>Scope 3 reduction is challenging due to many elements being outside the control of the Company such as purchased goods which are primarily governed by the specifications controlled by the customers. However, the Company has started exploring some initiatives which could help reduce Scope 3 emissions. Some of these are:</p> <ul style="list-style-type: none"> • Using higher grades of materials, particularly steel, and leading to quantity reduction • Use of low-carbon material or recycled material such as blended cement in place of Ordinary Portland Cement • Use of low-carbon or zero-carbon fuels in upstream transportation e.g. CNG, LNG trucks/trailers • Promoting adoption of electric vehicles by the employees, through special scheme, to reduce emissions from employee commuting 	

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



Improving energy efficiency of operations

Reducing energy consumption across machines and processes remains a continuous focus area for the Heavy Engineering business at the AM Naik Heavy Engineering Complex, Hazira. During FY 2025-26, the maintenance team implemented the replacement of conventional starter-based operation of hydraulic pumps used in rolling machines with Variable Frequency Drives (VFDs). This enables precise control of pump speed based on process demand, resulting in significant energy savings, improved equipment life, enhanced system reliability and seamless integration with IoT-based monitoring and analytics for future-ready operations.

In addition, energy efficiency improvements have been undertaken in furnace-based manufacturing processes, where natural gas is used for applications such as tempering and other heat-treatment activities. Over time, operational enhancements such as leak reduction, improved heat retention and equipment upgrades have been implemented. Further, the introduction of a combustion catalyst in the furnace system has improved combustion efficiency by stabilising the molecular structure of the fuel and enabling cleaner, more efficient energy utilisation. The catalyst is blended directly into the natural gas supply line prior to burner entry, resulting in improved furnace energy performance.

~372 tCO₂e
Annual emission reduction



Reducing manufacturing processes carbon footprint

At the Pithampur manufacturing facility of the Power Transmission & Distribution business, transmission tower fabrication involves energy-intensive plate bending operations, previously powered by Light Diesel Oil (LDO) for localised heating. The facility has developed and operationalised a new furnace design capable of using Compressed Biogas (CBG) as a fuel source. Given differences in fuel characteristics, multiple design iterations and trials were undertaken to stabilise operations.

In parallel, the facility has adopted Lean Six Sigma methodologies to enhance overall process efficiency. Following the Define, Measure, Analyse, Improve and Control (DMAIC) framework, a detailed analysis was conducted to identify performance outliers, followed by implementation of engineering and administrative controls. Key interventions included installation of VFDs, idle-control timers, automated blower speed regulation using sensors, time-of-day (TOD) based load shifting, LDR-based lighting automation, and deployment of a Digital Transformer Monitoring System (DTMS) to improve power quality and reliability.

~576 tCO₂e
Avoided emissions during the year



Driving energy efficiency for customers

Energy efficiency is also embedded in the Company's customer offerings. One such case is implementation of electricity consumption initiatives by the WET business, in its O&M contract for the Bhagirathi Water Treatment Plant (455 MLD) in New Delhi. These include optimisation of pump operations through improved reservoir level management, maintenance of Automatic Power Factor Correction (APFC) panels and capacitor banks to ensure optimal power factor, replacement of halogen lighting with LED systems, LDR-based lighting controls and improved sludge management to enhance treatment efficiency.

~11 Mn units
saved over a period of 10 years



Water

Water is a critical natural resource for the Company's Engineering, Procurement and Construction (EPC) operations, particularly in civil intensive projects where usage is closely linked to construction methodologies, workforce requirements and stage of execution. While manufacturing operations are comparatively less water intensive, overall water withdrawal and consumption patterns at L&T are influenced by the scale, geography and life-cycle phase of projects, resulting in inherent variability across years. Water is central to L&T's EPC operations and community interfaces. Aligned with its ambition to achieve **water neutrality by 2035**, the Company has taken a strategic leap from consumption management to integrated water stewardship. Digital monitoring, modular treatment systems and nature-based solutions are being used to enhance water resilience across operations.

Water Neutrality Strategy

The Company's water neutrality roadmap is structured across short-, medium- and long-term horizons and anchored on three strategic levers:

- **Reduction in water consumption intensity** through optimisation of construction processes and adoption of water efficient technologies while sustaining business growth remains a key priority for the Company. This is being enabled through the deployment of water-efficient technologies and optimisation of water-intensive processes across office buildings, manufacturing facilities, and EPC project sites. Initiatives include the installation and replacement of water-efficient fixtures such as low-flow faucets, aerator taps, low-flow shower heads, sensor-based taps, dual-flush toilets and flow regulators, among others.

At EPC project sites, particularly in civil works, the Company is adopting alternative construction methodologies to reduce water dependency. These include the use of curing compounds, optimised concrete mixes, and technologies such as steam curing, which collectively help minimise water requirements during execution while maintaining quality and other relevant parameters.

- **Reduction in freshwater dependency** by maximising reuse, recycling and alternative sourcing. In addition to improving consumption intensity, a key focus area is reducing freshwater dependency through increased reuse and alternative sourcing. This is being achieved through wastewater recycling, rainwater harvesting, and the use of treated wastewater from external sources. The Company has installed Sewage Treatment Plants (STPs) and Effluent Treatment Plants (ETPs) across all manufacturing facilities and major offices, enabling the recycling of 100% of wastewater generated for non-potable applications such as landscaping, utility cleaning, toilet flushing, gardening and fire-fighting systems. At several large EPC project sites, particularly worker camps, STPs have also been deployed to facilitate wastewater reuse. In addition to internal reuse, treated wastewater is utilised for construction-related activities including dust suppression, equipment cleaning and cooling of bulk materials such as aggregates, subject to quality and availability.

Rainwater harvesting systems are implemented across most of the manufacturing facilities and major offices, with selective adoption at project sites depending on space availability and site conditions. While constraints related to rooftop area and storage capacity limit large-scale deployment at construction sites, the Company continues to explore scalable solutions. Further, in line with increasing municipal support for wastewater reuse in India, the Company is progressively evaluating and adopting treated wastewater from external sources, where feasible, considering logistics, transportation costs, and supply reliability. These initiatives collectively contribute to reducing freshwater withdrawal and strengthening water resilience across operations.

- **Water offsetting** through replenishment, conservation and restoration initiatives. Initiatives aimed at reducing water consumption and freshwater requirements will continue to be systematically scaled across all locations. However, given the inherent link between water demand and business growth in EPC-led operations, such efficiency measures alone may not be sufficient to achieve water neutrality. Accordingly, water offsetting is expected to play a critical role in bridging the gap between demand and reduction. The Company’s CSR programmes have already created significant water conservation and harvesting assets across multiple locations, which are expected to contribute meaningfully to water offsetting through enhanced recharge and retention. In addition, initiatives for groundwater recharge are being progressively implemented to strengthen local hydrological resilience.

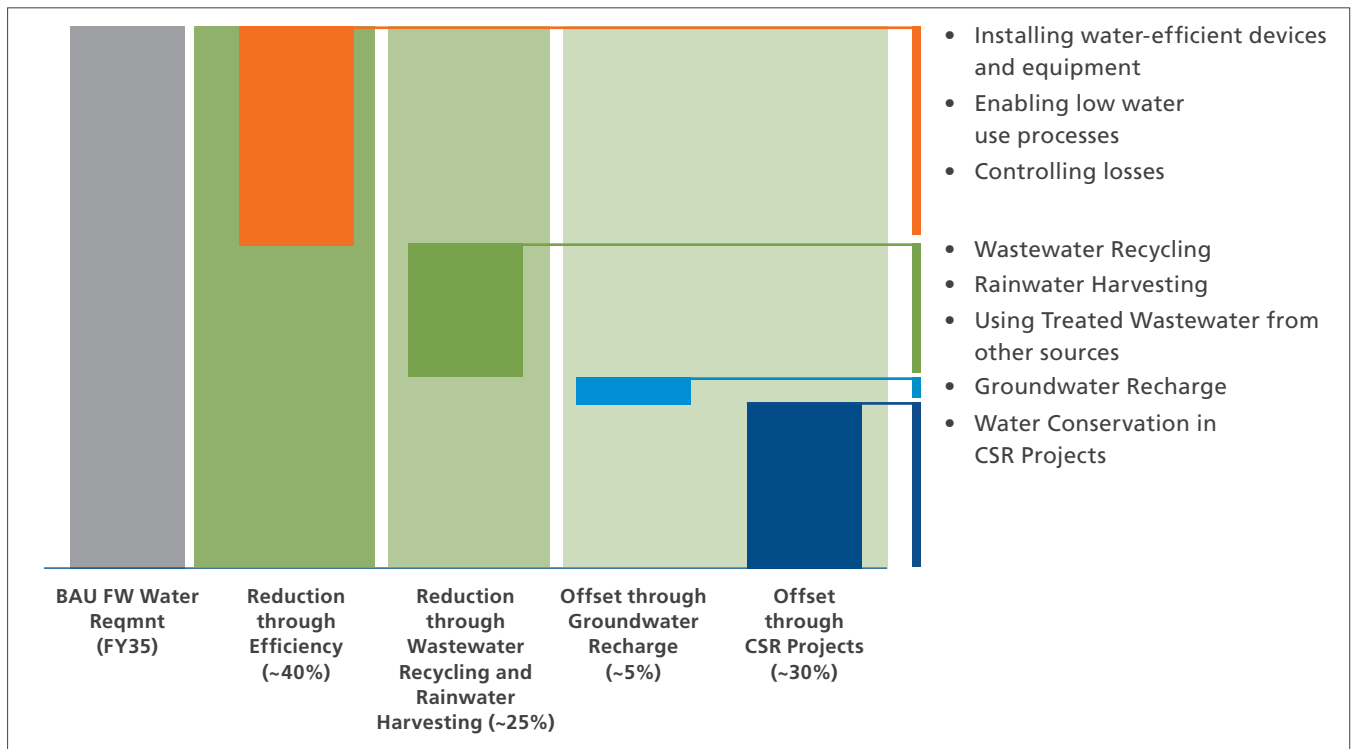
The Company continues to evaluate and develop additional nature-based interventions to expand its water offset portfolio over time, thereby supporting its long-term water neutrality ambition.

To enable consistent tracking across diverse operations and align with initiatives linked to water neutrality, performance is monitored using the metric of **Net Freshwater Withdrawal Intensity**, which accounts for freshwater withdrawal net of recycled, reused and alternatively sourced water. This metric is calculated as:

Net Freshwater Withdrawal Intensity (kl/₹ Cr)

$$= \frac{\text{Total Water Withdrawal} - \text{Seawater withdrawal} - \text{Rainwater Harvested} - \text{Wastewater from other Industries} - \text{Offsets}}{\text{Revenue}}$$

Water Neutrality Path



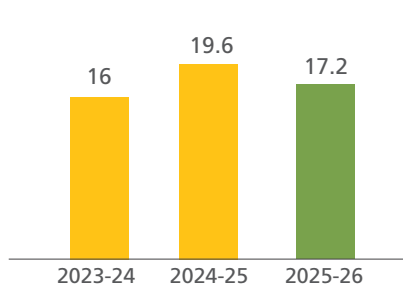
Water Initiatives and Performance

In FY 2025–26, the Company achieved a year on year reduction in water consumption intensity of **24%**, primarily reflecting the completion or transition to advanced stages of certain large EPC projects, including high speed rail and building projects, which are typically more water intensive during early execution phases. Given the project driven nature of water demand, absolute consumption levels can vary significantly year to year; however, intensity based metrics provide a more reliable indicator of underlying efficiency trends.

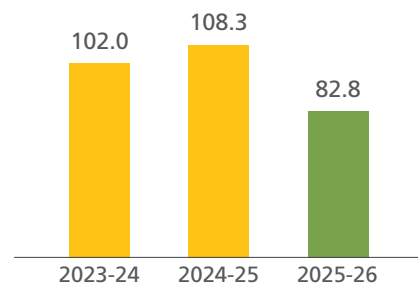
The Company has implemented Zero Liquid Discharge (ZLD) systems across its manufacturing facilities and select project sites. At locations where on-site treatment is not feasible, wastewater is managed through authorised third-party service providers to ensure responsible disposal and treatment. Additionally, L&T promotes water-efficient solutions for clients, including the adoption of water-saving technologies in certified green buildings. During FY 2025–26, wastewater recycled increased to **2.7 million kl**, contributing to a reduction in freshwater withdrawal by **13%**. Total non freshwater withdrawal during the year stood at **0.23 million kl**, comprising rainwater harvested, seawater use (where applicable) and externally sourced treated wastewater.

Through its CSR programmes, L&T has developed a portfolio of water conservation and harvesting assets across multiple geographies, including check dams, percolation ponds, recharge structures and watershed interventions. Based on an independent third party assessment, these initiatives contributed an estimated offset of **~4 million kl** in FY 2025–26, equivalent to approximately **23%** of total freshwater withdrawal. The combined impact of efficiency measures, circular water use and offsets is reflected in **Net Freshwater Withdrawal Intensity**, which stood at **86.1 kl/₹ Cr** in FY 2025–26, compared to **115.1 kl/₹ Cr** in FY 2024–25, demonstrating continued progress towards the Company’s water neutrality ambition.

Freshwater Withdrawal (Mn kl)

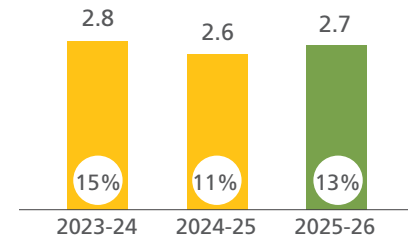


Water Consumption Intensity (kl/₹ Cr)



Wastewater Recycling (Mn kl)

% Freshwater requirement



Top 10 business-wise split of Water Withdrawal (Mn kl)



HCI: Heavy Civil Infrastructure, **TI:** Transportation Infrastructure, **RENU:** Renewables, **B&F:** Buildings & Factories, **WET:** Water & Effluent Treatment, **LTEH-Onshore:** L&T Energy Hydrocarbon-Onshore, **PT&D:** Power Transmission & Distribution, **M&M:** Minerals & Metals, **HE:** Heavy Engineering **Others:** L&T Energy Hydrocarbon-Offshore, Offices, L&T Energy-CarbonLite Solutions, Precision Engineering and Systems, and other businesses (Refer to 'Notes on Sustainability Information' section for business-wise breakup of all businesses)



Rainwater Harvesting to reduce freshwater

Reducing freshwater withdrawal is a key lever in the Company's water neutrality roadmap. At the AM Naik Heavy Engineering Complex, Hazira, multiple measures such as deployment of water-efficient devices and 100% recycling of wastewater have already been implemented. Building on these efforts, the team undertook a structured initiative to augment rainwater harvesting capacity within the facility. A detailed site assessment - considering land gradient, catchment potential, soil characteristics and proximity to water demand centres, was conducted to identify an optimal location. The harvesting pond was designed to maximise storage capacity, followed by excavation, contouring, geomembrane lining and embankment stabilisation. A dedicated pump and pipeline network was installed to enable efficient utilisation of stored water across operations. This initiative enhances on-site water availability, reduces freshwater intake and contributes directly to progress towards water-neutral operations.

A similar approach has been adopted by L&T Realty at an under-construction residential project in Sewri, Mumbai, where a defunct well within the project premises was revived and integrated into a rainwater harvesting system. The solution involved diverting filtered rainwater to a storage tank and retrofitting the existing well into a multi-ring recharge structure comprising concentric perforated casings layered with graded filtration media to enable effective percolation and in-situ filtration. Water quality is monitored through periodic sampling to ensure compliance with non-potable usage standards. This intervention reduces dependence on external water sources, lowers operational costs and minimises emissions associated with water transportation, while offering a scalable model for sustainable urban water management.

Estimated reduction in freshwater withdrawal of approximately

30,000 kl

at Hazira

17,000 kl

in Mumbai



Rainwater harvesting at AMNHEC, Hazira



Recharge ring well, Mumbai

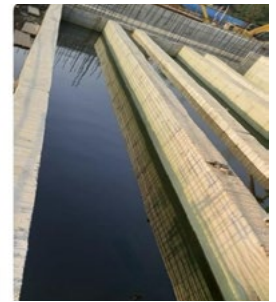
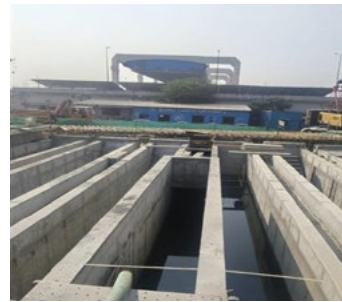


Containerised STP for circularity in water use

Execution of civil works at EPC project sites requires significant volumes of water, particularly for concrete-related activities. In a contract related to construction of major sewage treatment plant in Mumbai, the project team of WET business identified an opportunity to reduce freshwater dependency by leveraging the availability of sewage through the existing network of the municipal corporation. Following evaluation of multiple options, a containerised Sewage Treatment Plant (STP) was deployed at site. The modular STP, based on Moving Bed Biofilm Reactor (MBBR) technology followed by Ultrafiltration (UF), offers a compact footprint and readily deployable, making it well-suited for constrained urban project environments. The treated wastewater meets prescribed quality standards and is reused for a range of non-potable applications, including curing of concrete structures, hydrotesting, dust suppression, landscaping, and fire-fighting systems. While the initial capital cost is higher compared to conventional STPs, the investment is offset within approximately three years through savings in freshwater procurement. Additionally, the initiative reduces emissions associated with transportation of water through tankers. This solution exemplifies the practical application of circular economy principles, enabling resource efficiency and sustainable infrastructure development in dense urban settings.

Freshwater withdrawal avoided in FY 2025-26:

~36,050 kl



Technology and Innovation in Water Stewardship

Technology plays a pivotal role in strengthening water resilience across operations. The Company continues to deploy modular and containerised treatment solutions at project sites, digital monitoring of water and data driven optimisation of treatment and reuse systems. These interventions not only reduce freshwater withdrawal, but also lower emissions associated with water transportation and enhance cost efficiency over the project life-cycle.

Through this integrated approach, combining efficiency, circularity, offsets and technology, L&T is strengthening water stewardship while supporting responsible infrastructure development and long term value creation.

Medium-term Targets on Natural Capital

The Company had set medium-term targets for Carbon and Water Neutrality, which are a part of the just completed **Lakshya 2026** strategy plan which are:

30%

Emissions Intensity
Reduction by FY 2025-26
(compared to FY 2020-21 Baseline)

25%

Energy Intensity
Reduction by FY 2025-26
(compared to FY 2020-21 Baseline)

1.5-2 Mn

Sapling plantation every year

For the next cycle i.e. FY 2026-27 to FY 2030-31, the process of finalisation of the targets across various KPIs related to Carbon Neutrality, Water Neutrality and other areas is underway. KPIs and targets being set are:

Emissions Intensity Reduction
(compared to FY 2025-26 baseline)

Energy Intensity Reduction
(compared to FY 2025-26 baseline)

**Renewable % in Electricity
Consumption by FY 2030-31**

**Net Freshwater Withdrawal
Intensity Reduction**
(compared to FY 2025-26 baseline)

**Non-Hazardous waste
Recycling by FY 2030-31**

**Zero-Waste-to-Landfill
status by FY 2030-31: All
Manufacturing facilities
and 10% of EPC project
sites in India**

% Sustainable Materials used



Waste Management and Circular Economy

Effective waste management is a material environmental consideration for L&T, given the scale and diversity of its EPC and manufacturing activities. The Company adopts a structured, responsible and technology enabled approach to waste management, aligned with circular economy principles and focused on minimising waste generation at source, maximising reuse and recycling, and ensuring safe, compliant disposal of residual waste. This approach directly supports resource efficiency, cost optimisation and reduction of environmental footprint.

Approach towards Waste Management

L&T's waste management strategy is anchored in the 3R framework – Reduce, Reuse and Recycle. This framework is operationalised through the Company's Environment, Health and Safety (EHS) Management System, which provides standard operating procedures, governance mechanisms and monitoring controls across all locations.

All manufacturing facilities, offices and EPC project sites implement location or project specific waste management plans aligned with statutory requirements and operational context. Core elements of the approach include:

- Identification and quantification of waste streams
- Segregation of waste at source
- Safe collection, handling and interim storage
- Reuse and recycling, wherever technically and economically feasible
- Environmentally sound disposal of residual waste through authorized channels

All manufacturing facilities, offices and EPC project sites have project/ location specific waste reduction targets. For disposal, the Company engages Pollution Control Board (PCB) authorised recyclers and processors, ensuring full compliance with applicable waste management regulations. While compliant disposal remains essential, priority continues to be placed on reducing waste sent to landfill by expanding reuse and recycling pathways. This approach reduces dependence on virgin natural resources, lowers emissions associated with transportation and disposal, and minimises waste sent to landfill.

Hazardous Waste Management

Hazardous waste is managed strictly in accordance with applicable laws and regulatory requirements. Common hazardous waste streams include used oil, oil soaked waste, paint and chemical residues, used containers, spent batteries, ETP sludge, e-waste and biomedical waste.

Key features of the Company's hazardous waste management approach include:

- Disposal exclusively through government approved and authorised recyclers/processors
- No import, export, transport or treatment of hazardous waste covered under the Basel Convention
- In select locations, partnership with authorised processors for pre-treatment of specific waste streams (e.g. oil soaked rags) and conversion into refuse derived fuel for co-processing in kilns, thereby avoiding incineration and enhancing resource recovery

Non-Hazardous Waste Management

Major non-hazardous waste streams include construction and demolition (C&D) waste, ferrous and non-ferrous scrap, wood and plywood waste, packaging materials and food waste. Given the execution centric nature of the business, a significant portion of non-hazardous waste arises from EPC project sites.

Waste segregation at source is a fundamental practice across all locations, enabling efficient reuse, recycling, and proper channelisation of waste streams. In line with circular economy principles, on-site reuse and recycling are prioritised to minimise transportation, cost and landfill burden.

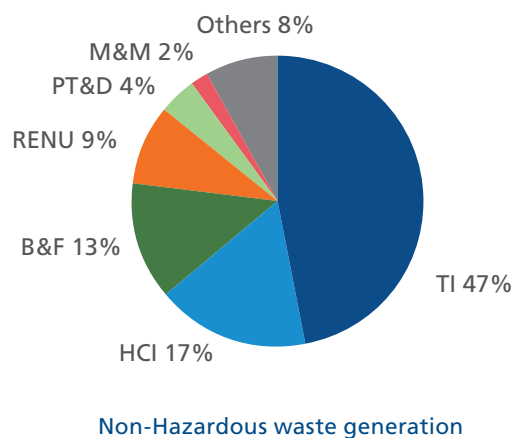
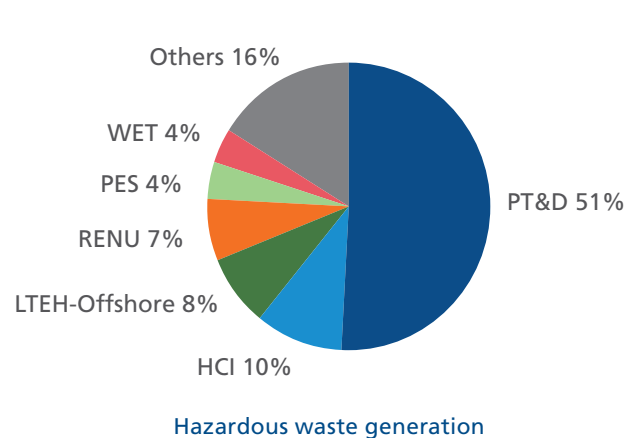
- **C&D waste** is reused on site to the maximum feasible extent for applications such as backfilling and temporary access roads, with residual material disposed of through authorised parties
- **Metal, electrical and wooden scrap** is channelled to authorised recyclers for recovery and reuse as secondary raw material
- Other waste streams are managed based on site specific feasibility of processing, reuse or recycling

During FY 2025–26, waste generation intensity increased from **3.2 tonnes/₹ Cr** to **3.9 tonnes/₹ Cr**, largely due to dismantling activities at precast yards and other facilities associated with the completion of large contracts, including high speed rail projects. Waste quantities and intensity are inherently linked to project nature, scale and life-cycle stage. Accordingly, strategic focus remains on improving recycling rates and advancing towards **Zero Waste to Landfill (ZWL)** across major locations.

Waste Generation and Disposal for FY 2025-26 (in tonnes)

Category	Hazardous waste	Non-Hazardous waste
Generation	4,775	5,91,418
Recycled/Reused	504	3,09,750
Disposed/Sold	4,097	2,66,982

Business-wise split of waste generation



HCI: Heavy Civil Infrastructure, **TI:** Transportation Infrastructure, **RENU:** Renewables, **LTEH-Offshore:** L&T Energy Hydrocarbon-Offshore, **B&F:** Buildings & Factories, **WET:** Water & Effluent Treatment, **PT&D:** Power Transmission & Distribution, **M&M:** Minerals & Metals, **PES:** Precision Engineering and Systems **Others:** Heavy Engineering, Offices, L&T Energy-CarbonLite Solutions, and other businesses (Refer to 'Notes on Sustainability Information' section for business-wise breakup of all businesses)

Waste Reuse and Recycling for Circularity

Key initiatives undertaken to enhance material circularity and reduce waste include:

- C&D waste from concrete and civil works is reused for applications such as temporary access roads and backfilling, and is further processed into aggregates, manufactured sand, and, in select cases, paver blocks for on-site use
- Ferrous and non-ferrous scrap is repurposed into ancillary materials such as cable and pipe supports, barriers, boards, and site furniture
- Wood and plywood waste reused or repurposed into temporary site structures, shelving and boards

These initiatives contribute to cost optimisation, reduction in emissions associated with waste transportation and disposal, minimisation of landfill burden, and improved resource efficiency; reinforcing the Company’s commitment to sustainable project execution and circular economy principles.

~ **2.9 lakh** tonnes of C&D waste diverted away from landfill in FY 2025-26



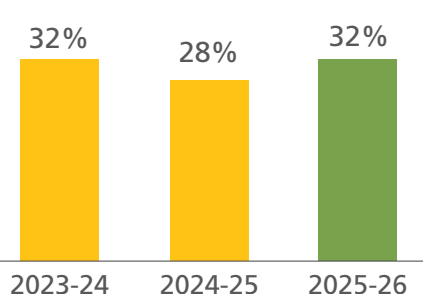
Sustainable Materials and Resource Efficiency

Recognising the importance of embedding sustainability in material sourcing and usage, the Company actively promotes the adoption of non-virgin and environmentally sustainable materials across its operations. Key materials include:

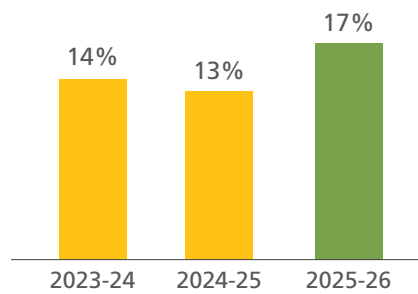
- **Fly ash**, a by-product of coal based thermal power plants, as a partial replacement for cement
- **Ground Granulated Blast Furnace Slag (GGBS)**, a processed by-product from the steel industry, as a cement substitute as well as aggregates
- **Manufactured Sand**, in place of natural or river sand
- **Recycled steel and zinc**, used in galvanizing and fabrication processes, at the Company’s manufacturing facility for transmission line towers

The use of such materials contributes to lowering embodied carbon, conserving natural resources and promoting industrial waste utilisation, in alignment with circular economy principles. However, wider adoption of recycled and alternative materials is often constrained by design codes, regulatory standards and client specifications, which limit flexibility in material selection despite demonstrated environmental benefits.

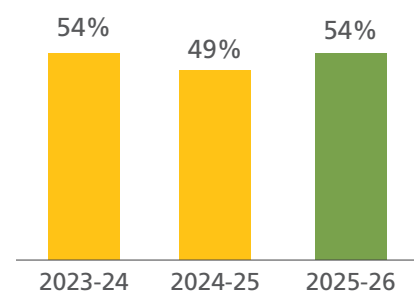
% of Sustainable materials of total bulk materials



% of Fly ash and GGBS in cementitious materials



% of Manufactured sand of total sand





Reuse of concrete waste

Civil works at EPC project sites generate concrete waste, including slurry from cube testing and process losses. The Heavy Civil Infrastructure business has implemented initiatives to recycle such waste on-site. One key initiative is reuse of concrete waste into crash barriers installed at the site. The waste concrete (slurry form) is collected and poured into specially designed moulds to produce these barriers in-situ. This not only recycles the waste at the location itself but also reduces the cost and emissions linked to concrete waste disposal outside the site.

~1,600 tonnes

Concrete waste recycled in FY 2025-26 for crash barriers



One of the major offices certified 'Single Use Plastic Free'

L&T Knowledge City, Vadodara (Gujarat), has become the second major office of L&T to achieve Single-Use Plastic (SUP)-Free certification, following the certification of AM Naik Heavy Engineering Complex, Hazira in 2025. The initiative was driven by a cross-functional task force comprising stores, EHS, canteen services, and other key functions. Through systematic elimination, substitution and reduction measures, the facility eliminated approximately 1.3 tonnes of single-use plastic. Spanning 95 acres and with over 9,000 employees across multiple businesses, this achievement reinforces the Company's commitment to plastic circularity and sustainable workplace practices.



Modular Biogas plants

Biogas is a key lever for reducing emissions and enabling sustainable waste management. While biogas plants are typically deployed at manufacturing facilities, one EPC project site (MAHSR) of the Heavy Civil Infra business has implemented a modular biogas plant using organic waste generated from the worker camp. The biogas produced is utilised for cooking in the camp kitchen, enabling on-site waste recycling and reducing reliance on external energy sources. This initiative supports circular resource use and emissions reduction.

~33 tonnes

Organic waste recycled, ~2,100 kgs of LPG avoided



Substituting virgin materials

Hot mix plants used in asphalt production generate fines (<75 microns) as a by-product, which are typically disposed of unless reused in road construction. At the Meerut-Hapur Ganga Expressway project, the Transport Infrastructure-Roads business explored sustainable utilisation of these fines to address stockpiling and dust concerns. Following technical validation, the fines were used as a substitute for natural soil and aggregates in embankment construction. The material is stored at designated locations with dust control measures and transported in covered dumpers for site use. This initiative supports circular economy principles by enabling substitution of virgin materials and reducing waste generation.

~57,000 tonnes

Concrete waste recycled in FY 2025-26 for crash barriers



CERTIFICATE



This is to certify that
Larsen and Toubro Limited
L&T Knowledge City, Galle No. 11, Ganga Marghade Crossing,
11 H 45, Vadodara, 390019

is Single-Use Plastic (SUP) Free, as verified by the
Confederation of Indian Industry under the provisions of the
CII Practitioner Protocol: Verification and Certification.

This Certificate is valid from
04 March 2026 to 23 March 2027



Certificate Date: 27/03/2026
This certificate is an approximation of the existing facility. The certificate is valid only for the period of validity and does not guarantee the future performance of the facility. The certificate is not valid for any other purpose.

Biodiversity

Nature loss and climate change are closely interconnected, with ecosystems playing a critical role in climate mitigation, adaptation and long term societal resilience. L&T recognises that its operations and value chain depend on ecosystem services such as land, water and biodiversity, while also having the potential to impact natural habitats through land use change, infrastructure development, resource consumption and associated activities. Accordingly, the Company is committed to minimising ecological disturbance and contributing to the protection, conservation and restoration of biodiversity as an integral part of responsible infrastructure development.

L&T is progressively strengthening its biodiversity management through structured processes, data driven assessments and digital documentation, enabling informed decision making and improved ecological outcomes across diverse geographies.

Approach to Biodiversity Management

The Company's approach to biodiversity is guided by the following principles, which are embedded across project planning, execution and monitoring:

- Minimisation of impacts during the construction phase through responsible design, sequencing and execution practices
- Compliance with applicable national, state and local environmental regulations, statutory clearances and contractual requirements
- Implementation of biodiversity safeguards and conservation measures as defined in project specific environmental management and biodiversity conservation plans
- Restoration and rehabilitation of habitats where impacts are unavoidable
- Environmental Management Plans (EMPs), site level monitoring and governance oversight provide the operational framework to ensure consistent implementation of these principles.

Key Actions and Initiatives

- **Greenbelt and Landscaping Initiatives:** Across the Company's locations in manufacturing facilities, offices and EPC project sites, greenbelts development and maintenance are undertaken using native species to promote ecological balance, reduce dust and noise and support local flora and fauna.
- **Biodiversity Conservation Projects:** Select locations or business units undertake local biodiversity initiatives such as mangrove restoration, large scale plantation.
- **Capacity Building and Awareness:** Employees and workers made aware on ecological sensitivities and conservation practices through training sessions.

A few Company locations are situated in or near eco-sensitive zones, where proactive measures have been implemented to prevent ecological harm. *Details of such locations and associated initiatives are disclosed under Leadership Indicator 3 of Principle 6 in the BRSR section of the Integrated Annual Report FY 2025–26.*

Further, the Company undertakes large-scale plantation programmes with a target of **1.5-2 million saplings** annually. In FY 2025–26, **approximately 1 million saplings were planted** and **over 10 million saplings were planted over last five years (FY 2022-26)**, reinforcing its commitment to ecosystem restoration and biodiversity enhancement.





Topsoil and Fauna Conservation

Land-use change presents environmental and community-related impacts, including loss of fertile topsoil. At Sazagan 1 and 2 EPC project sites in Uzbekistan of the Renewables business, significant quantities of topsoil were excavated during preparatory works. While managed in line with contractual requirements, prolonged stockpiling posed risks such as dust generation and erosion.

To address this, the project team implemented a structured approach to redistribute surplus topsoil to neighbouring communities. Environmental assessments confirmed that the material was suitable for agricultural use and free from environmental risks. Prior written approval was obtained from the Regional Environmental Inspectorate, and a controlled extraction plan was developed to ensure compliance with erosion control and construction requirements, aligned with IFC/European Bank for Reconstruction and Development (EBRD) resource efficiency principles.

The initiative enabled productive reuse of natural resources while supporting local agricultural needs.

~6,000 cu.mtrs

Topsoil conserved and redistributed for agricultural purpose

The sites are located within a semi-arid steppe ecosystem, and which is a natural habitat for the Central Asian Tortoise (*Testudo horsfieldii*), a species listed as Vulnerable (VU) on the IUCN Red List of Threatened Species. The species is burrow-dependent, slow-moving and highly sensitive to land disturbance and thus facing potential threat from the construction activities. Pre-construction biodiversity walkover surveys confirmed a high density of tortoise burrows and individuals across the sites. Moving beyond a purely outsourced or reactive model, the site team developed an integrated approach to tortoise protection, combining habitat-based solutions, controlled relocation, veterinary oversight and daily monitoring. A fenced 'no-go-zone' with natural vegetation, soil and climatic conditions equivalent to the original tortoise habitat was established. Shallow water points and winter trenches were prepared to support natural hibernation conditions. Feeding, veterinary screening and daily monitoring were carried out by the EHS team at site.

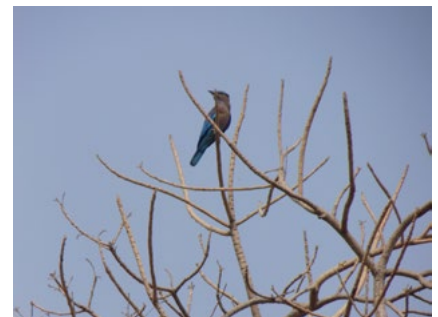
Over 800 tortoises
relocated (February – April 2026)



Driving awareness in protecting nature

At the Lower Kopili Hydroelectric Project (HEP) site in Assam under Heavy Civil Infra business, a fauna identification and protection initiative was conducted in alignment with the Great Backyard Bird Count. The exercise aimed to scientifically document avian species within the project and surrounding areas and create a permanent ecological record through the Global eBird platform. To extend awareness to local communities, biodiversity workshops were also conducted in two schools.

A total of **20 avian species** were identified, photographed, and recorded, contributing to ecological documentation and fostering community engagement in biodiversity conservation.



Air Quality Management and Noise Management

Air quality and noise pollution are significant environmental and public health considerations, particularly in urban and industrial environments. L&T recognises its responsibility to minimise adverse impacts arising from construction, manufacturing and infrastructure development activities, while ensuring the health, safety and well being of its workforce and surrounding communities.

In India, air pollution continues to be a key environmental challenge, reflected in the Government's launch of the National Clean Air Programme (NCAP) to address pollution levels across cities and industrial regions. In this context, L&T adopts a proactive, technology enabled and compliance driven approach to manage air quality and noise across its project sites, manufacturing facilities and offices.

Air Quality Management

Air quality management is integrated into the Environment Management Plans (EMPs) and operational controls, particularly at EPC project sites located in urban areas or near environmentally sensitive receptors. Through a combination of engineering controls, procedural measures and monitoring systems, L&T seeks to prevent, reduce and control air emissions associated with construction and operational activities.

Key measures implemented across locations include:

- **Dust suppression** for materials stored on site and during material handling and transportation, primarily through water sprinkling and other suitable control mechanisms
- **Wheelwash facilities** provided near exit points at site setups to prevent dust and debris from being carried beyond project boundaries
- **Barricading and covering** of exposed construction zones, material stockpiles and community facing areas using hessian cloth, steel boards or equivalent barriers to limit particulate dispersion
- **Ambient air quality monitoring**, carried out through approved third party agencies at designated locations, with parameters monitored in line with applicable regulatory standards
- **Regulatory reporting**, including submission of monitoring results to Pollution Control Boards, local authorities and clients, ensuring transparency and compliance with statutory and contractual requirements

Leveraging digital tools and real time data capture, the Company continues to strengthen air quality monitoring and reporting frameworks, enabling timely interventions and continuous improvement.



Noise Management

EPC project execution involves extensive use of construction machinery and equipment, which can generate elevated noise levels with potential impacts on workers and nearby communities, particularly in dense urban settings. L&T adopts a systematic approach to noise management aimed at preventing occupational exposure risks and minimising off site disturbance. Key noise management measures include:

- **Provision of personal protective equipment (PPE)** such as ear plugs and earmuffs to personnel working in high noise areas
- **Installation of noise barriers and barricades** in sensitive locations to reduce noise transmission beyond site boundaries
- **Use of acoustic enclosures** for high noise generating equipment, including crushers and large diesel generator sets
- **Noise monitoring systems and sensors** installed at project sites to enable continuous tracking of noise levels and ensure adherence to regulatory thresholds

Through a combination of engineering controls, monitoring and worker awareness, the Company seeks to proactively manage noise impacts while maintaining safe, compliant and efficient project execution.

As part of its commitment to responsible operations, L&T continues to enhance air and noise management practices through adoption of improved equipment, cleaner technologies, digital monitoring systems and data driven decision making. These efforts not only support compliance and community well being but also contribute to safer workplaces and more sustainable infrastructure delivery.

Green Buildings

The sustainable built environment is a significant global megatrend, driven by the need to reduce environmental footprints, enhance resource efficiency and improve occupant well being. L&T is committed to advancing this transition by systematically integrating green building principles into the design, execution and operation of both Company owned assets and infrastructure delivered for its clients.

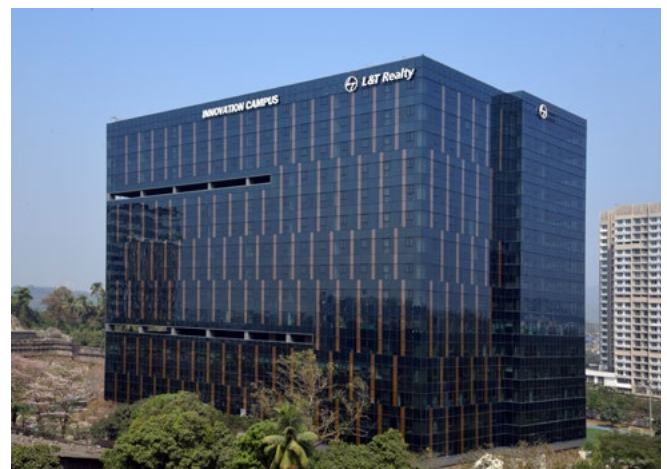
L&T leverages innovative design approaches, digital tools, advanced building systems and data driven performance monitoring to deliver high performance green buildings that combine environmental responsibility with operational excellence.

The Company currently has **16 green certified buildings** across multiple locations, reflecting sustained focus on energy efficiency, water stewardship, sustainable materials and indoor environmental quality. During FY 2025–26, **two newly operational buildings developed by the Realty business in Chennai achieved LEED Platinum certification**, demonstrating best in class sustainability performance and adherence to globally recognised green building standards.

Beyond its own facilities, L&T continues to embed green building principles into client offerings across sectors. During the year, the Company delivered approximately

19.7 million sq. ft. of client infrastructure aligned with **IGBC, LEED or equivalent green building standards**, supporting reduced life-cycle environmental impact and enhanced asset value for customers.

Through the consistent application of green building standards, technology enabled design optimisation and performance oriented execution, L&T is contributing to the development of climate responsive, resource efficient and future ready built environments—reinforcing its role as a responsible infrastructure developer and enabler of sustainable urbanisation.



Green Campus Framework

In FY 2024–25, L&T developed and rolled out a bespoke **Green Campus Framework** for its major offices and facilities, drawing on leading global and national green building standards. The framework covers key sustainability parameters including energy efficiency, water management and use of sustainable resources, with the objective of enhancing environmental performance and creating a replicable model for sustainable workplaces.

All major locations were assessed and rated under this framework. In 2025, **five locations** achieved the ‘Leader’ rating (score above 70 on a 100-point scale). The Company plans to progressively raise the threshold each year, with the objective of all major offices and facilities achieving ‘Leader’ status. The top two performing locations were also recognised at **ECOPHORIA 2025** (refer to *ESG Training and Awareness under Human Capital* for further details).

The Green Campus Framework has streamlined and standardised several existing sustainability initiatives, while also introducing new interventions to enhance sustainability performance across key locations.

- **Energy Efficiency & Decarbonisation:** Deployment of high-efficiency cooling systems (5-star rated appliances), IE4 or IE5 motors, solar street lighting, and heat pumps/solar water heaters, supported by energy audits.
- **Water Efficiency & Circularity:** Adoption of low-flow and sensor-based fixtures, drip irrigation, on-site wastewater treatment with reuse (including ZLD), rainwater harvesting, and digital water monitoring with periodic audits
- **Waste Reduction & Circular Management:** On-site treatment of organic waste through composting/digesters, elimination of single-use plastics through alternatives and regular waste audits
- **Sustainable Materials & Resource Use:** Reduction in ozone-depleting substances (ODS), and use of eco-friendly/organic cleaning products



Sustainable Finance

L&T has strategically aligned its capital management approach by adopting sustainable financing structures that link financing costs to environmental performance-in the areas of water stewardship and decarbonisation.

The Company became the first Indian corporate to issue and list a Sustainability Linked Bond (SLB) under the new framework for ESG debt securities issued by Securities Exchange Board of India (SEBI) in 2025, raising ₹ 500 crore through HSBC. This was subsequently expanded through a USD 700 million Sustainability-Linked Trade Facility (SLTF) with Standard Chartered, reflecting a broader transition towards integrating sustainability into the trade finance portfolio.

Progress on key KPIs used for both the instruments is:

KPI	UOM	FY 2025-26 Performance	
		Value	Reduction vs FY 2024-25
GHG emissions intensity	tCO ₂ e/ ₹ Bn	590	4.8%
Net freshwater withdrawal intensity	kl/ ₹ Bn	8,600	25.2%

To ensure credibility and transparency, the framework incorporates external validation through Second-Party Opinion (SPO) providers, along with annual third-party assurance of performance data, strengthening stakeholder confidence in the Company’s sustainability-linked financing approach.

Climate Scenario Analysis and Climate Risks

L&T recognises climate change as a material risk with the potential to significantly influence its operations, value chain, asset base and long term strategy. Climate related impacts manifest across both **physical risks** such as extreme weather events and changing climatic patterns, and **transition risks** arising from evolving policies, technologies, market dynamics and stakeholder expectations. While certain impacts are immediate and observable, others are gradual and systemic, requiring forward looking assessment, scenario based analysis and strategic preparedness.



In line with global best practices, L&T integrates climate scenario analysis into its strategic planning and enterprise risk management processes. By leveraging structured modelling, data driven insights and internationally recognised frameworks, the Company evaluates the resilience of its business model and operations under a range of plausible climate futures. Climate related risks and opportunities are identified, assessed and managed in alignment with the **Task Force on Climate related Financial Disclosures (TCFD)** framework.

The Company has established governance, risk management and mitigation mechanisms to address identified climate risks and enhance operational resilience. At the same time, scenario analysis has helped identify climate related opportunities—such as energy efficiency improvements, development of low carbon solutions, green infrastructure and innovation in sustainable technologies—which are being progressively integrated into business strategy to support long term value creation.

Approach towards Scenario Analysis

L&T has assessed both physical and transition climate risks using globally recognised scenarios and pathways to inform strategic decision making.

- Physical risks have been evaluated using IPCC aligned Shared Socioeconomic Pathways (SSPs) combined with Representative Concentration Pathways (RCPs), enabling assessment of potential impacts on infrastructure, operations, workforce and communities under different climate trajectories.
- Transition risks have been assessed using International Energy Agency (IEA) scenarios, reflecting varying levels of policy ambition, technological advancement and market responses associated with the global transition to a low carbon economy.

	Scenarios considered	Rationale	Scenarios considered	Rationale
 Physical Risk	SSP 1 + RCP 2.6	Represents a sustainability oriented development pathway with global temperature rise limited to ~1.5 °C by 2100, supported by strong policy action and technological progress.	SP 5 + RCP 8.5	Represents a fossil fuel intensive development pathway with global temperature rise exceeding 4 °C by 2100, characterised by policy uncertainty and slower technology adoption.
 Transition Risk	IEA STEPS (Stated Policies Scenario)	Reflects current and stated policy trajectories, providing a realistic baseline of future pathways based on existing commitments and market conditions.	IEA NZE 2050	Outlines a pathway aligned to the 1.5 °C goal, focusing on clean electricity, energy efficiency, low emission fuels and methane abatement- key levers in L&T's decarbonisation strategy.

Time Horizons considered for Scenario Analysis and Risk Assessment

Horizon	Time Period	Rationale
2030	Short-Term	Assessment of near term risks requiring operational and tactical changes.
2040	Medium-Term	Identification of risks and opportunities requiring investments and planning lead time.
2050	Long-Term	Evaluation of strategic implications for assets, business portfolio and long term value creation.

This integrated, scenario based approach enables the Company to stress test operations across plausible climate futures, identify vulnerabilities and opportunities, and embed climate resilience into strategic planning. Insights from this analysis support the development of targeted mitigation and adaptation strategies and strengthen preparedness for climate related uncertainty.

Climate Risks and Opportunities

Physical Risks

Acute Physical			
Risk (R) / Opportunity (O)	Potential Impact		Response/Actions
Heat Stress: Extreme high temperature (heat waves) impacting health and safety of the workforce and the business (R)	<ul style="list-style-type: none"> Higher indirect costs (e.g., healthcare, cooling, rest measures) Reduced productivity impacting project execution and output 	Short-term: Medium Medium-Term: Medium-High Long-Term: High	<ul style="list-style-type: none"> Proactive monitoring of weather forecasts and advisories Enhanced heat stress management: adjusted work timings avoiding peak temperature period, mandatory rest breaks, shaded rest areas with cooling and hydration facilities Contract schedule adjustments in consultation with clients, including potential sharing of incremental costs
Extreme precipitation, resulting in pluvial or riverine flooding, impacting the safety of equipment as well as the workforce (R)	<ul style="list-style-type: none"> Higher indirect costs for flood management and asset protection Increased maintenance and replacement costs for equipment Rising insurance premium 	Short-term: Low-Medium Medium-Term: Medium Long-Term: Medium	<ul style="list-style-type: none"> Proactive tracking of the weather projections and advisories issued Preventive measures e.g., additional protection, shifting of resources etc. to mitigate impacts Contract schedules revisions in discussion with clients; claims for force majeure events
Chronic Physical			
Risk (R) / Opportunity (O)	Potential Impact		Response/Actions
Changing weather patterns, deviating from historical trends, impacting execution as well as logistics (R)	<ul style="list-style-type: none"> Delays in contract execution and challenges in resource allocation Additional costs due to alternative arrangements or accelerated execution requirements 	Short-term: Low-Medium Medium-Term: Medium Long-Term: Medium	<ul style="list-style-type: none"> Climate data analysed at the bidding stage and at the start of execution Enhanced tracking of weather patterns during the execution phase to explore and implement alternative arrangements
Water Stress: Water sourcing and availability becoming a challenge in many locations, particularly during summer months (R)	Increased costs for water sourcing	Short-term: Low-Medium Medium-Term: Medium Long-Term: Medium-high	<ul style="list-style-type: none"> Identification and securing of alternate water sources Company-wide initiatives to reduce freshwater use through wastewater recycling, rainwater harvesting, and improved water efficiency

Transition Risks

Policy & Legal			
Risk (R) / Opportunity (O)	Potential Impact		Response/Actions
Non-compliance with changing laws and regulations - domestic and international (R)	<ul style="list-style-type: none"> Increase in direct or indirect costs for process changes to ensure compliance 	Short-term: Low Medium-Term: Low-Medium Long-Term: Medium	<ul style="list-style-type: none"> Proactive monitoring of regulatory changes and gap assessment in systems/processes Engagement with policymakers to address challenges and optimise compliance costs
Carbon tax or carbon pricing being imposed on industries – domestic and international (R)	<ul style="list-style-type: none"> Increase in indirect costs due to carbon tax Increase in landed prices of products delivered and possible negative impact on the business 	Short-term: Very Low Medium-Term: Low-Medium Long-Term: Medium	<ul style="list-style-type: none"> Track development in carbon tax and pricing and assess the potential impact Formulate a strategy to mitigate impact of carbon taxes

Reputation

Risk (R) / Opportunity (O)	Potential Impact		Response/Actions
Non-compliance by supply chain partners or contractors and leading to negative feedback or concern from stakeholders (R)	<ul style="list-style-type: none"> Increase in direct costs to handle current vendors or develop new vendors In few cases, financial liabilities arising from contractual breaches or regulatory noncompliance by supply chain partners 	Short-term: Low Medium-Term: Low-Medium Long-Term: Medium	<ul style="list-style-type: none"> Stronger vendor due diligence and approval process Regular audits, compliance checks and performance reviews Vendor grievance and escalation mechanism implemented to ensure early identification and resolution of issues

Market

Risk (R) / Opportunity (O)	Potential Impact		Response/Actions
Decrease in potential business from fossil fuel-linked sectors (R)	<ul style="list-style-type: none"> Decline in business opportunity (order inflows and revenue) for the Company's businesses linked to such sectors 	Short-term: Low-Medium Medium-Term: Medium-High Long-Term: Very High	<ul style="list-style-type: none"> Periodic assessment of the market scenario and refinement of business strategy
Increased investments and business from renewable energy sector (O)	<ul style="list-style-type: none"> Increased revenue from renewable energy sectors Increase in capital expenditure to address some of these opportunities 	Short-term: Medium-High Medium-Term: High Long-Term: High	<ul style="list-style-type: none"> Businesses developed dedicated to renewable energy offerings: Renewables, Offshore Wind Green and Clean Energy incubated as a new business to target opportunities linked to green hydrogen and related areas
Increasing demand for business offerings with a positive impact on the environment, e.g. clean mobility (O)	<ul style="list-style-type: none"> Increased revenue from 'Green Business' offerings, which have a positive impact on environment 	Short-term: Medium-High Medium-Term: High Long-Term: Very High	<ul style="list-style-type: none"> Green business - a portfolio of business offerings of the Company developed over the years - being enhanced to align better with the market needs

Technology

Risk (R) / Opportunity (O)	Potential Impact		Response/Actions
Inability to adopt clean technologies in business operations, e.g. electric P&M, battery energy storage (R)	<ul style="list-style-type: none"> Increase in capital expenditure or upfront costs to replace current equipment or adopt new technologies 	Short-term: Low Medium-Term: Medium Long-Term: High	<ul style="list-style-type: none"> Track technology developments and explore viable options for implementation Annual revenue and capex budgeting includes new technology adoption Cost implications and benefits may be shared with clients, depending on contractual provisions
Innovation to adapt current processes and systems to handle future requirements, e.g. waste recycling (O)	<ul style="list-style-type: none"> Increase in capital expenditure for processes changes In some cases, there may be cost savings in comparison to current processes 	Short-term: Medium Medium-Term: Medium-High Long-Term: High	<ul style="list-style-type: none"> Initiatives identified and implemented to adapt or modify the current processes Engaging with clients to incorporate new ways in the existing or new contracts, including sharing of costs and benefits



Climate Risk Assessment of Manufacturing Facilities at Hazira and Kattupalli

In FY 2025–26, a focused climate risk assessment was conducted with support from a recognised third-party for AMNHEC–Hazira and Kattupalli facility, the Company’s two largest manufacturing facilities supporting key businesses including Heavy Engineering, L&T Energy Hydrocarbon–Offshore, Precision Engineering and Systems, and L&T Energy Carbon Lite Solutions. In addition to Company-level risks, these locations are exposed to coastal and riverine flooding and cyclonic events due to their proximity to the seashore and river systems.

Risks were modelled using a proprietary climate analytics tool for short-term (2030) and long-term (2050) horizons. Physical risks were assessed under IPCC-aligned scenarios—SSP1-2.6, SSP2-4.5, and SSP5-8.5—while transition risks were evaluated using IEA scenarios, including STEPS and NZE 2050. Each hazard was assessed separately for the identified business units, recognising variations in risk exposure across geographies and asset types.

Summary of analysis of risks identified (based on SSP5-8.5 scenario and IEA NZE 2050):

Physical Risks

Extreme Heat	Flood	Cyclone	Sea Level Rise	Wildfire	Water Stress
High	Medium	Medium	Low	Very Low	Low-Medium

Transition Risks

Emerging Laws and Regulations	Emerging Carbon Pricing Mechanism	Market Shift Towards Products Supporting RE Generation	Shift towards RE sources	Customer Preference Towards Greener Products	Switch Towards Energy Efficiency in Manufacturing Process	Increasing Awareness Among Stakeholders and Transparency in Disclosures
Medium	High	Low-Medium	Medium	Medium	Medium	Medium

Scale



Key adaptation measures suggested:

Operational (short-term)	Strategic (long-term)
<ul style="list-style-type: none"> • PPEs and work-wears designed for heat stress • Updating Emergency Management Plans to incorporate heat stress, precise flood levels, cyclone categories • Real-time drainage monitoring • Audit of buildings and equipment for cyclone risk • Climate-linked or parametric insurance 	<ul style="list-style-type: none"> • High-heat zones spot cooling systems across all facilities • Replacement/modification of existing infrastructure with heat-resilient design/features • Modification of flood prone areas to improve drainage • Formulation and implementation of Integrated Multi-Hazard Climate Adaptation • Shadow carbon pricing mechanism • Vulnerability and transition preparedness of upstream supply chain partners and vendors • Invest in R&D to adopt new technologies for industrial processes



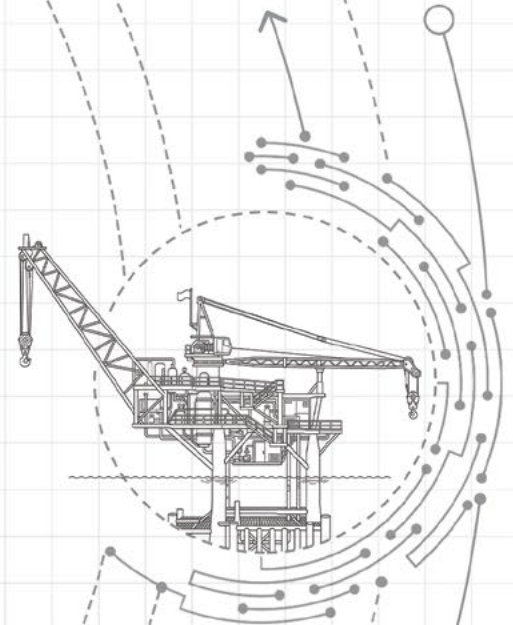
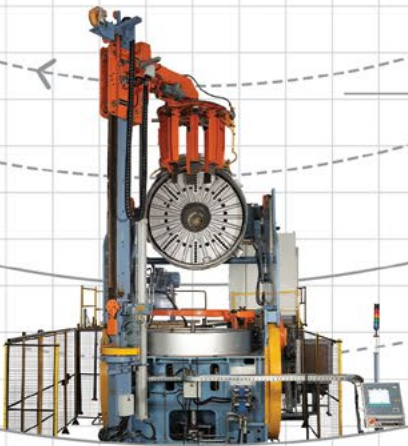
L&T's natural capital strategy reflects a series of such leaps: from efficiency to stewardship, from compliance to leadership, and from incremental change to long-term transformation.

MANUFACTURED CAPITAL

Manufactured Capital represents the physical assets, engineered systems, and project delivery capabilities through which L&T creates long term value for customers, society and stakeholders. The Company continues to address the diverse needs of the global infrastructure and industrial sectors through its robust EPC expertise and Hi Tech Manufacturing capabilities.

With decades of deep domain knowledge, strong in house engineering competencies, rigorous execution processes and the adoption of cutting edge digital technologies, L&T delivers large, complex and mission critical projects with high standards of quality, safety, and sustainability. The Company's value creation approach is guided by resource efficiency, continuous improvement, disciplined cost management and innovation. Together, these pillars allow L&T not just to undertake bold projects, but to sustain the momentum of each leap across the full life-cycle of assets and infrastructure.

Looking ahead, L&T remains focused on strengthening its core engineering competencies, enhancing project delivery through technology and digitalisation, and expanding its presence in emerging business segments aligned with global sustainability and energy transition imperatives.



Key Highlights of FY 2025-26

630

Active EPC project sites

22

Manufacturing facilities

~₹ 78,700_{cr}

Green business revenue

Strategy Linkage¹



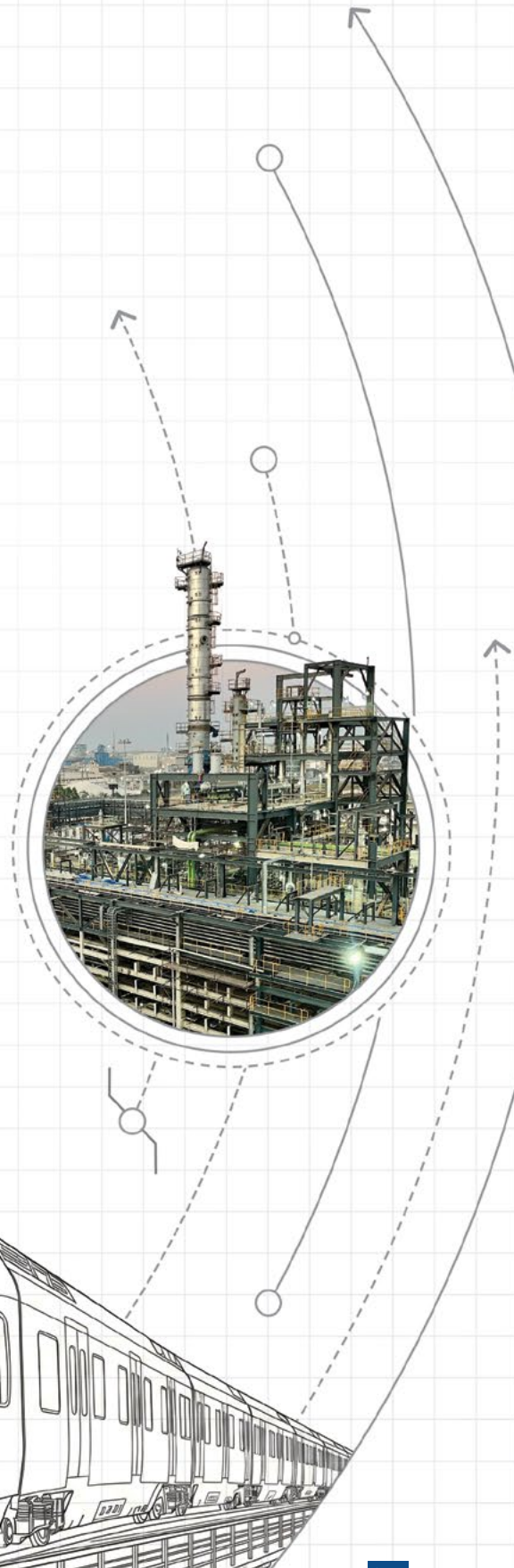
SDGs Impacted



Material Topics

- Climate Change
- Air Quality Management
- Water and Waste Management
- Land Use and Ecosystem
- Labour Practices and Human Rights
- Occupational Health and Safety
- Product Quality and Reliability
- Sustainable Supply Chain
- Customer Satisfaction
- Data Privacy and Security
- Geopolitical Risks

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









EPC Projects

L&T has built industry leading capabilities in delivering EPC projects of global scale, sophistication and complexity. Its end to end competencies from concept design to commissioning enable the delivery of critical infrastructure across sectors such as transportation, energy, water, metals, digital and social infrastructure.

Strong in house engineering design centres, dedicated competency hubs and specialised training facilities provide the foundation for L&T’s ability to conceptualise, design, execute and maintain complex EPC projects.

A snapshot of key offerings across the Company’s businesses is presented below:

<p>Buildings & Factories</p>  <p>Residential buildings, office buildings and commercial spaces, data centers, factories, warehouses, airports, hospitals, educational campuses and public spaces, e.g., stadiums</p>	<p>Transportation Infrastructure</p>  <p>Expressways, specialised bridges (both road and rail), elevated corridors, runways, railway lines, mass urban transit systems</p>	<p>Heavy Civil Infrastructure</p>  <p>High-speed rail, mass transit systems, nuclear power plants, hydroelectric power plants, tunnels, ports, marine structures and specialised structures</p>
<p>Power Transmission & Distribution</p>  <p>Transmission lines, substations, distribution networks, grid improvement systems, electrification systems, and digital solutions for power systems</p>	<p>Renewables</p>  <p>GW-scale Solar PV, Energy Storage, Microgrids and Hybrid Renewable Projects</p>	<p>Water & Effluent Treatment</p>  <p>Water treatment plants, water distribution networks, wastewater treatment plants and collection networks, desalination, irrigation, industrial effluent treatment and water systems management/monitoring</p>

Minerals & Metals



EPC projects from mineral processing to finished metals for ferrous and non-ferrous industries, solutions and specialised equipment for various core sector industries

L&T Energy Hydrocarbon - Onshore



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

L&T Energy Hydrocarbon - Offshore



Large and complex EPC projects related to oil & gas extraction and upstream oil & gas processing

L&T Energy Hydrocarbon - Offshore Wind



Fixed and floating wind turbine generator foundations, HVAC/HVDC substations for wind farms

L&T Energy – CarbonLite Solutions



EPC projects related to thermal power, gas-to-power, carbon capture and low-carbon solutions for power plants

Hi-Tech Manufacturing

L&T operates globally recognised, engineered-to-order manufacturing facilities that supply high precision and large scale equipment for sectors including oil & gas, petrochemicals, nuclear energy, space, fertilisers, and other strategic industries.

A snapshot of key facilities is given here:

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



World-class manufacturing complex catering to critical, large sized ultra-heavy equipment for refineries, oil & gas, fertiliser, petrochemicals, nuclear power plants and modular fabrication of offshore and onshore packages and modules for the oil & gas sector

Modular Fabrication Facility, Kattupalli, Tamil Nadu



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

Shipbuilding Facility, Kattupalli, Tamil Nadu



Globally recognised, state-of-the-art, manufacturing facility for construction and repair of ships and marine vessels

Strategic Systems Complex, Talegaon, Maharashtra



Facility for prototyping, manufacturing and testing of bridging systems, radar systems and propulsion shafting

Manufacturing Facilities, Kancheepuram, Tamil Nadu



Various manufacturing facilities are in Kancheepuram (~70 km from Chennai) which manufacture power transmission line towers, engineered systems for mining, cement, construction, steel, ports, and other core industries, and processing machinery for tyre and rubber industry. A globally accredited Transmission Tower Testing and Research Station is also located at Kancheepuram.

The Company has other manufacturing units in Pithampur (near Indore, Madhya Pradesh), Kansbahal (near Rourkela, Odisha), Ranoli (near Vadodara, Gujarat) and Coimbatore (Tamil Nadu).

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

Green Business

L&T's sustainability vision 'For a Better World' is reflected in two Strategic Objectives which guide the growth of the Company's businesses:

SO-III

Developing business offerings to harness opportunities emerging from the global Energy Transition

SO-V

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

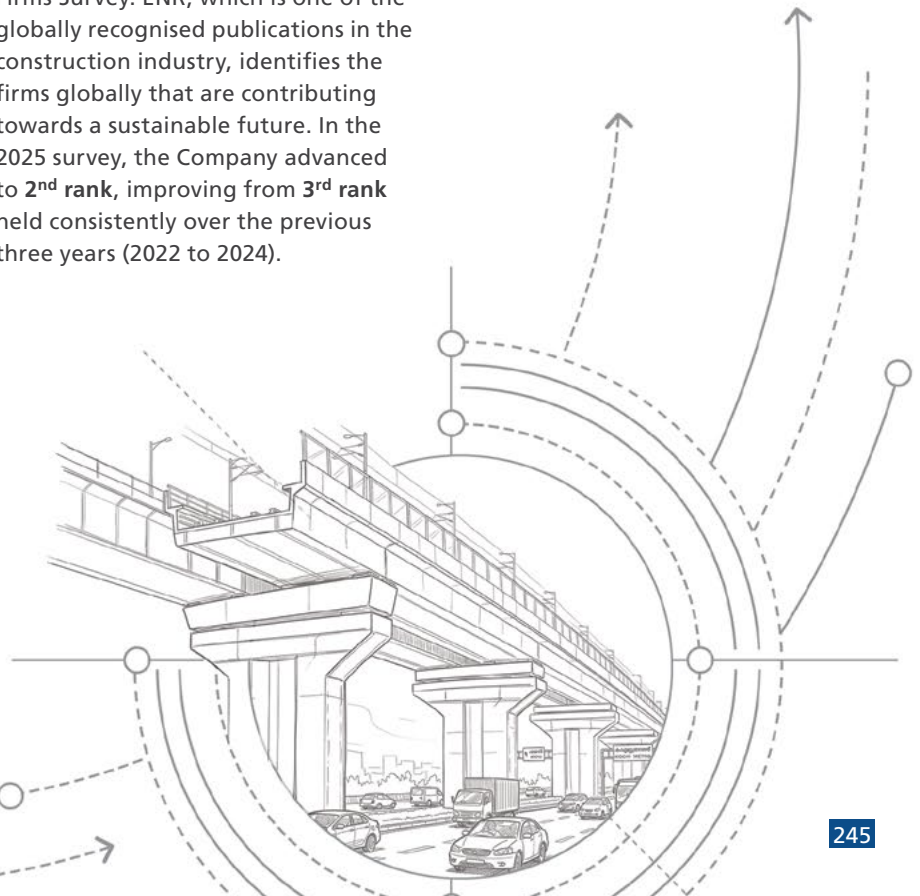
The Company's 'Green Business' portfolio is driven by these objectives, with offerings centred around clean energy, clean mobility, water and sanitation, green infrastructure, and other emerging domains that support a low-carbon and resource-efficient future. L&T continues to expand this portfolio by strengthening capabilities and enhancing solutions that address critical sustainability challenges. Through these offerings, the Company supports its customers in achieving their sustainability outcomes, including emissions reduction, improved energy efficiency, enhanced water-use efficiency, increased wastewater recycling and conservation of natural resources through material circularity.

L&T adopts the FTSE Green Revenues Classification System 2.0 (GRCS) to classify revenues from its Green Business. This globally recognised taxonomy is closely aligned with the European Union's sustainable finance framework, ensuring strong alignment with international sustainability standards and investor expectations.

Revenue from Green Business constituted **51% (~₹ 78,700 crore)** of the Company's total revenue. In FY 2024-25, the contribution was at 53%. Reflecting its continued focus on sustainable growth, the Company had set a target of increasing this contribution to 55%.

L&T's leadership in sustainability is further reinforced by its global recognition in the Engineering News-Record (ENR) Top 200 Environmental Firms Survey. ENR, which is one of the globally recognised publications in the construction industry, identifies the firms globally that are contributing towards a sustainable future. In the 2025 survey, the Company advanced to **2nd rank**, improving from **3rd rank** held consistently over the previous three years (2022 to 2024).

The Company has also undertaken an impact assessment of its Green Business portfolio, based on a third-party model developed in 2023. The assessment indicates that assets (energy, infrastructure) commissioned in FY 2023-24 and FY 2024-25 would help avoid emissions to the tune of approximately **5.7 million tCO₂e annually**, with most contributions arising from renewable and nuclear energy assets.





**Clean
Mobility**

Mass Transit Systems
(Metro Rail, Light Rail Transit)

High-Speed Rail,
Semi-High-Speed Rail

Conventional Railway



**Water &
Sanitation**

Water Supply Network

Irrigation Systems

Water, Wastewater,
Effluent Treatment Plants

Wastewater Collection Network



**Clean
Energy**

Renewable Energy - Solar,
Hydel Power Plant

Nuclear Power Plant



**Green
Infrastructure**

Green Buildings



Others

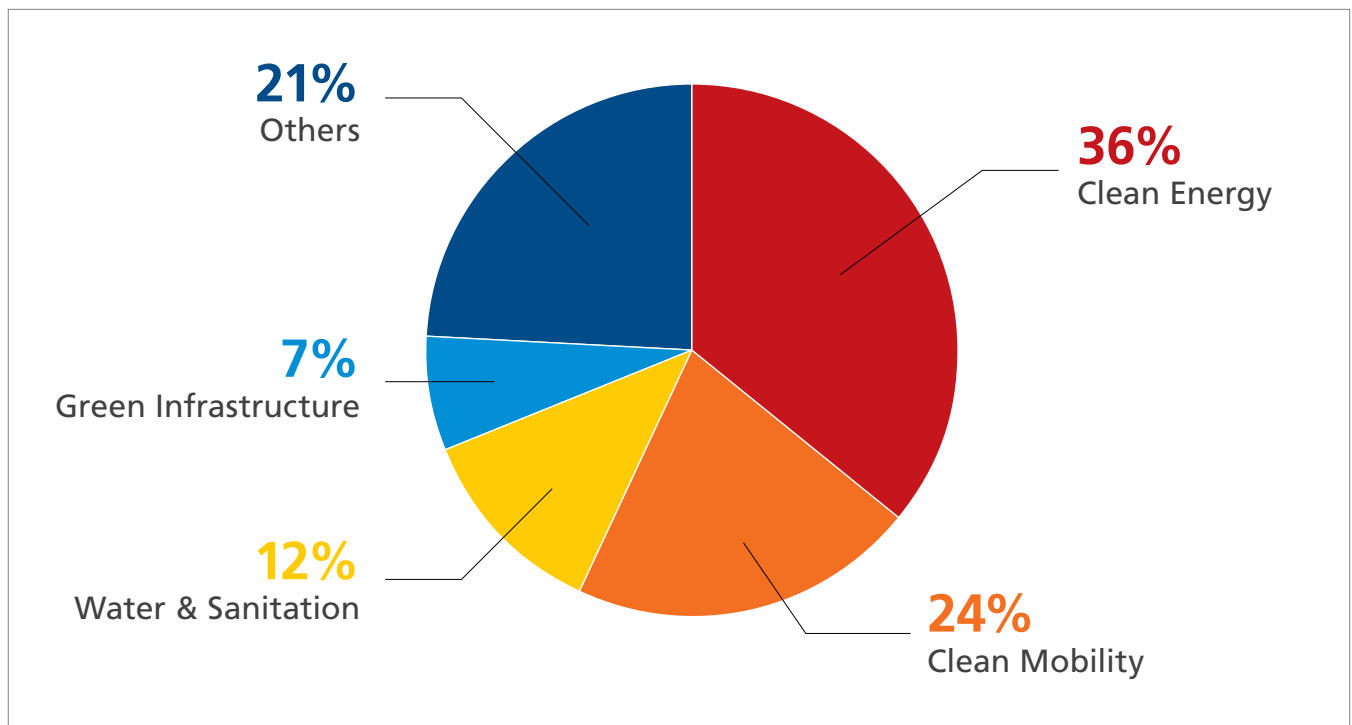
Efficient Power Transmission &
Distribution Systems

Process Equipment for Biodiesel/
Clean Fuels

Equipment for resource efficiency
in industrial applications

Equipment for managing
air pollution

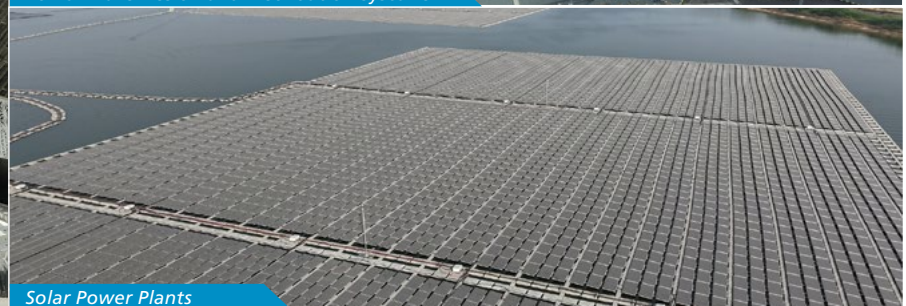
Category-wise breakup of Green Business



The Company's Green Business offerings are anchored in two strategies to address climate change impacts.

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

Snapshot of the Company's Green Business offerings



HUMAN CAPITAL

Every great story begins with a leap. At L&T, that leap is taken everyday with the people. L&T's human capital strategy is intrinsically aligned with its transformation agenda, recognising that every defining moment of progress, whether in engineering excellence, digital leadership or ESG stewardship, begins with people choosing to step forward.

The Company's approach to human capital embeds sustainability principles across its workforce practices, ensuring coherence with its commitment to responsible and technology-led growth. The Company is committed to fostering a safe, inclusive and high performance-oriented work environment that enables talent to thrive, places employee well-being at the forefront and promotes a culture of continuous learning of the workforce.



Key Highlights of FY 2025-26

1,431

Women in Management

8.6

Training Days per Employee

7.4 Mn

Safety Training Hours

34 Years

Median Age of Employees

Strategy linkage¹



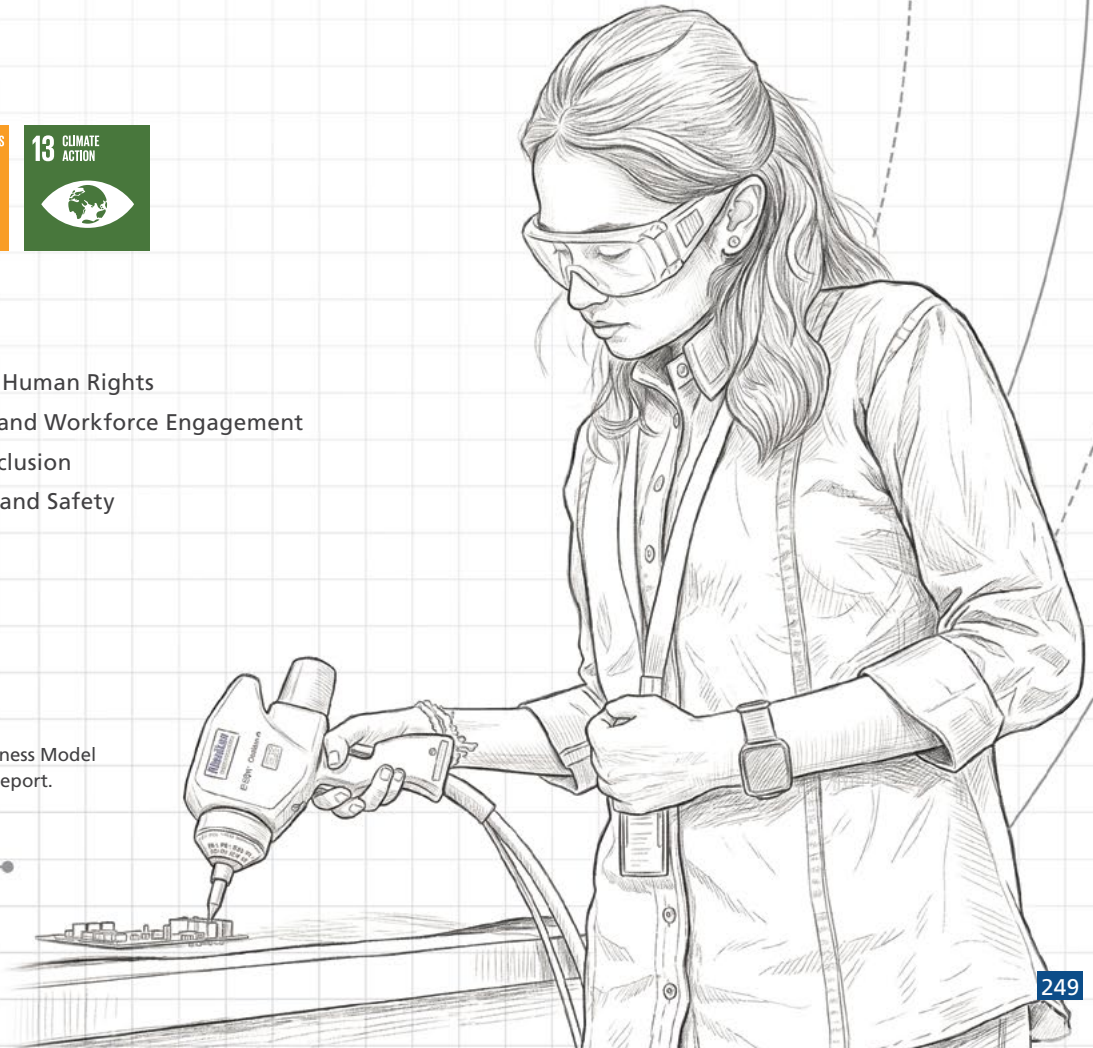
SDGs Impacted



Material Topics

- Labour Practices and Human Rights
- Talent Management and Workforce Engagement
- Diversity, Equity & Inclusion
- Occupational Health and Safety

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



Our People: Enablers of Innovation and Sustainable Value Creation

The Human Capital framework is anchored in five strategic pillars which are aligned with L&T's long-term roadmap:

- Performance-driven growth with purpose and accountability
- Future-focused learning and digital capability building
- Scalable talent development for emerging business opportunities
- Diversity, equity and an inclusive culture
- Holistic well-being and workforce resilience

Continued investment in people, leadership development and critical skills remains central to business performance and long-term value creation. Through sustained investment in people, leadership pipelines, and future-ready capabilities, human capital development remains a key enabler of long-term business resilience, sustained performance and stakeholder value creation.

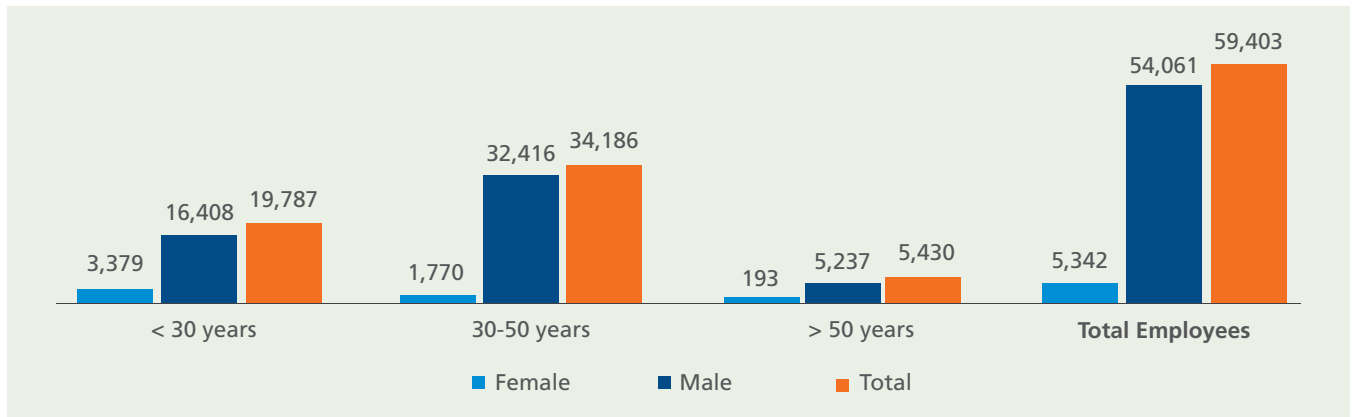


Oversight

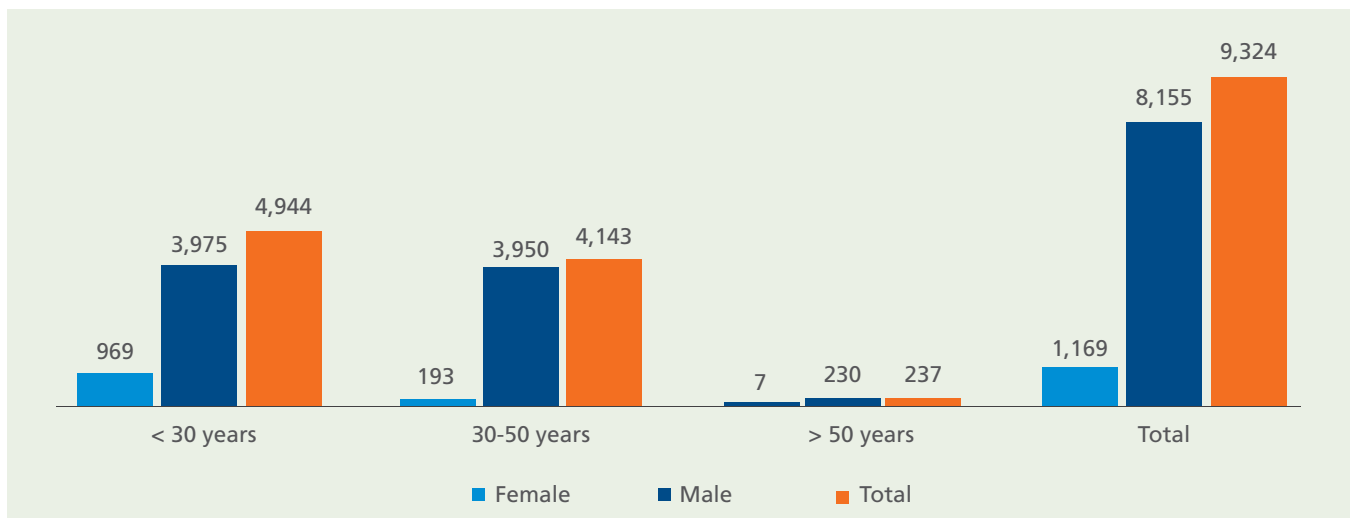
Oversight of the HR function is provided by the HR Steering Committee, which guides the Human Resource Council Committee (HRCC) in driving business-aligned HR priorities, including talent retention, recruitment, learning and development, skilling, leadership development and specialised capabilities.

Employee Profile and Composition

Age- and gender-wise distribution



New joiners: Age- and gender-wise distribution



Talent Acquisition and Employer Brand

Talent Acquisition

Every great story begins at the start. For L&T, that beginning lies in attracting individuals ready to take their first professional leap. During FY 2025–26, L&T continued to strengthen its talent pipeline through its Young Professional Talent Acquisition initiatives, recruitment and onboarding of 2,200 Graduate and Postgraduate Engineering Trainees (GETs/PGETs) across businesses. These recruits were sourced from premier institutions and leading government engineering colleges ensuring high quality technical talent. In addition, the Company onboarded more than 1,100 young professionals across diverse roles, including MBA graduates, Chartered Accountants, Cost Accountants, Diploma Engineers and other trainee cadres.

Campus Engagement

L&T's campus outreach spanned over 260 institutions, strengthening engagement with top engineering and management institutes across the country. All GETs, PGETs and Management Trainees are offered positions with the Company and inducted through **GRACE (Get**

Ready for an Awesome Career in Engineering), the Company's flagship campus-to-corporate transition programme. Designed as a structured pre- onboarding journey, GRACE is delivered through a blend of online and offline modules incorporating gamified learning elements, enabling candidates to familiarise themselves with L&T's culture, values and business. By engaging candidates prior to their formal joining, the programme supports a smooth transition and enables new hires to commence their roles better informed, connected and prepared from day one.

In parallel, L&T has institutionalised **MPower**, a structured 12-month mentoring programme for engineering graduates. Through regular mentor mentee engagements focused on self awareness, career planning and leadership development, MPower bridges technical expertise with managerial capability. The programme follows a defined developmental framework encompassing psychometric assessments, Individual Development Plans (IDPs) and periodic progress reviews, supported through a dedicated digital mentoring platform.

Global Internship Programme

During the year, L&T achieved a significant milestone in its global talent outreach with the launch of the Group's **Global Internship Programme (GIP)**. The inaugural cohort comprised interns from leading Ivy League institutions representing diverse nationalities.

Interns worked on live projects across areas such as digital transformation, AI, sustainability, semiconductor engineering and advanced technologies. These projects were undertaken across locations including Bengaluru, Hazira (Surat) and the United States, providing exposure to real business environments.

The programme supports cross-cultural collaboration and helps position L&T as an attractive destination for global talent.



Talent Competitions and Campus Platforms

L&T continued to strengthen campus engagement through flagship case competitions that combine employer branding with early talent identification.

CreaTech, the Company's technology case competition for engineering students, attracted over 14,500 participants from more than 220 institutions. Following an initial technical screening, 450 teams worked on live engineering challenges drawn from L&T's businesses, covering themes such as sustainable port infrastructure, AI-led project execution and precast construction innovations. The top eight teams showcased their solutions which were assessed against parameters such as innovation, scalability, feasibility of implementation and potential industry impact. The competition provided students with exposure to real-world problems while enabling L&T to identify high-potential talent and gather innovative ideas relevant to its project ecosystem.

OutThink, the national business case competition for management institutes, witnessed participation

from over 6,700 students across 2,200+ teams from 34 leading B-schools. Participants worked on live business challenges aligned with L&T's growth priorities, including competitive strategy, expansion of new technology businesses and manufacturing opportunities.

Together, these platforms expanded L&T's reach across 260+ institutions, strengthened industry-academia engagement. These initiatives further enhanced L&T's visibility and positioning as an employer of high-potential choice among India's emerging engineering and management talent, while reinforcing its focus on innovation led, future ready capability building.

Strategic Employer Branding

L&T's employer branding efforts focus on sustained campus engagement, leadership visibility and industry-academia collaboration.

The Company partnered in *IIT Bombay Techfest*, one of Asia's largest technology festivals which saw a footfall of around 2.2 lakh participants. L&T also partnered in *IIT Madras Shastra 2026* and engaged directly with students through

leadership interactions. The event recorded a footfall of approximately 40,000 participants.

L&T's employer branding initiatives are anchored in sustained campus presence, executive thought leadership, and meaningful industry-academia collaborations.

Industry-Academia Engagement

L&T continues to engage with academic institutions through guest lectures, technical collaborations, sponsorships, and pre-placement interactions to strengthen industry readiness among students. During the year, an Industry-Academia Interaction at NICMAR University, Pune, where senior management shared insights on the Company's growth strategy, digital transformation initiatives and career opportunities across the Group. The session also covered industry trends and skill requirements in large-scale engineering and infrastructure projects. These engagements support alignment between academic learning and industry requirements while contributing to future talent development.



Talent Management

Talent Identification

L&T's Performance Management System enables differentiation, recognition, and reward of talent, and is integrated with career development and succession planning to support leadership continuity. High-potential employees are identified and developed through Development Centres (DC) and the Technology Leadership Programme (TLP), which provide structured assessment of strengths and development areas.

In FY 2025–26, over 2,000 employees were assessed through DC and IDPs were developed to support personalised career progression.

Talent Review

The Talent Council, comprising business heads, HR heads and senior executives, oversees the identification

and development of future leaders. Through structured talent reviews, the Council defines IDP based on assessed strengths and development areas, supported by interventions such as cross-functional assignments, training programmes, leadership shadowing and coaching.

The Talent Review Process has been further enhanced to improve visibility of critical talent across business units. It is led by the Talent Council and supported by a dedicated talent review software module that streamlines review cycles and documentation.

FAIR Process - Framework for linking Appraisals with Incentives and Rewards

L&T's performance management philosophy is anchored in a high-

performance culture based on meritocracy, entrepreneurship, teamwork, and continuous learning and development. The Performance Management System links performance outcomes with incentives and rewards. The system is based on the following key processes:

- Performance planning
- SMART goals: setting and cascading
- Continuous review, monitoring, feedback and coaching
- Focus on learning, development and growth
- Fair and objective performance assessment

This structured approach ensures alignment between individual performance and organisational objectives.

HR Excellence

The 6th edition of the **Annual HR Awards (AHA) 2025** recognised excellence and innovation across key HR domains, with 185 applications evaluated through a rigorous RADAR-based assessment process involving external CII assessors and senior leaders.

L&T HR Conclave 2026 brought together senior leaders, industry experts, and HR practitioners to discuss building a future-ready organisation, with sessions focused on leadership, AI-led transformation, and culture-driven performance.

Instituted in 2009, L&T's **HR Excellence Model (HREM)** completed its 14th assessment cycle with participation from 16 business HR teams, assessed by external and internal CII-certified assessors through a structured evaluation process.



ESG Linkage to Performance and KPIs

The Company recognises that long-term value creation is closely linked to ESG performance. Accordingly, ESG parameters are translated into measurable KPIs; which are then embedded within the performance management system within both business-level and individual performance scorecards. These include, inter alia, energy and water intensity, greenhouse gas (GHG) emissions, diesel consumption reduction, renewable energy usage, occupational health and safety performance, diversity and inclusion, community development and regulatory compliance.

At the operational level, ESG related KPIs are incorporated into business/unit and project-level performance metrics and are subject to periodic monitoring. The business-level

performance indicators are reviewed quarterly and individual KRAs are reviewed twice a year. Performance against KPIs is factored into annual performance appraisals and variable remuneration outcomes, establishing a direct linkage between sustainability performance and employee incentives.

Environmental performance indicators carry a weightage of 20% in the evaluation process for promotions to senior-level positions and are linked to performance outcomes. This ensures that ESG performance, particularly environmental parameters, is factored into both career progression and pay, reinforcing leadership accountability for sustainability outcomes.

In the context of occupational health and safety, the Company has operationalised a structured Reward and Penalty mechanism for select EPC businesses. Under this framework, predefined EHS performance targets are linked to financial incentives and disincentives at the business unit level. Performance against these targets has a direct bearing on performance-linked pay outcomes for employees within the respective units, thereby strengthening accountability and oversight for safety performance.

Through the systematic integration of ESG KPIs into governance, performance evaluation and remuneration processes, the Company seeks to ensure that sustainability considerations are embedded in decision-making and contribute to risk mitigation, operational efficiency, and long-term stakeholder value creation.

Learning and Leadership Development

Learning & Development has been central to this approach helping nurture talent from within, ensuring leadership continuity and aligning workforce capabilities with evolving business needs. This sustained focus enables L&T to deliver complex engineering and EPC projects at scale, while maintaining its position as a trusted leader.



Reinventing Capability for an AI-Shaped Decade

Learning & Development is a strategic enabler by strengthening leadership depth, improving execution predictability and accelerating capability building. The focus is on enabling faster, better decision-making, disciplined execution across complex projects, and responsible adoption of digital and AI tools to enhance productivity and quality. This approach ensures that L&T sustains its legacy of learning while driving resilience and performance. enhancing planning accuracy and execution efficiency.



L&D architecture: Three Leadership Archetypes

To ensure a consistent and scalable approach across businesses, L&T's capability framework is anchored in three enterprise archetypes: *Business Leadership*, *Project Leadership* and *Technical Leadership*. Together, these form the organisation's core growth engine and the primary pathways for developing leaders and specialists.

L&T Leadership Archetypes



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

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

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



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



- Project Director Academy-4 Step PLDP
- SCDM
- Case Centre
- PM conclave
- Knowledge@work
- Professor of Practice



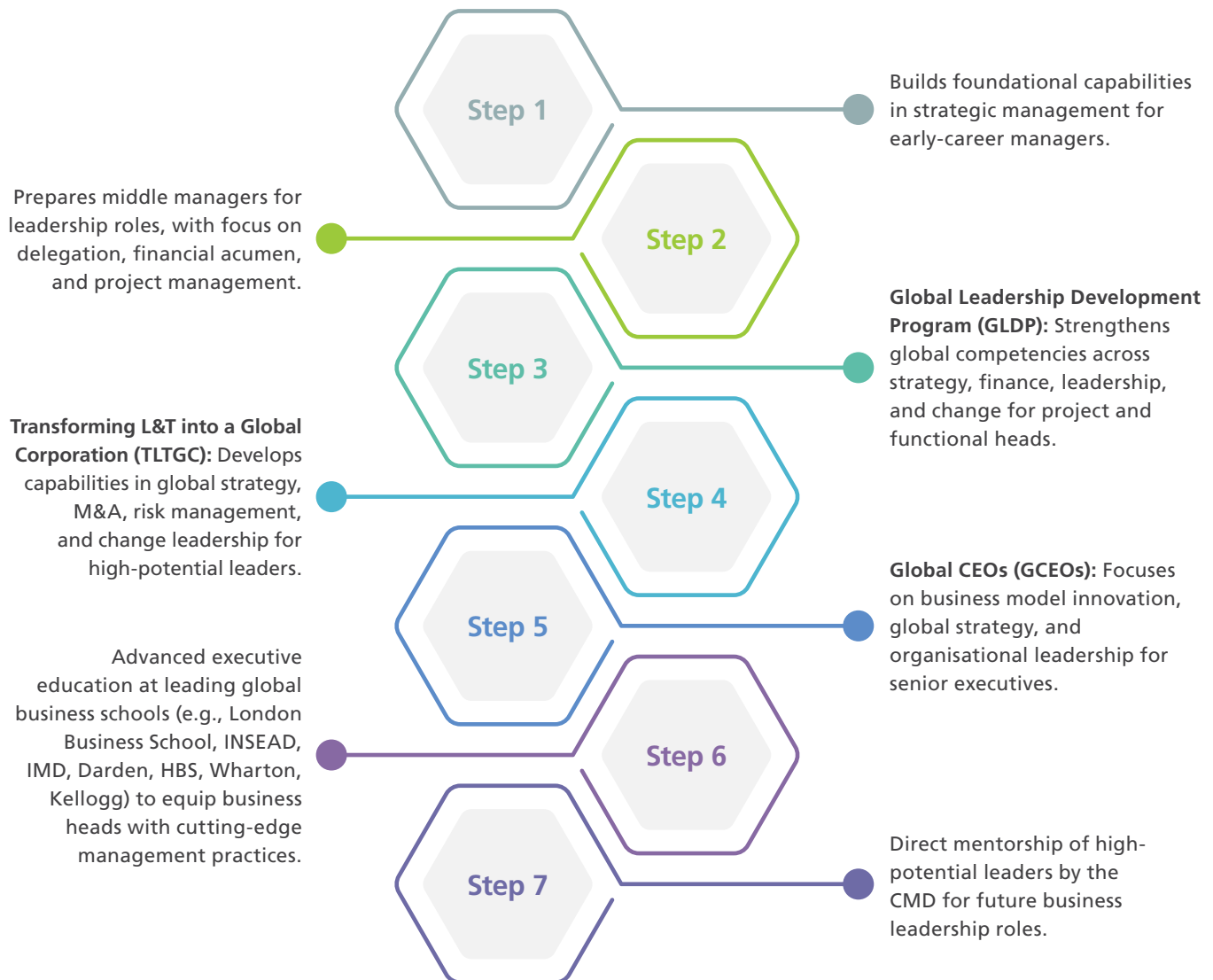
- Young Talent Development
- Prayag - Fresher Training
- Level 1,2,3 Technical Development Programme
- CADFest
- Virtual Technical Summit
- Technology Conclave

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

Business Leadership: Building strategic and people-centric leaders

Business Leadership focuses on developing leaders who can set direction, allocate resources effectively, and lead across diverse businesses in a dynamic environment. L&T's multi-level leadership pipeline builds capability across early, mid, and senior cohorts, supported by academic partnerships and practitioner-led learning. Mentoring and coaching interventions further strengthen leadership readiness across the pipeline.

The Company's structured **7-step leadership development journey** ensures systematic progression of high-potential leaders:



ASCENT Series: Building Leadership Capability at Scale

The ASCENT Series is a core part of L&T’s leadership development architecture, designed to build capability across levels. It strengthens strategic thinking, execution and people leadership among high-performing talent. Anchored in the Think–Act–Engage framework and delivered through a blended approach with leading academic partners, it bridges the gap between performance and potential, creating a strong pipeline of future-ready leaders.

Management Development Programmes (MDP)

MDPs strengthen functional management capability and support sustained competitiveness. Complementing the leadership pipeline and ASCENT series, MDPs are aligned to evolving business needs. Delivered with leading B-schools, these one-week programmes at the Leadership Development Academy (LDA), Lonavala, combine classroom

learning, case discussions, practitioner insights and pre- and post-programme work to build managerial depth and reinforce professional excellence.

1,200 managers trained during the year

People Leadership

A key focus is strengthening people leadership-enabling managers to build trust, drive performance, and develop talent. The People Leadership Excellence Framework defines core behaviour, supported by multi-rater feedback and AI-enabled insights for targeted development. An AI-based 270-degree feedback report further provides managers with a clear view of strengths and gaps, helping shape focused development plans.

Women Leadership Development: WINSPIRE

The WINSPIRE series provides targeted development across career stages. Anchored in four pillars - Induct, Engage, Develop and Enable, it creates an integrated ecosystem for advancement.

WINSPIRE follows a cohort-based approach with customised interventions for early and mid-career professionals. The programmes focus on self-leadership, stakeholder engagement, communication and leadership presence to support progression as roles grow in complexity. At the early-career stage, **WINSPIRE – Building a Growth Mindset** focuses on resilience, overcoming biases and building confidence. For mid-career professionals, **WINSPIRE RISE** strengthens influence and leadership identity, while **WINSPIRE PROPEL** supports progression through senior stakeholder engagement and personalised development.

~100 women trained this year and **900+** since inception



Project Leadership: Developing directors for mega, multi-disciplinary delivery

Project leadership is core to L&T's EPC and infrastructure businesses, where outcomes depend on planning, risk management, stakeholder alignment, and disciplined execution. The L&T Institute of Project Management (IPM) anchors capability building through structured programmes, knowledge sharing, and institutional partnerships. These interventions strengthen planning, controls, contracts, and delivery governance, building a common knowledge base and improving project predictability.

Project Director Academy (PDA): A Strategic Response to Rising Complexity

A pioneering enterprise-wide leadership development initiative, the Project Directors' Academy (PDA) is designed to build a sustainable pipeline of future-ready Project Directors. The Academy integrates technical expertise, project execution, commercial acumen, and leadership capability into a structured long-term development journey.

PDA follows a five-level framework (L0–L4) aligned to career stages and leadership readiness, combining classroom learning, international academic partnerships, professional certifications, mentoring, site immersion, and on-the-job learning. The framework is based on the globally recognised 70–20–10 learning model. Developed using global best practices and partnerships with leading academic institutions and professional bodies, PDA enables participants to earn internationally recognised certifications such as PMI-PMP, PMI-CP, PMI-RMP, AACE-CCP, and PMI-PgMP.

The Academy caters to employees across career stages, from early-career professionals to senior project leaders. L0 and L1 programs have been successfully launched across multiple businesses and geographies, while L2 is being rolled out. Advanced levels L3 and L4 are under development, focusing on enterprise-scale leadership, governance, risk stewardship, and succession readiness. Through PDA, L&T is institutionalising project leadership excellence, strengthening execution capability, and building a robust future leadership pipeline.

Enterprise-Wide Capability Building for Project Execution Excellence

L&T IPM plays a key role in strengthening project execution capability by building expertise in planning, controls, and delivery leadership. Through the Essentials of Project Planning and Control (EPPC) programme, IPM has upskilled execution and planning engineers, improving discipline in planning, monitoring, and project control.

This is complemented by the L&T Body of Knowledge (BoK), which captures learnings from large domestic and international projects through integrated case studies spanning planning, risk management, contracts, finance, stakeholder management, HSE, and interface management.

IPM's capability-building efforts are further reinforced through its recognition as an Authorised Training Partner of the Project Management Institute (PMI), USA, and collaborations with leading global and Indian institutions in project leadership development.



Technical Leadership: Scaling engineering depth and execution productivity

Technical Leadership builds the specialist depth and site-ready capability required for execution excellence. The Corporate Technology & Engineering Academy (CTEA) functions as L&T's technical capability engine delivering hands-on, role-based learning through well-equipped labs and applied learning environments. Since its inception, CTEA has evolved from a limited, business specific training centre into a comprehensive technical academy with wide reach across businesses and project environments. This evolution reflects L&T's sustained focus on strengthening technical depth as a strategic enabler of execution excellence.

Precast Technology Lab (CTEA Mysore): enabling speed, standardisation and safety by design

To meet rising expectations of speed and productivity in infrastructure delivery, L&T strengthened industrialised construction capability through the Precast Technology Lab at CTEA, Mysore. The lab offers immersive, end-to-end exposure to precast systems—from design and planning to casting, quality checks, and on-site erection—within a controlled, yard-like environment. This hands-on approach enhances execution readiness by improving understanding of sequencing, interfaces, and constructability, while embedding quality and safety early.

Key outcomes include faster cycle times, consistent quality through standardisation, improved safety by shifting high-risk activities to controlled settings, and stronger integration across design, manufacturing, and site teams. CTEA supports this through a structured, multi-level capability framework covering induction, supervisor development, safety certifications, and specialised technical programmes—anchored in hands-on learning aligned to site realities.

Building Job-Ready Talent and Supervisory Capability

CTEA enhances job readiness of early-career engineers through structured foundation programmes for PGETs, GETs and DETs (Diploma Engineering Trainees). These programmes cover core engineering, site practices, safety, quality systems, and operational procedures—bridging the gap between academic learning and on-site execution.

The academy also drives Front Line Supervisor (FLS) development, preparing skilled personnel to manage teams, quality, safety, and productivity. Combining classroom learning with practical exercises, the programme builds supervisory capability across construction disciplines, EHS, MEP, finishing works, and quality management.

Certifications and Specialised Competency Development

Safety and operational excellence are reinforced through internationally recognised Health, Safety and Environment (HSE) certification programmes conducted at CTEA. These include globally benchmarked certifications of NEBOSH, UK and focused modules on incident investigation, strengthening site level capability to manage health, safety, and risk across complex project environments. In addition,

CTEA conducts targeted competency development programmes in priority technical areas, combining conceptual learning with scenario based exercises and simulated incident studies. This approach enhances practical application and decision making, reinforcing technical discipline, risk awareness, and execution reliability at the site level.

Education-led Capability Building for Long Term Growth

Investing in long term, work aligned education is a key pillar of L&T's approach to developing young talent and building deep, future ready capability. These education programmes are designed to simultaneously address the Company's long term skill requirements and the personal aspirations of employees in the early stages of their careers. Through sustained partnerships with leading national institutions, L&T enables employees to pursue higher education while continuing to contribute meaningfully to business outcomes.

Technical and Engineering Education Pathways

L&T offers structured higher education opportunities for engineers and diploma holders through reputed institutions. The Build India Scholarship supports young engineers in pursuing M.Tech. in Construction Technology & Management, delivered in partnership with IIT Madras, IIT Delhi, NIT Trichy, and NIT Surathkal. Complementing this, capability building pathways for diploma engineers have been established through collaborations with Nirma University, KIIT University, VIT University, and Lovely Professional University.

In addition, employees can deepen technical expertise through work integrated programmes, including

B.Tech. programme through BITS Pilani, M.Tech. programme through the Defence Institute of Advanced Technology (DIAT), Pune, and the Certificate Course in Industrial Safety through SBTET, Andhra Pradesh. These programmes allow participants to combine academic rigor with on the job application in live project environments.

Project Management and Management Education

Recognising project management as a critical enterprise capability, L&T has partnered with NICMAR University, Pune, to offer an Executive MBA in Infrastructure and Construction Management, strengthening leadership readiness for complex project environments. Management

capability is further enhanced through programmes delivered in collaboration with premier institutions such as IIM Ahmedabad, S P Jain Institute of Management & Research, and IFMR Krea University. These programmes build strategic, managerial, and leadership depth among high potential employees, preparing them for roles of higher responsibility.

These education partnerships build a strong pipeline of technically skilled and managerially capable talent. By enabling employees to pursue recognised qualifications while working, L&T reinforces its focus on internal development, long-term capability building, and sustained performance.

Learning & Development Infrastructure

Leadership Development Academy (LDA), Lonavala serves as L&T's flagship residential leadership learning hub. Designed to enable immersive leadership and management development, LDA provides a learning environment that supports reflection, peer learning, and leadership transformation.

Institute of Project Management (IPM) is the centre of excellence for building project leadership and execution capability. IPM anchors enterprise wide learning in project planning, controls, delivery governance, and leadership, supported by a strong faculty ecosystem that blends full time academics with experienced practitioners.

Corporate Technology & Engineering Academy (CTEA) develops technical and functional capability critical to execution excellence. Through structured, hands on learning across engineering disciplines, supervisory roles, certifications, and specialised competencies, CTEA strengthens job readiness, technical depth, and site level reliability.

Engineering Academy provides a focused platform for engaging technical experts and high potential engineers, enabling them to deepen domain expertise and progress along specialist career paths. It supports advanced capability building across core engineering disciplines, facilitates structured exposure for postgraduate engineers from premier

institutions, and enables expert development through targeted, domain specific programmes—reinforcing technical excellence as a critical organisational asset.

Safety Innovation School (SIS) underpins L&T's commitment to building a strong and proactive safety culture aligned with global standards. Through a combination of certification programmes, experiential learning, and technology enabled simulations, SIS strengthens Environment, Health and Safety (EHS) capability across engineers, supervisors, and the contract workforce—embedding safety as a core execution discipline.

Specialised Domain Focused Academies

Complementing the central capability institutions, L&T has established specialised academies to build deep expertise in domains where projects demand highly specific knowledge, systems, and standards. These academies focus on advanced engineering, digital, and infrastructure specific capabilities critical to L&T's diverse operations.

L&T BIM Academy in Chennai develops enterprise capability in digital engineering and Building Information Modelling (BIM), enabling integrated design coordination, digital construction simulation, and lifecycle asset management. By strengthening proficiency in model based planning, cost integration, and cross disciplinary coordination, the academy supports improved constructability, reduced rework, and more predictable project delivery.

L&T Competency Development Centre (CDC) at Kancheepuram builds specialist capability in rail and metro infrastructure systems, including track engineering, electrification, signalling, communications, and advanced metro technologies.

It supports the development of engineers equipped to meet stringent safety, regulatory, and technical standards essential to rail projects in India and overseas.

L&T Tunnelling Excellence Academy at Kancheepuram functions as a centre of excellence for underground construction, addressing the growing reliance on subterranean infrastructure in urban and hydro projects. The academy develops capability across geotechnical engineering, tunnelling technologies, safety, risk management, and construction logistics—supporting complex underground works where precision and expertise are critical.

L&T Power Training Institute at Vadodara builds end to end capability across power generation systems,

spanning design, engineering, erection, commissioning, and operations. By integrating design knowledge with field execution exposure, the institute supports power project delivery, equipment manufacturing, and operational optimisation across the power lifecycle.

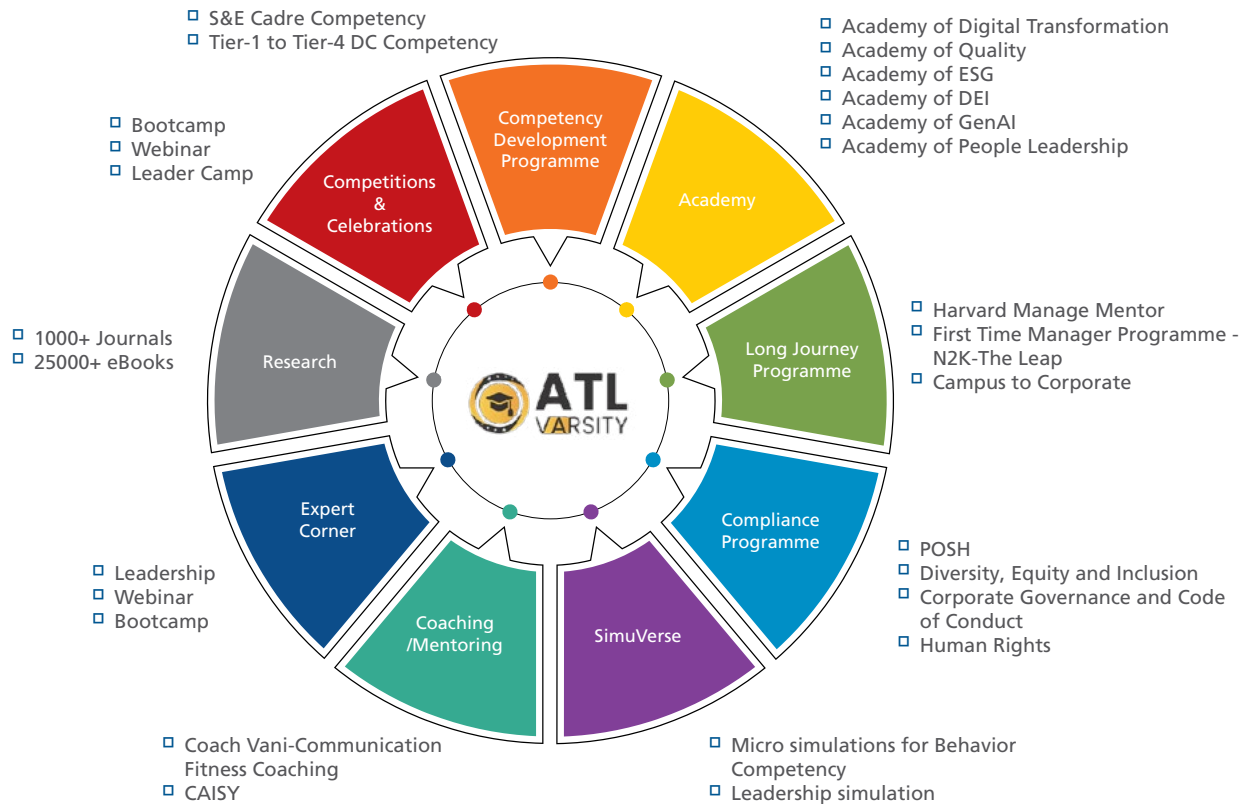
L&T's central institutions and specialised academies together form a cohesive, purpose-built L&D ecosystem. This enables leadership depth, execution discipline, technical capability, and safety focus while remaining agile to evolving technologies, market demands, and project complexity. It reflects L&T's belief that sustained performance is driven by institutionalised capability building aligned with business needs.

Digital learning at scale: ATL Varsity as the enterprise backbone

ATL Varsity, L&T's enterprise-wide online learning platform, serves as a strategic enabler in building future-ready capabilities across the organisation. Designed as a fully AI-curated learning academy, it offers a comprehensive portfolio of self-paced learning programmes spanning technical, functional and behavioural domains. The platform integrates robust in-house content with curated offerings from globally recognised learning ecosystems such as Coursera, Skillsoft, Harvard ManageMentor, SuccessFactors LMS, EBSCO, Skills Cafe and Coach Vani. Special learning journeys are being developed with L&T EduTech and integrated into ATLVarsity, to embed AI capability across the organisation.

To build enterprise-wide awareness and responsible adoption of emerging technologies, the ATL Varsity launched a focussed programme, 'Demystifying AI & Gen AI,' to strengthen foundational AI literacy across roles. Over 32,000+ employees have engaged in the programme, reinforcing L&T's commitment to AI readiness at scale.

ATLVarsity – Digital University ecosystem



AI-Powered Personalised Learning Ecosystem

Moving beyond conventional content delivery, ATL Varsity leverages Generative AI to enable intelligent, personalised and outcome-driven learning experiences. The platform deploys AI-led skill assessments and benchmarking tools that provide employees with targeted feedback and customised development pathways aligned to organisational priorities. Three key areas where AI/GenAI tools are used to improve L&D team productivity and providing a personalise user experience are



Accelerated Content Development

Course Builder tool enables rapid creation of structured learning pathways from a global repository of over 12,000 courses.

RAPL (Rapid Adaptive Personalised Learning) Craft tool, a micro-learning quizzing platform which strengthens knowledge retention through spaced repetition enables faster creation of assessments.



Hyper-Personalisation at Scale

An advanced AI-powered recommendation engine analyses skill matrices and individual learning behaviour to deliver hyper-personalised learning journeys.

A virtual instructor bot provides contextual guidance and enhances learner engagement throughout the course journey.



AI-Enabled Coaching & Skill Development

CAISY, a scenario-based AI coaching tool, enables experiential learning through simulated real-world interactions.

Coach Vani leverages Natural Language Processing (NLP) and real-time feedback mechanisms to strengthen communication and language proficiency through AI-driven coaching interventions.

Key Metrics

59,780

Unique learners during the year

39,48,472

Total learning hours (digital + physical)

7,01,219

ATL Varsity training hours

At the heart of the leadership pipeline systems will be the Leadership Excellence through Accelerated Programme (LEAP). They represent a deliberate reimagining of leadership development at L&T, integrating best-in-class global learning experiences with a structured, enterprise-wide approach to building leadership capability at scale. These programmes move beyond episodic training to create cohesive, multi-layered development journeys that are aligned to business strategy and future leadership requirements. The focus is not just on developing individual leaders, but on shaping an ecosystem of leadership that is agile, enterprise-minded, and equipped to navigate complexity, drive transformation, and sustain long-term value creation.

Digitalisation Initiatives

AI-Based Recruitment and Talent Acquisition

L&T enhanced its recruitment ecosystem through AI-driven resume screening, candidate matching, assessments and interview mechanisms to improve hiring speed, quality, objectivity and candidate experience.

NAVIS – Digital Platform for Graduate Engineering Trainees

L&T strengthened graduate trainee development through NAVIS, a digital platform offering structured learning, assessments, collaboration, gamified engagement and progress tracking for an immersive induction experience.

Role-Based Organisation Structure and System Enablement

L&T implemented a role-based organisational structuring and digital integration initiative to improve governance, workforce visibility, operational efficiency, and alignment across HR processes, talent management and succession planning.

AI-Based Goal Setting Framework

L&T introduced MyGoal, an AI-supported goal-setting platform that helps employees and managers define measurable, role-aligned goals using intelligent recommendations based on KRAs, competencies and business priorities.

HEERA Plus and Leadership Assistant

L&T launched HEERA Plus, a Generative AI-powered HR platform that delivers real-time HR support by integrating insights from enterprise policies, processes, manuals and knowledge repositories, enhancing employee experience and leadership effectiveness.

AI-Based 270-Degree Leadership Feedback System

L&T implemented an AI-enabled 270-degree feedback system based on its People Leadership Excellence Model to strengthen leadership development, succession readiness and personalised feedback through behavioural analytics and insight generation.

ESG Capacity Building at a Glance

Capacity building is being mainstreamed to embed and strengthen ESG integration across the organisation.

This is being conducted through:

- One hour module on sustainability as a part of the Executive and Management Development Programmes
- Awareness sessions for senior management across businesses conducted by the Corporate Sustainability
- Sessions conducted by business-level sustainability coordinators and teams at different locations including project sites and facilities
- Sessions for key functions such as supply chain management, industrial relations, safety to align decision-making with ESG considerations.

Sessions cover a range of topics, including fundamentals of sustainability, data management, climate change, water security, biodiversity, human rights, diversity and inclusion, sustainability reporting including BRSR. Training sessions linked to GHG reduction initiatives, energy efficiency, water use efficiency and waste management are conducted at work locations, i.e., EPC project sites and manufacturing facilities. The trainings and awareness sessions are extended to all employees and contract workers.

On World Environment Day, numerous awareness sessions, training programmes, campaigns and clean-up drives are organised to raise awareness on environmental issues among the workforce, including contractual workers. Special session for contract workers at LDA, Lonavala on environmental awareness conducted in vernacular language; more than 80 participants joined the session. In November 2025, the Company hosted its annual two-day sustainability conference, **ECOPHORIA**, which brought together over 200 participants, both online and offline, including sustainability champions from across businesses and functions. The event served as a dynamic platform for cross-functional collaboration, knowledge exchange, and sharing of best practices. During the year, the Company also launched the **IMPACT (Inclusive Measures for People and Climate for a Better Tomorrow) Awards** under two categories, recognising teams that go the extra mile in embedding ESG principles into their work:

- **Business:** Recognising leading businesses in sustainability, striving towards excellence across business operations.
- **Green Campus:** Recognising L&T locations (offices and manufacturing facilities) that exemplify resource efficiency, circularity, biodiversity, and other related sustainability parameters.

2,81,300 hours
of training delivered through sustainability coordinators across the businesses

20,040 hours
through EDP & MDP covering 835 participants



Diversity, Equity & Inclusion

The Company has taken significant steps to strengthen diversity, equity and inclusion through structured policies, leadership initiatives and enabling workplace practices.

The upstream talent pipeline has also strengthened, with women accounting for

~30% of campus hires over the past three years and overall hiring increasing from 10% in 2021 to ~13% this year

At the leadership level, representation continues to improve, with women in senior management increasing from

~120 in FY24-25 to ~130 in FY25-26

Engagement initiatives have also supported retention, with attrition among women declining from

14% in FY23-24 to 10.7% in FY25-26

Women employees are increasingly taking on leadership roles in strategic projects, including Noise Barrier Factory for the MAHSR Project and the Rubber Processing Machinery Unit at Kancheepuram, reflecting growing representation in critical operational roles.

Complementing these efforts, the DEI Academy has been launched within ATL as a digital platform to build awareness, capability, and inclusive leadership practices, engaging 3,300 learners since inception.

The Company has introduced a range of women-friendly policies to support employees across life stages, including crèche facilities, wellness rooms and protection of performance ratings during maternity leave. These have

been extended to cover adoption and surrogacy, travel support with infants, transport facilities and flexible work options during and after pregnancy.

These sustained initiatives have contributed to a steady improvement in gender diversity, with approximately

5,300 women

employees across the organisation.

L&T is strengthening its inclusion agenda by broadening diversity beyond gender to encompass persons with disabilities and candidates from diverse regional and socio-economic backgrounds. The Company is progressively building inclusive hiring practices and workplace culture to enable equitable access to opportunities. These efforts are supported by a comprehensive equal opportunity policy that extends across gender, disability, background, and other dimensions, reinforcing L&T's commitment to a fair, respectful, and inclusive workplace.



Women and the Sea



For the women working on L&T's offshore and maritime projects, the sea is not just a workplace, it is a test of skill, endurance and resolve. Each day begins with navigating demanding conditions—strong winds, long shifts and high-stakes operations, where precision and teamwork are critical. In these environments, their contributions are both visible and vital.

In the middle of the Arabian Sea, a team of women engineers led critical tasks—overseeing installations, coordinating teams and ensuring safety in a constantly changing environment. Their work required not just technical expertise, but sharp decision-making and composure under pressure. Long rotations and physically demanding conditions tested their limits, yet they adapted—building confidence, resilience and strong team reliance.

For them, the sea became a proving ground—where they delivered on complex engineering challenges while reshaping perceptions. Today, they stand not as exceptions, but as integral contributors, engineers and leaders redefining what is possible.



Employee Experience and Engagement Initiatives

Employee engagement initiatives continued to foster connection, dialogue, and employee well-being across the organisation. At L&T, every employee interaction shapes their journey, making each day an opportunity to create a healthier and engaging workplace.

- **L&T Radio** is an in-house digital storytelling platform featuring 170+ podcasts on leadership, business insights, wellness, and employee experiences. With signature formats like “Power of 5” and “My Pride My Project”, it strengthens knowledge sharing and cultural connect across platforms like RAPL, SharePoint, and Viva Engage—fostering pride and belonging.
- **L&T QuizWiz** is L&T’s flagship knowledge initiative, engaging 3,600+ employees in its latest edition through a multi-level quiz format. It promotes learning, collaboration, and cross-functional awareness, evolving into a key engagement platform.
- **Hi5 Plus** is an integrated recognition and wellness platform to celebrate their personal and professional milestones together. It enables instant recognition and drives well-being through challenges like Stepathons and Walkathons, supported by AI-enabled features and health tracking tools.
- **L&T Ignite**, launched this year, brought together 1,500+ participants across music, dance, and arts. With 41 finalists, it created a vibrant platform for self-expression—strengthening collaboration, inclusion, and community across the organisation.
- **Art Beats** celebrates creativity, wellness and self-expression through the art. It provides a platform for employees to showcase talents and fostering a vibrant and inclusive workplace culture. Beyond recreation, ART BEATS strengthens collaboration, boosts morale, and reinforces the organisation’s commitment to holistic employee well-being.
- **Positive Employee Experience Workshops** conducted across various project sites and locations, reinforcing a culture of belonging, strengthening L&T’s values and culture, and fostering a strong spirit of oneness and camaraderie.
- **Pulse Engagement Surveys** are conducted through the **HEERA chatbot** at critical milestones (7 days, 30 days, 60 days and 180 days) for new joiners. This year, over 8,000 lateral new hires and 2,800 campus hires responded to pulse surveys.



Employee Wellness: Enabling Performance and Resilience

Anchored in the Company's long-standing people-first philosophy, this commitment is reinforced through a formalised Wellness Policy that provides a structured framework for employee care. The policy spans physical, mental, emotional, financial, and workplace safety dimensions, recognising that holistic well-being underpins performance and engagement.

Over time, L&T's wellness initiatives have evolved into an integrated, enterprise-wide ecosystem, led by L&D and delivered through reputed partners. Programmes such as Mindfulness and Art of Living have been institutionalised, with the portfolio expanding to address physical, social, emotional and spiritual well-being. These are complemented by virtual interventions that promote positive micro-habits and healthier lifestyles in every day.

Together, these collaborations bring a holistic focus on well-being—supporting mindfulness, resilience, and sustainable habits. They reinforce L&T's belief that wellness is a strategic investment in human capital, enabling a resilient, engaged, and high-performing workforce aligned with long-term growth.

Physical Wellbeing

L&T continues to strengthen physical well-being through a mix of awareness, preventive care, and targeted health interventions:

Training Programmes and webinars

27 sessions

16,267 participants

Diagnostic & Screening Camps

73 camps

5,906 beneficiaries

Key initiatives during the year included specialised programmes on diabetes and cholesterol management, aimed at promoting preventive healthcare among employees. The annual Aarogya Mela provided access to a wide range of health screenings under one roof, enhancing early detection and awareness.

The Company has also ensured strong coverage of **Annual Health Check-ups across India, reaching 88% of employees over the past two years**, reinforcing its focus on proactive health management. As part of its continued commitment to employee well-being, the Company has enhanced the term life insurance coverage for employees this year.

Mental Well-Being Initiatives at L&T

Mental health is a critical component of overall well-being and requires continuous care and attention. L&T promotes wellness through awareness, access to support and capability building:

- **Awareness & Training:** 55 mental health webinars were conducted, reaching 17,215 participants, covering stress management, self-care, and resilience.
- **Counselling Support:** Employees have access to confidential counselling through internal and external providers.
- **Mental Health First Aiders:** 100 participants - each trained to identify and support mental health concerns.

Additionally, *Panchakosha* Wellness Workshops were conducted in collaboration with IIT Bombay, introducing a holistic framework covering physical, mental, intellectual, and emotional well-being, reinforcing the interconnectedness of mind and body.



Health, Safety and Well-being

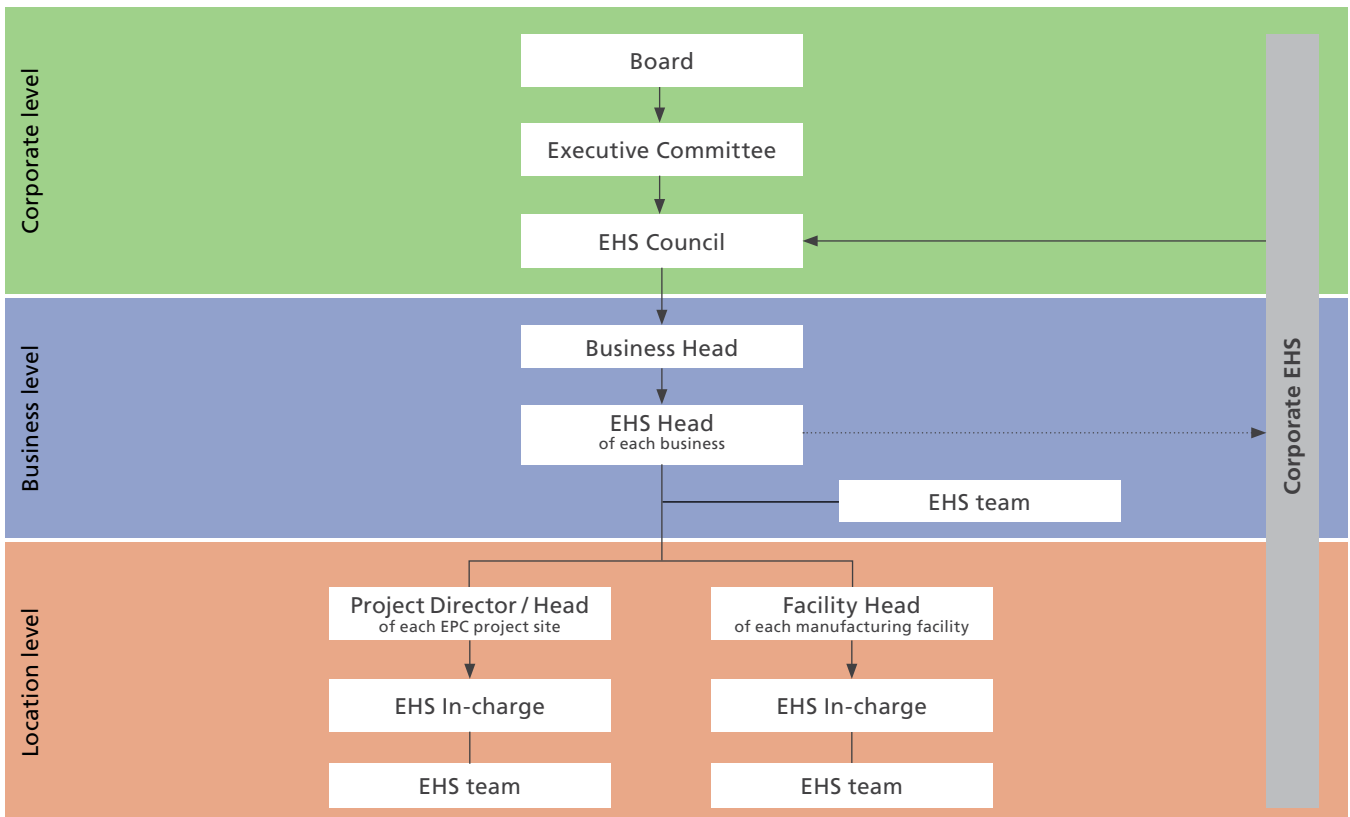
L&T is committed to providing a safe, healthy and supportive work environment for all persons working at, or impacted by, its operations. This commitment extends across employees, non permanent employees, contract workers, visitors and communities, with particular focus on EPC project environments where work involves elevated health and safety risks. The Company believes that zero harm is achievable through strong leadership, robust systems, worker participation, and continual learning. Health, safety and well being are integral to operational excellence, risk management and long term value creation, and are embedded across the project lifecycle from design and procurement through execution, commissioning and maintenance.

Governance and Oversight

Environment, Health and Safety (EHS) governance is anchored at the highest level of the organisation. The EHS Council, chaired by the Deputy Managing Director and convened by the Corporate Head-EHS, functions as the apex governance body for occupational health and safety.

The Council provides strategic direction, approves policies and standards, reviews performance and oversees continuous improvement initiatives. EHS performance, material risks, significant incidents and corrective actions are reviewed quarterly by the Executive Committee and the Board, reinforcing leadership accountability and tone from the top.

Clear roles, responsibilities and escalation mechanisms are defined across businesses and projects to ensure effective implementation and oversight at all levels.



Driving the Safety Culture

L&T's approach to EHS is founded on the belief that a strong safety culture is essential to protecting people, ensuring reliable project execution, and sustaining long term value creation. Safety is embedded as a core organisational value and is treated as a shared responsibility across leadership, employees, partners and the wider project ecosystem. The Company integrates EHS considerations across the entire project lifecycle– from bid evaluation, design and procurement to construction, commissioning and operations. This ensures that safety risks are identified early, eliminated where possible through design and engineering controls, and effectively managed through disciplined execution. By embedding safety upfront, L&T strengthens both workforce protection and project predictability.

L&T's EHS policy emphasises prevention of injuries and ill-health, continuous risk reduction, worker welfare and proactive stakeholder engagement. Clear, measurable objectives are established to improve EHS performance, with accountability defined at every level of the organisation. Each business unit adopts and implements its own EHS policy aligned to the Group

framework, ensuring consistency while addressing the specific risks and contexts of diverse operations. The Company's EHS Management System (EHSMS) provides a structured and systematic approach to managing occupational health and safety risks. Aligned with internationally recognised standards such as ISO 45001, applicable national regulations and industry best practices, the EHSMS ensures uniform minimum standards across businesses, while enabling continuous improvement through audits, performance reviews and learning from experience.

A key focus of L&T's safety culture is leadership ownership and visible commitment. Leaders at all levels are committed to inculcate a culture of safe behaviours, engage directly with site teams, and reinforce the message that safety takes precedence over cost and schedule pressures. Regular leadership interactions, field visits and safety conversations strengthen trust, encourage open reporting and reinforce a 'just culture' where learning is prioritised over blame.

Employee and worker participation is central to building a resilient safety culture. Mechanisms such as toolbox talks, pre start briefings, safety

committees, observation reporting and near miss reporting enable frontline involvement in identifying hazards and improving controls. These practices empower workers to intervene, speak up and stop unsafe work without fear of reprisal. L&T is progressively shifting from a reactive, incident based approach to a proactive and predictive safety model. Greater emphasis is placed on leading indicators such as behavioural observations, risk assessments, safety walks and compliance to critical controls to identify and address risks before they result in harm. Insights from data analytics, audits and incident investigations are used to strengthen systems, improve decision making and enhance organisational learning.

Through this integrated, leadership driven and people centric approach, L&T continues to strengthen its safety culture moving beyond compliance to embed safety as an inherent part of how work is planned, executed and governed across the organisation.



At L&T MFF Kattupalli Yard, a safety initiative titled the Hot Ball Game has been implemented to strengthen safe working practices through active workforce participation and real-time hazard identification.

As part of this initiative, the Line Supervisor identifies instances of unsafe acts and symbolically transfers the Hot Ball to the concerned individual. Once received, the individual is required to immediately discontinue the unsafe activity and proactively identify another unsafe act within the work area, thereby continuing the cycle. This mechanism promotes heightened situational awareness and reinforces peer accountability across the workforce.

All identified instances are addressed through timely counselling and constructive feedback. Observations are systematically recorded via a dedicated QR code based platform developed specifically for capturing Hot Ball Game interventions, enabling effective monitoring and analysis.

Further, individuals involved are encouraged to share their experiences during the subsequent day's toolbox talk, including the nature of the unsafe act and the corrective actions undertaken. This practice facilitates knowledge sharing, reinforces behavioural learning, and contributes to fostering a strong and sustainable safety culture across the organisation.



EHS Strategy and Focus Areas

Lakshya includes a strategic safety initiative EHS as a positive modifier. Various safety initiatives have been reframed as:



Value to our customers

- Foster customer relationships through clear understanding of their EHS objectives and targets
- Increase collaboration with customers to enhance EHS activities
- Recognise EHS as a value add
- Apply active risk practices to all key pursuits and establish the application of Smart EHS analysis in field-level activities



Successful execution

- Standardise EHS operational controls & work methodologies
- Conduct Daily Safety Cycle for high-risk activities
- Improve EHS outcomes through functional SIF awareness for all facets of business undertakings
- Assist leadership with information that supports risk-based decision making



Accountable leadership

- Embed EHS maturity principles to enhance organisational decision making
- Roll out **KNOW HARM** programme with integrated human performance principles
- Empower employees and workers through the roll-out of a refreshed conversations programme
- Implement a Safety Responsibility Leader System

VISION KNOW HARM

To strengthen systems and processes, the Company has introduced a refreshed approach to occupational safety in FY 2025 - 26. The approach is anchored on two objectives:

KNOW HARM

focused on understanding hazards and risk management

No Harm

ensuring prevention of harm to people, assets, and the environment



This framework is based on the principle that awareness alone is insufficient without action to prevent incidents. It aims to build a resilient safety culture that addresses gaps in traditional safety models and strengthens proactive risk management across operations. This vision is built on three principles:



To drive the implementation of strategy, in addition to the existing systems, following interventions have taken place:

- **Back to Basics:** A focused campaign to reinforce fundamental safety principles as the foundation of a strong EHS culture, driven through Company-wide programmes during Safety Month across major locations.
- **Life Saving Rules (LSRs):** Introduction and roll out of 11 non-negotiable Life Saving Rules replacing Golden Safety Rules, supported by standards and monthly awareness campaigns to drive consistent implementation.
- **EHS Leaders Workshop:** A three-day workshop with EHS leaders across businesses to align on strategy implementation and drive cultural transformation.



Workplace Safety Implementation

Workplace safety at L&T is implemented through a structured and risk based deployment of the Environment, Health and Safety Management System (EHSMS) across all projects, sites and facilities. The system ensures that safety requirements are embedded into day to day operations and consistently applied throughout the project lifecycle. Activity specific Standard Operating Procedures (SOPs) are established for all critical and high risk tasks, considering statutory requirements, client standards and site specific hazards. These SOPs are supported by a robust Permit to Work (PTW) and Safe to Start framework, ensuring that work commences only after hazards are identified, risks are assessed, and control measures are verified.

Operational implementation is further strengthened through Field Level Risk Assessments (FLRAs) and 'Take 5' practices conducted prior to task execution. Supervisors and frontline personnel actively assess changing site conditions and intervene where unsafe conditions or behaviours are observed. For high risk activities, structured daily safety cycles reinforce consistent application of controls and preparedness across shifts.

Compliance to safety requirements is enabled through a combination of supervision, audits and technology. For employees, adherence is supported by digital tools such as electronic checklists, geo tagged photographic evidence and geo fenced access and attendance systems. These tools improve transparency, traceability and real time verification of safety controls at site.

For contract and non permanent workers, safety obligations are formally embedded within subcontractor agreements and site access protocols. Contractors are required to demonstrate compliance with L&T's EHS standards, supported by mandatory inductions, task specific training and continuous supervision. Contractor Maturity Assessments are undertaken to evaluate capability, identify gaps and drive focused improvement plans, strengthening safety performance across the project ecosystem.

Through disciplined execution, frontline engagement and systematic monitoring, L&T ensures that workplace safety controls are not only defined but effectively implemented, sustaining a safe and reliable working environment across diverse and complex operations.

Contractor Compliance

L&T's Code of Conduct for Suppliers incorporates health and safety requirements, with all suppliers required to provide compliance declarations. Further, all individuals - including employees, contractual workers, and visitors - must undergo mandatory safety induction training prior to site access, ensuring a consistent understanding of safety

protocols and expectations across all work locations.

All individuals - including employees, contractual workers and visitors - are required to undergo mandatory safety induction training prior to site access, ensuring a consistent understanding of safety protocols, hazards and expected behaviours. The Company also undertakes

regular monitoring and evaluation of contractor performance through audits, inspections and structured Contractor Maturity Assessments. These mechanisms enable identification of gaps, drive continuous improvement and strengthen accountability across the value chain, ensuring safe and compliant project execution.

Digital Solutions for promoting Safety

With a workforce of over 3,75,000 and presence across 600+ locations, consistent implementation of EHS systems and SOPs is inherently complex. To address this, the Company has deployed a suite of digital solutions to strengthen EHS management and reporting.

SHEILD is a key platform implemented across businesses, enabling digital Permit to Work issuance, assignment of safety tasks, recording

of observations, subcontractor performance evaluation and monitoring of EHS work plans, including training programmes. The platform also supports safety audits and performance analytics.

To enhance training effectiveness, particularly for contractual workers, Virtual Reality (VR) based modules and headsets are being deployed for immersive safety training. In addition, business-specific applications such as

ViewEHS and IB4U (Inspect Before Use) have been developed to address operational requirements.

Advanced features such as GPS-tagged imagery and geo-fencing are integrated into select applications to capture real-time site conditions and enable access-based controls, improving transparency and compliance.

Training, Awareness and Communication

Effective implementation of L&T's EHS management systems is reinforced through structured training, continuous awareness building and clear, consistent communication across all levels of the organisation. Training and communication are designed to strengthen hazard awareness, reinforce safe behaviours and enable informed decision making at the point of work. EHS training programmes are developed at both business and location levels, tailored to specific operational contexts and risk profiles. These programmes cover employees, non permanent employees and contract workers, ensuring that all personnel working at L&T locations have a consistent understanding of applicable safety requirements, roles and responsibilities.

Training interventions address key aspects including Company EHS policies, Standard Operating Procedures (SOPs), hazard identification, risk control measures, emergency preparedness, consequences of non compliance and

safe work practices. A combination of classroom sessions, on site demonstrations, digital modules and experiential learning is used to enhance engagement, retention and practical application.

Pre Start Verifications and Toolbox Talks, conducted by site engineers or supervisors at the beginning of each shift, play a critical role in reinforcing 'KNOW HARM' principles. These interactions focus on activity specific hazards, site conditions, control measures and behavioural expectations, with particular emphasis on high risk activities and dynamic work environments. Toolbox talks also provide a platform for worker participation, enabling questions, feedback and shared learning. Specialised training programmes are provided for high risk operations such as working at heights, confined space entry, lifting operations and tunnelling. These programmes are designed to strengthen technical competence, reinforce adherence to

critical controls and reduce exposure to serious injury and fatality risks.

Safety communication is further strengthened through the deployment of visible and strategically placed signage, displays and notice boards across project sites and facilities. These visual cues reinforce key safety messages, LSRs and emergency information. To ensure systematic and consistent communication, a structured EHS Communication Matrix is implemented. The matrix maps key EHS elements, stakeholder groups, communication channels and required records, enabling traceable, timely and targeted dissemination of information across the organisation.

Through continuous training, frontline engagement and disciplined communication, L&T reinforces safety awareness, strengthens workforce capability and supports reliable execution of the 'KNOW HARM. No Harm' approach across its diverse operations.

Performance Monitoring and Continuous Improvement

EHS performance across work locations is monitored daily through both proactive and reactive measures. All personnel are encouraged to report non-compliances and observations to enable timely corrective action. Monthly EHS Committee meetings comprising site teams, contractors and worker representatives - review performance, identify gaps, and also track implementation of corrective measures.

At the business level, performance is reviewed through monthly management meetings, while senior leadership conducts GEMBA walks for on-ground assessments. At the governance level, the Board reviews EHS performance on a quarterly basis through the EHS Council.

Internal and third-party audits support identification of gaps and continuous improvement. Incident investigations, including both preliminary and detailed analyses, inform corrective actions. The monitoring approach places strong emphasis on leading indicators, such as near misses and non-compliances, to proactively identify risks and strengthen EHSMS implementation.

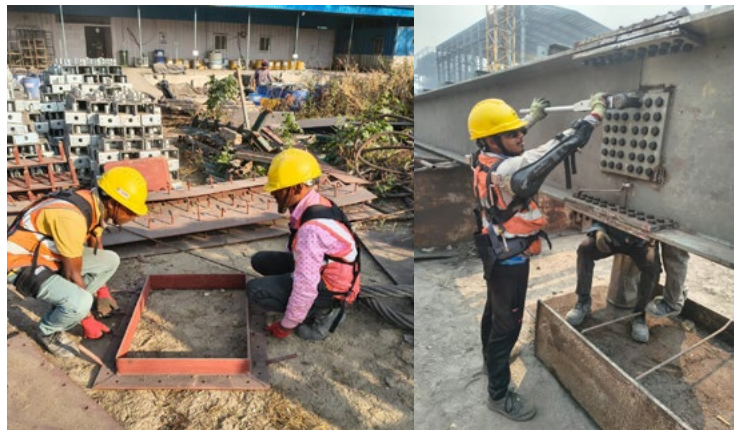


Exoskeletons for Worker Safety and Well-being

Worker fatigue and musculoskeletal disorders (MSDs) are critical risks in the construction sector, particularly in activities involving repetitive motion, lifting, overhead work, and prolonged exertion. With a large contractual workforce deployed across EPC project sites, reducing fatigue can significantly improve safety, productivity, and quality.

As part of its Robotics initiative, the Company has piloted five types of industrial exoskeletons across select project sites in the Heavy Civil Infrastructure and Minerals & Metals businesses. These devices are designed to reduce biomechanical strain on the back and shoulders, improving posture, endurance, and consistency. The exoskeletons were evaluated by internal medical and safety experts to establish usage protocols prior to field deployment. Pilot use cases included lifting assistance, overhead work, repetitive bending, prolonged standing, and tool handling. The initiative received positive feedback from workers in terms of comfort, fatigue reduction and ease of use.

Outcomes from the pilot are being analysed to refine both the technology and operating procedures, with a view to scaling deployment across additional project sites. This initiative forms part of the Company's broader Robotics roadmap, alongside Physical AI solutions such as autonomous robots, inspection systems, and intelligent material-handling technologies.



Ergonomic Risk Assessment for Prevention of Musculoskeletal Disorders (MSDs)

L&T Energy - CarbonLite Solutions business identified increasing concerns related to poor posture and ergonomic stress. To address this, a comprehensive ergonomic assessment was conducted with support from an external expert.

The assessment included **48 evaluations** using REBA (Rapid Entire Body Assessment) and RULA (Rapid Upper Limb Assessment) across key operational activities such as welding, drilling, rigging, grinding and crane operations. As

a result of the assessment, various steps were taken to address the gaps and few of these are:

- Provision of low-level rotating stools to reduce bending and squatting during fabrication tasks.
- Frequent and periodic breaks during the works
- Power Zone Working Awareness (mid-thigh to chest level) to minimize strain on spine, shoulders and neck.

In addition, ergonomic training and awareness programmes were conducted, covering correct postures, safe work techniques, and stretching and strengthening exercises. These initiatives enhance workforce well-being while contributing to improved productivity and reduction in work-related health costs.



Commitment to protecting and upholding Human Rights

Larsen & Toubro Limited is firmly committed to respecting, protecting and promoting human rights across its operations, value chain and sphere of influence. This commitment is grounded in the belief that respect for human rights is fundamental to responsible business conduct, long-term value creation and sustainable development.

L&T's approach to human rights is aligned with internationally recognised frameworks, including the United Nations Guiding Principles (UNGPs) on Business and Human Rights, the Universal Declaration of Human Rights (UDHR), the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, and applicable national laws and regulations in the geographies in which the Company operates.

Governance, Policy Commitment and Accountability

Human rights considerations are embedded within L&T's governance and ESG oversight framework. The Company's commitment is articulated through a suite of interlinked policies and codes, including the Sustainability Policy, Code of Conduct, Equal Opportunity Policy, Environment, Health & Safety Policy (EHS Policy), Supplier Code of Conduct and Whistleblower Policy. These instruments set clear expectations for ethical conduct, respect for dignity, non-discrimination, safe working conditions and fairness across all business activities.

Oversight of human rights is exercised by senior leadership through established governance mechanisms, with defined responsibilities across Human Resources, Industrial Relations, Sustainability, EHS and business functions. This ensures that human rights considerations are integrated into strategic decision-making, operational processes and risk management.

Human Rights Due Diligence

L&T follows a risk-based human rights due diligence approach to identify, assess, prevent and mitigate potential adverse human rights impacts arising from its operations and supply chain. This involves:

- Identification of salient human rights risks across employees, contract and migrant workforces, EPC project environments and supply chains
- Integration of human rights criteria into vendor onboarding, procurement and contractor management processes
- Ongoing monitoring through internal audits, project reviews and site level inspections
- Time-bound corrective actions and follow-up where gaps or non-compliances are identified
- Independent sustainability assessments by external agencies, clients and auditors

This approach is continuously strengthened in response to evolving regulatory expectations, stakeholder feedback and sector-specific risk profiles.

Prevention of Forced and Child Labour

- L&T strictly prohibits all forms of forced labour, including bonded labour, human trafficking, and the withholding of wages or personal documents
- The Company enforces a strict no-recruitment-fee policy across its operations and contractors, ensuring that no employee bears the cost of employment
- Robust age verification processes, including validation through government-issued identity documents, are followed prior to onboarding to ensure compliance and prevent child labour. Mandatory ID verification is conducted during workforce mobilisation to confirm legal working age
- Strict prohibition of child labour is enforced across all sites, supported by visible communication through display boards
- The Company ensures that no personal documents are retained from workers, safeguarding their rights and dignity

Workplace Rights and Fair Labour Practices

L&T is committed to providing decent work and fair labour practices for all persons working at, or on behalf of, the Company.

- **Equality, Diversity and Non-Discrimination:** L&T maintains zero tolerance for discrimination or harassment on any grounds, including gender, caste, ethnicity, religion, disability or other status. Equal opportunity principles are embedded across talent acquisition, development, remuneration and progression.
- **Fair Wages and Working Conditions:** L&T ensures fair remuneration, timely payment of wages, regulated working hours and statutory benefits, with periodic reviews to promote equity and compliance.
- **Health, Safety and Dignity at Work:** Safe and healthy working conditions are treated as a fundamental human right and are integral to execution excellence, particularly in high risk EPC project environments.
- **Freedom of Association and Collective Bargaining:** The Company respects employees' rights to freedom of association and collective bargaining in accordance with applicable laws and regulations.



Awareness, Training and Capacity Building

Embedding respect for human rights is supported through continuous awareness, training and engagement. The commitment extends beyond policies - it involves equipping the employees, suppliers and partners with the knowledge and tools they need to uphold human rights in their daily work.



Workers

- Induction programmes and regular training sessions are conducted for workers and contractors to reinforce awareness on child labour prohibition.
- Awareness is further strengthened through toolbox talks and site-level engagements promoting ethical practices and compliance.



Employees

- Regular training on human rights is provided to employees at all levels in different forms (online and offline). A specific learning module on ATL Varsity has been launched to make the learning more interactive. This training is extended to both permanent and non-permanent employees.
- **>11,000** employees trained on human rights through ATL platform
- The content is updated to reflect emerging issues, regulatory developments and stakeholder expectations.



Supply Chain Partners

Awareness programmes and contractual requirements reinforce expectations on human rights and labour standards across the value chain. Training effectiveness is periodically reviewed and refreshed to reflect emerging risks, regulatory developments and stakeholder expectations.



Human Rights in the Supply Chain

The Company extends its commitment across its supply chain through a structured approach:



Supplier Code of Conduct

Purpose: Sets clear expectations for ethical, responsible and sustainable business practices across L&T's global supply chain

Scope: Applies to all suppliers, contractors, sub-contractors, vendors, consultants and business partners working with L&T

Core Pillars:

- **Environmental Sustainability:** Resource efficiency, pollution prevention, waste reduction, regulatory compliance
- **Human Rights and Labour:** Safe working conditions, human rights, equal opportunity, non-discrimination and no harassment
- **Ethics and Compliance:** Zero tolerance for bribery and corruption, conflict of interest disclosure, data privacy, fair competition, ethical business practices

Contractual Enforcement:

- Suppliers are to comply with L&T's human rights and ESG standards, supported by mandatory acceptance and sign-off. These requirements are embedded within vendor onboarding processes and purchase orders.
- The Company also reserves the right to conduct due diligence, audits, and inspections, with an expectation of ongoing self-monitoring and compliance by suppliers.

Accountability: Any noncompliance constitutes a breach of contractual obligations. In any breach, L&T reserves the right to take appropriate action including termination of existing contractual relationship and/or removal/suspension from participating in any future requirement of L&T.



Risk-Based Supplier Assessment

Suppliers, particularly those in critical categories, are subject to ESG assessments conducted by independent third party.



Corrective Action and Capacity Building

Instances of non-compliance are addressed through structured corrective action plans, along with ongoing awareness building for suppliers and contractors.

Worker Welfare and Site Practices

Recognising the nature of its EPC operations, L&T places strong emphasis on worker welfare, particularly for contract and migrant workers. The Company seeks to ensure access to safe accommodation, potable water, sanitation, healthcare facilities and grievance mechanisms at project sites and facilities, consistent with applicable standards and local conditions.

Human Rights and Community Engagement

L&T recognises that respect for human rights extends beyond its operations into the communities in which it operates. The Company engages with local communities through formal and informal consultations to understand and address site-related concerns.

In addition, CSR initiatives focus on health and sanitation, education, water access, and skill development - supporting community well-being. These efforts help build trust, mitigate social risks, and create long-term shared value. Community-related needs and concerns are addressed through the Company's CSR initiatives. Refer to Social and Relationship Capital of this Integrated Annual Report FY 2025-26 for details related to CSR projects.

Grievance Mechanisms and Access to Remedy

The Company has established multiple accessible and confidential channels for reporting concerns and ensuring timely resolution:

- **Whistleblower Mechanism:** Enables anonymous reporting of violations by employees, suppliers, and external stakeholders
- **Internal Complaints Committee (ICC):** Addresses workplace harassment in compliance with the POSH Act, 2013
- **Worker Grievance Systems:** Structured processes at project sites for grievance registration, escalation, resolution, and closure, supported by periodic audits and reviews

These mechanisms ensure that affected stakeholders have access to fair and transparent remediation processes.



Performance Monitoring and Continuous Improvement

Human rights performance is tracked through indicators at multiple levels such as complaints and grievances, and resolution timelines, sustainability assessment of supply chain partners and workforce training on human rights.

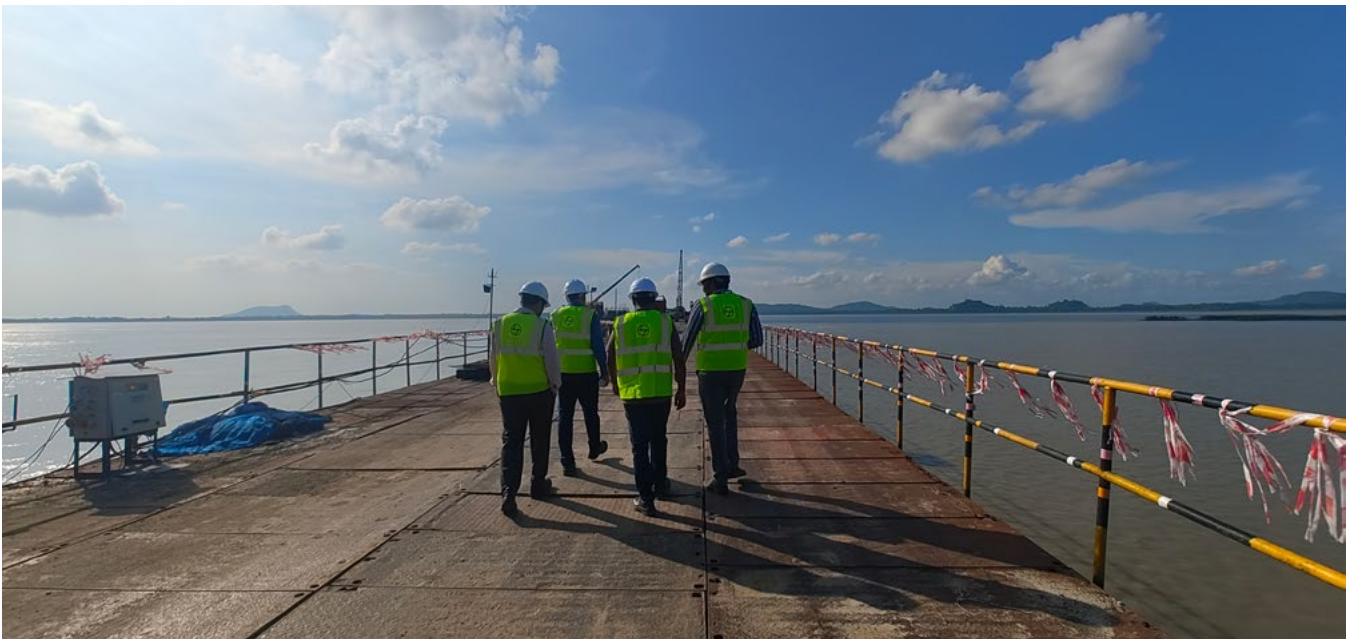
Through this structured and evolving approach, L&T seeks to strengthen its human rights practices, ensuring alignment with global standards while fostering a responsible, transparent, and inclusive business ecosystem across its value chain.

Way Forward

Human Resources will continue to play a pivotal role in enabling business performance and long term value creation by evolving into a digitally enabled, insight driven and strategically integrated function. Leveraging automation and responsible application of AI across processes, HR will enhance efficiency, consistency and decision quality - freeing capacity to partner more deeply with businesses on strategic priorities under **Lakshya**.

The focus will be on strengthening organisational capability and leadership depth through targeted talent induction, deliberate succession planning and hyper personalised capability development. HR will modernise and future proof the leadership pipeline across Business, Project and Technology tracks, while building depth in specialised and emerging skills required to support L&T's evolving portfolio, global footprint and technology led growth agenda.

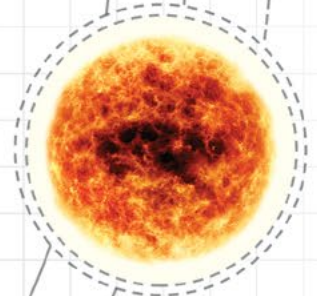
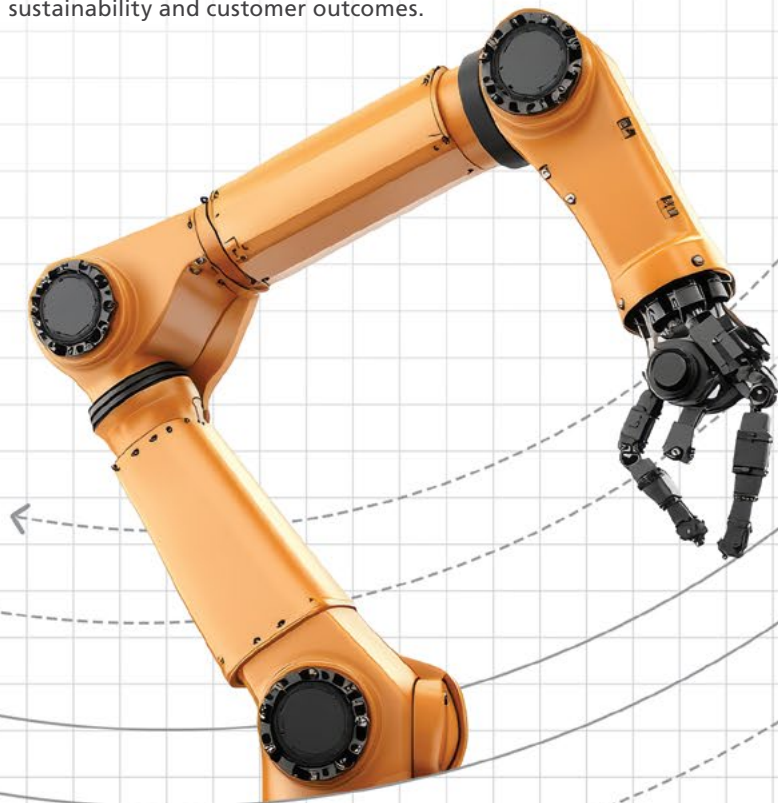
The initiatives will enable the Company to cultivate a resilient, agile and accountable leadership ecosystem, one that is equipped to navigate complexity, drive transformation, steward human capital responsibly and sustain long term value creation for all stakeholders.



INTELLECTUAL CAPITAL

Intellectual Capital represents the innovation capability, technical expertise, digital ecosystems and proprietary knowledge that enables the company to take purposeful leaps from conventional execution to future-ready infrastructure and industrial solutions. As infrastructure and industrial sectors transition towards a technology-led, low-carbon future, L&T continues to strengthen its intellectual capital through advanced R&D, digital transformation, engineering innovation, automation and AI-enabled solutions. These leaps, whether in material science, execution methods, artificial intelligence or system design, translate into competitive advantage and long term value creation.

The Company's innovation ecosystem operates through an integrated but decentralised model, combining R&D centres, engineering design hubs, digital command centres, domain-focused competency units and site implementation teams. This distributed architecture accelerates the deployment of next-generation technologies across business verticals, enabling improvements in project performance, quality, safety, sustainability and customer outcomes.



Key Highlights of FY 2025-26

₹ 524 Cr

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

90

R&D Engineers and
Scientists

Strategy Linkage¹

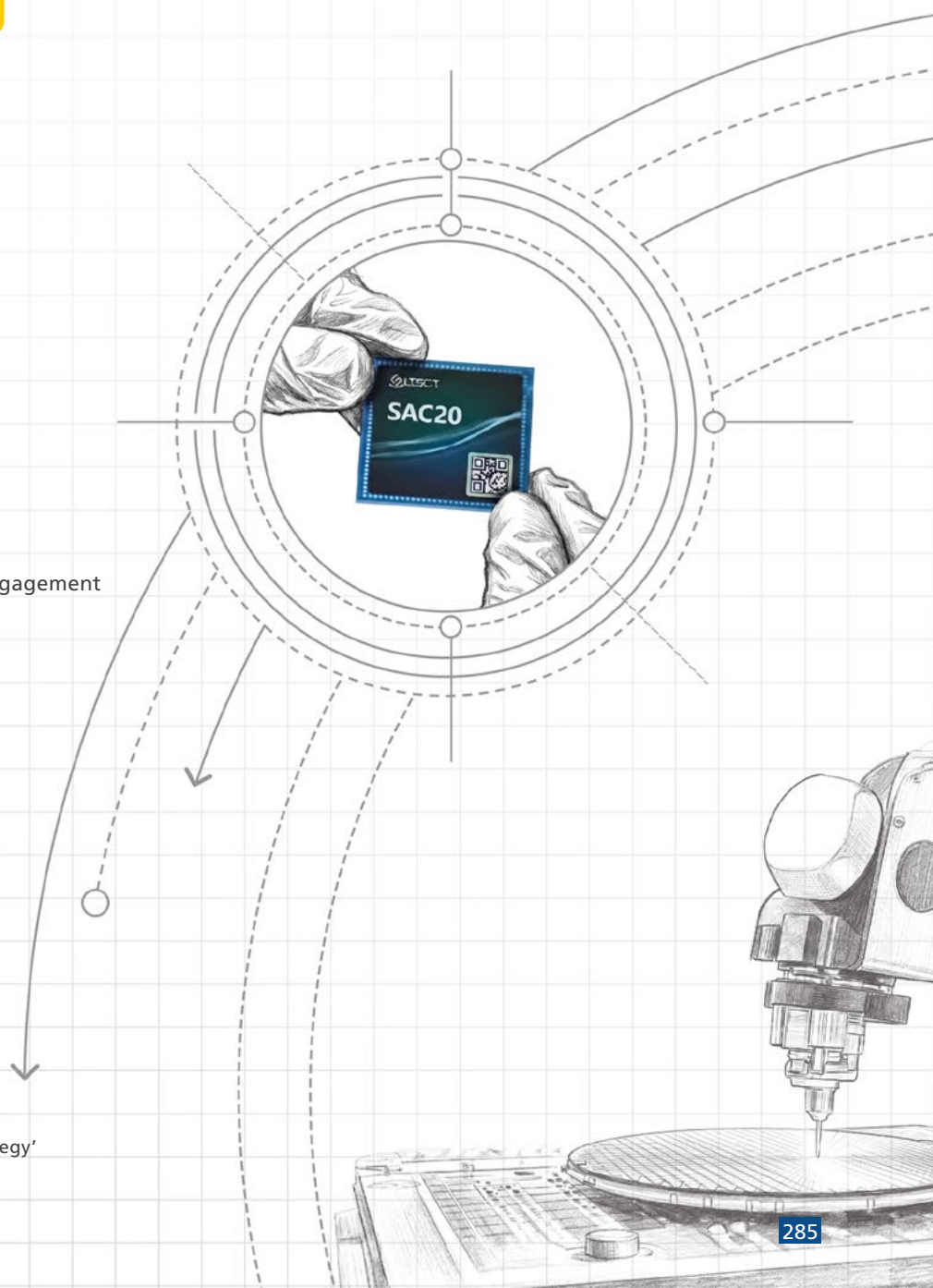


SDGs Impacted



Material Topics

- Product Quality and Reliability
- Talent Management and Workforce Engagement
- Data Privacy and Security
- Business Ethics
- Climate Change



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

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

L&T Construction Research and Testing Centre (LTCRTC) is a specialised facility developed by the Company and recognised by the Department of Scientific and Industrial Research (DSIR), Government of India, as well as accredited by the National Accreditation Board for Testing and Calibration Laboratories (NABL). It is among the few facilities of its kind in India's construction sector housed within a private enterprise. LTCRTC undertakes focused R&D to address current and emerging challenges in EPC project execution, enabling improvements in quality, efficiency and reliability. The Centre actively contributes to industry advancement through participation in nodal committees, industry forums and collaborations with reputed academic institutions.

Serving as a hub for innovation and quality assurance, LTCRTC plays a critical role in strengthening technological capabilities and advancing best practices across the construction value chain.



Alternative Cement Treated Base layer

The rapid expansion of transportation infrastructure in India, particularly highways and expressways, is driving significant extraction of natural resources such as aggregates, which also contribute substantially to the embodied carbon of pavement systems. Cement Treated Sub-Base (CTSB), a critical layer in road construction, enhances structural stiffness, improves resistance to moisture damage and rutting, and enables reduction in overall pavement thickness. LTCRTC, in collaboration with the Engineering Design & Research Centre (EDRC) of the Transportation Infrastructure business, has developed a sustainable alternative to conventional CTSB. This innovative mix design substitutes 10-30% of crushed aggregates with ordinary earth sourced from borrow pits, reducing dependence on virgin materials while improving constructability.

The solution delivers **~15% reduction in carbon emissions** associated with CTSB, along with significant cost savings due to lower plant and machinery requirements. It has been successfully deployed in the Meerut Hapur Ganga Expressway project, demonstrating its real-world impact.



Limestone Calcined Clay Cement Concrete

Traditional cement concrete remains a significant contributor to embodied carbon in infrastructure, primarily due to emissions from clinker production. In response, low-carbon alternatives such as Limestone Calcined Clay Cement (LC3) are gaining global traction. By partially replacing clinker with calcined clay and limestone, LC3 leverages abundantly available materials and requires lower calcination temperatures, significantly reducing environmental impact without compromising performance.

LC3-based concrete delivers mechanical strength comparable to Ordinary Portland Cement (OPC), along with enhanced durability, improved resistance, and longer service life. LTCRTC has conducted extensive studies on LC3 mix designs, validating performance parity with OPC and assessing compatibility with supplementary cementitious materials such as Ground Granulated Blast Furnace Slag (GGBS).

With a **30-40% lower carbon footprint**, LC3 offers a scalable pathway for low-carbon construction. The mix design has been successfully validated and proposed for deployment in applications such as noise barriers for the Mumbai-Ahmedabad High-Speed Rail project, demonstrating its practical viability.

EPC Projects: Digital Transformation



Concrete Speaks: Real-Time Strength Estimation Device

Concrete strength development is time-dependent and timely validation is critical to ensure structural integrity and compliance with technical standards. Conventional cube compressive strength testing, while reliable, does not enable real-time assessment, often leading to waiting periods that can impact construction schedules.

To address this, LTCRTC has developed an innovative, technology-enabled solution for real-time concrete strength estimation, based on the ASTM C1074 maturity method. This wireless, low-cost system is easy to deploy on-site and requires minimal technical expertise.

The solution enables faster, data-driven decision-making by **reducing testing time by over 20%** and **lowering testing costs by approximately 60%** compared to conventional methods. Already deployed across multiple large project sites, it is being scaled across new projects enhancing execution efficiency, quality assurance and schedule reliability.

L&T is reimagining EPC project delivery through a comprehensive digital transformation that integrates technology across the entire construction value chain. In an industry traditionally constrained by fragmented processes, workforce limitations and tight margins, digitalisation is enabling a shift towards more agile, efficient and resilient execution models.

The Company is now advancing towards a data-centric and intelligent EPC ecosystem, leveraging technologies such as Artificial Intelligence (AI), Machine Learning (ML), Natural Language Processing (NLP) and advanced analytics. These capabilities are enabling predictive planning, real-time monitoring and proactive risk management, transforming how projects are designed, executed and controlled. Digital tools are also addressing critical industry challenges by augmenting workforce productivity, bridging skill gaps, and enhancing safety. The result is improved schedule certainty, cost efficiency and quality outcomes across complex projects.



Robotic Rebar Cage Manufacturing



Automatic Concrete Placer System

Fully Automatic Concrete Placing system for slab production implemented at MAHSR T-3 project site. Entire Setup including batching plant is controlled through PLC and SCADA, ensuring precision and streamlined performance without safety concerns.



Pre-Construction

eDOC Approval System

Digital platform designed to automate and streamline document approval workflows. By automating the tracking, helps reduce approval timelines and manual effort.

OPTRIX Phase II

Application based on Dynamo and Python to enable generation of multiple design iterations for structure invert levels in highway projects. Helps reduce manual effort by 75%.

3D Terrain Intelligence using LiDAR

Solution integrates LiDAR and Near-Infrared (NIR) datasets with advanced analytics to generate high-resolution 3D insights on terrain and surface characteristics. This enables precise mapping of complex and challenging geographies within project boundaries, significantly enhancing planning accuracy and execution efficiency.



Project Management

Integrated Project Management System (IPMS)

An app-based solution enables real-time capture of daily site progress, seamlessly integrating field data into project schedule management systems. With data visualisation powered by Power BI, it provides dynamic tracking of schedule performance, including real-time updates to the critical path and key performance indices, enhancing decision-making, transparency, and execution control.

EPPM for Project Planning and Monitoring

An Enterprise Project Portfolio Management (EPPM) platform standardises project scheduling and monitoring, enabling automated schedule creation, integration of contractual milestones, and early risk identification - improving stakeholder coordination and overall schedule reliability.

Contract Life-cycle Management System

End-to-end digital contract life-cycle management system captures and tracks all correspondence, reports, variations, disputes and client requests — enabling timely follow-ups, real-time visibility and stronger commercial control.



Construction and Productivity

Asset One

Data management platform for plant and machinery, including integration of weighbridges' data with purchase orders or invoices and IoT data for monitoring fuel consumption and equipment utilisation.

Robotic Rebar Cage Manufacturing

Specialised set-up with programmed and software controlled robotic arms for manufacturing of rebar cages used in precast concrete works in High-Speed Rail project. Helps improve productivity of activity, quality of output and manpower reduction of more than 80%.

Precast Works

Solution for effective tracking and monitoring of pre-cast segment works, with analytics for trend analysis and identification of deviations from benchmark levels. Helps improve productivity by more than 40%.

Drone-based Tower Inspection

Drone-based photogrammetry, creating accurate 3D models, maps, or measurements from overlapping photographs, for inspection of power transmission towers during construction. Helps generate detailed inspection reports identifying missing components and improving safety, efficiency and accuracy.



Resource, Material Management and Safety

Intelligent Concrete Logistics Management

Digital monitoring of concrete movement and delivery cycles to improve coordination between batching plants and construction sites. Helps monitor and control diesel consumption in logistics.

Procure Swift

Online repository of procurement packages with digital approval process and real-time tracking of material status. Helps reduce manual effort and provides better control on material supply.

Vision analytics

An AI-enabled monitoring system integrated with existing CCTV networks automatically detects PPE non-compliance, generating real-time alerts and dashboard insights — enabling proactive safety management and stronger compliance control.

VR-based Safety Training Modules

Immersive, multilingual VR training modules designed for activity-specific scenarios, e.g., track works in railway construction to enhance worker learning, retention, and on-site safety performance.



Quality and Others

Quality Sanyog

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

Commissioning App

Digital platform that streamlines the end-to-end commissioning life-cycle in water and wastewater projects through dynamic checklist configuration and mobile-based data capture, enabling gap identification and reducing commissioning timelines.

Streetwise Flood Insights

An IoT-enabled solution using stormwater drain sensors with LoRaWAN communication to detect debris and blockages, supporting predictive maintenance and reducing urban flooding risks.



L&T Eye

Enterprise data platform leveraging integrated IT and OT Data for visualisation and analytics. It hosts more than 180 business dashboards with role-based access, advanced security and exception-based reporting.

Hi-Tech Manufacturing: Digital and Automation

L&T is leveraging automation, robotics and advanced digital technologies to elevate the business performance of its Hi-Tech Manufacturing segment. These innovation-led efforts, enhance productivity, optimise resource utilisation, improve product quality and safety, and accelerate delivery timelines. At the same time, they enable the development of advanced product features and solutions, strengthening value creation for customers.



Engineering

Drawing Comparator

Smart tool to visually compare revisions of technical drawings with high accuracy and speed, reduces manual effort in verifying revisions in drawings.

PCR Automation

A dedicated automation tool developed within the Siemens NX platform to streamline Plate Cutting Drawing preparation. The tool automatically extracts the true shape of the plate directly from the 3D model and intelligently applies predefined offsets and tolerances.

Canvas Mapper

A full-featured desktop application to create interactive technical drawings, combining powerful canvas-based annotation capabilities with intelligent data management through a synchronised parts table.



Quality, Safety and Other Applications

Valmiki IETM

Interactive Electronic Technical Manual (Level 4) provides maintainers, technicians, and operators with an intuitive platform to read, search and interact with S1000D-based technical manuals.

AGASTYA

A web-based platform that automates S1000D documentation workflows through a suite of 15+ specialised tools — streamlining repetitive tasks, ensuring compliance, and enhancing productivity for documentation teams.

Proximity Warning Alert Systems (PWAS)

Proximity Warning Alert Systems (PWAS) for equipment are active safety solutions designed to prevent collisions between heavy machinery and personnel or other vehicles. They work by creating an invisible 360-degree 'safety bubble' or 'zone' around the equipment using advanced sensors, radar or cameras.

Inspect Before Use (IB4U)

Mobile app for checklists before starting work, enabled with standard checklists, evidence uploading and centralised data management for tracking and analytics.

PTW Document Number Generation System

Automated online issuance of unique, time-stamped Permit To Work numbers linked to work type and location and integrated with approval workflows.

VR Glass-based Safety Training Programme

Immersive Virtual Reality modules to simulate hazards, help boost engagement and knowledge retention.

Live Person-On-Board (POB) Display

Automated real-time in/out punches using time recording terminals for barge personnel to ensure accurate tracking of people working in restricted areas.



Equipment Productivity and Utilisation

Automated magnetic crawler for QC

A customised crawler developed, with wireless control and fail-safe systems, for automated ultrasonic testing of circumferential welds in pressure vessels. Helps eliminate the manual effort while reducing the testing time.

Specialised welding head with auto positioning

A fully integrated system combining the welding head, with a profile sensor and controller, developed to address manual welding challenges in hexagonal mesh. End-to-end automation, starting with line-by-line mesh scanning and precise positioning of welding head followed by auto welding cycles, greatly improves consistency and efficiency.

Mechanised crawler for blind grinding of stud seams

A crawler developed to automate the grinding of weld seams in nuclear reactor header section. Mechanised arm has ability to enter small pipes from inside and position grinding wheel accurately. Borescope at the other end of pipe checks the extent of flushing. The crawler can be controlled remotely by the operator and helps significantly improve the productivity of the process.

Tube Bundle Insertion without crane

A custom-made trolley system developed to perform tube bundle insertion in heat exchanger. Six degrees of freedom enable precise vertical and lateral adjustments, while modular configuration enables adjustability to suit different heat exchanger sizes.

Engineering and Design Innovation

Continuous improvement in productivity, output quality and design optimisation remains a core focus across L&T's engineering and design teams. These efforts enable efficient material utilisation, shorter construction timelines and reduced upfront and life-cycle costs, while minimising the environmental impact of the assets delivered.

Double T-Girder

Implemented in place of I-girders used in crossovers and sharp curves for elevated metro rail systems. Helps reduce on-site construction time and safety of operations.

Construction Stage Analysis in Tunnel Projects

Conventional analysis method applies all loads at once on the structure which may result in sub-optimal design and higher material requirement. Instead, construction stage analysis has been used in tunnel projects to study stress variations for each stage loading, enabling optimisation of the design and material requirement for formwork.

Automated Extraction of Column Coordinates

AutoCAD Macro integrated with a Python programme to extract column layout and automatically generate column frames in ETABS software. Helps reduce the manual modelling time by more than 70% and eliminate errors.

Reservoir Optimisation through GIS

GIS-based solution enables optimisation of earthen bund reservoir design by accurately analysing and identifying optimal earthwork quantities — resulting in significant reduction in earthwork volume and construction timelines.

Indigenisation of OHE Components

Overhead Electrification (OHE) systems in railway projects require specialised components such as suspension clamps, mast bands, cross arms and super masts. For the Mumbai-Ahmedabad High-Speed Rail project, these were originally planned for import from Japan. In response, the Transportation Infrastructure business undertook a focused indigenisation initiative, supported by detailed technical analysis, prototyping and collaboration with domestic manufacturing partners. This effort enabled local development of critical components, resulting in significant cost savings and substantial reduction in procurement timelines, while strengthening supply chain resilience.

Automated Parametric Modelling of Pump House Sump

A parametric modelling solution, developed using VBA and the OpenSTAAD API, automates the generation of reinforced concrete wall elements in STAAD-Pro using Excel-based inputs — eliminating manual modelling and reducing engineering hours by over 90%.

Automated Nodal Diagram to KML Conversion

A custom automated programme developed to convert nodal diagrams into KML format helps in direct extraction of pipeline geometry and label information from the nodal diagrams. Automation helped in significant reduction of engineering effort while standardised output could be easily integrated into GIS for use in future.

Design Optimisation in Lift Irrigation Projects

In a large-scale lift irrigation project, the WET business's engineering team optimised the intake channel design to eliminate the need for a cofferdam. Through detailed hydraulic analysis and evaluation of multiple design alternatives, the solution met all technical requirements while significantly improving constructability. This optimisation reduced construction time by over 30%, while also lowering manpower and resource requirements — demonstrating the impact of engineering-led innovation on efficiency and cost.



Tall Delivery Chambers

For an irrigation project involving 55-metre-high delivery chambers, the conventional construction approach was optimised through the adoption of slipform technology. Standardised large-diameter slipforms were deployed, along with an elevated structural steel platform with a monorail for maintenance access. This approach significantly improved construction productivity while optimising resource utilisation and reducing overall execution time.

Indigenous Large Water Management System

An indigenous large-scale water management system was developed for irrigation projects, integrating control valves with flow meters and remote terminal units for real-time monitoring and remote operation. This enables precise, equitable and crop-specific water distribution across multiple outlets, covering lakhs of hectares of cultivable land, enhancing efficiency, transparency and sustainability in water management.



Anode Quantity Reduction

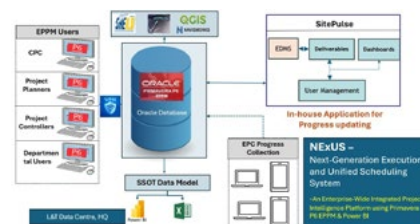
Sacrificial anodes are utilised for protection of offshore structures installed underwater. Alternate design considerations were utilised to achieve anode quantity optimisation and reduce the material requirement.

Optimisation of Liquid Relief System Design

Design of pressure safety valve and related piping, required for an offshore oil and gas project, was optimised based on process conditions, system layout and applicable hydraulic criteria. Helped reduce valve number and the piping size, thus reducing the material requirement.

Structural Design Update for Reduction of Offshore Duration

Living quarters modules, specialised accommodation units on offshore platforms, typically involve significant time and resource-intensive construction. To enhance efficiency, the



L&T Energy Hydrocarbon - Offshore business's engineering team adopted the floatover installation method alongside a redesigned module configuration. This approach significantly reduced offshore construction duration and associated execution risks, while improving overall project efficiency and safety.

Alternate Method for One-Strut Failure Analysis

One-strut failure analysis is a critical step in designing redundancy in the design of earth retaining systems. Conventional method using 2D plan strain analysis results in a conservative design. The engineering team at Heavy Civil Infrastructure adopted an equivalent strut-waler stiffness concept, based on widely accepted research which resulted in reduction in strut quantity achieved by doubling the strut spacing.

Spread Foundation System

An automated Foundation Recommendation Report tool was developed to streamline pier and foundation selection, reducing manual iterations. For the Mumbai-Ahmedabad High-Speed Rail project, this led to a >50% reduction in design time, improving efficiency and consistency.

New Product Development

Primary Transfer Line Heat Exchanger

The Primary Transfer Line Heat Exchanger (PTLE), a critical subsystem in petrochemical cracker plants, has a limited global supplier base. Leveraging deep expertise in thermal design, hydraulics, and CFD analysis, along with close collaboration with the process licensor, L&T Heavy Engineering developed an indigenous PTLE design. This capability has enabled the Company's inclusion in the licensor's approved vendor list, strengthening self-reliance and competitiveness in a high-value, specialised segment.

Finger-Type Slug Catcher: Capability Expansion in Oil & Gas

To address growing demand for reliable slug-handling solutions in high-pressure gas pipelines, L&T's Heavy

Engineering business developed a Finger-Type slug catcher in collaboration with a specialised engineering partner. Leveraging advanced gas-liquid-solid separation expertise, this solution strengthens the Company's capabilities in a complex, high-value segment.

Eco Series Hydraulic Press: Design Innovation in Manufacturing

L&T's Rubber Processing Machinery business developed an Eco Series hydraulic curing press with a common-cavity design, reducing component complexity compared to conventional multi-cavity systems. Integrated with IoT-enabled controls, the solution enhances operational efficiency, simplifies maintenance, and delivers improved performance and value for customers.

Offsite Construction

Conventional on-site construction methods often fall short of client expectations for speed and cost efficiency. In response, L&T is expanding the use of precast and prefabricated construction approaches, globally proven methods that enhance execution speed and cost control. Building on its long-standing experience in these techniques, the Company is now driving engineering-led innovation to redesign and extend precast and prefab solutions into areas not traditionally explored, unlocking new efficiencies in project delivery.

Cantilever Pier Cap

Precast cantilever pier cap solution was adopted to accelerate execution, improve safety and quality, and enable efficient execution in metro rail projects.

Station Single-Piece Pier Arm

A single-piece precast pier arm was designed in-house to replace conventional in-situ construction method. Controlled precast production reduced shuttering, cycle time, site congestion and work-at-height risks, enabling safer and faster execution.

Valve Chambers in Water Projects

Valve chambers are typically constructed based on valve size and specific vendors' requirements. A common, standardised valve chamber was designed and constructed as a pre-cast structure helping reduce the construction time as well as resource requirements.

Power Supply Installation Systems

Implementation of pipe sections with cylindrical foundations for power supply infrastructure equipment

in railway networks was done. This was to replace conventional built-up steel structures and open foundations and thus reduce construction timelines on-site.

Duct Bank

A duct bank is used to protect underground electrical, fibre optic and communication cables in industrial set-ups and data centres. A pre-cast duct bank was developed for data centres with modular design to replace conventional in-situ construction. Helps reduce the construction time while enhancing the quality of the output delivered.

PPVC Guard House

Building on earlier use of precast walls, L&T adopted prefabricated, prefinished volumetric construction to deliver the entire guard house structure — except for floor screed — in a single installation. This approach reduced on-site construction time by over 50%, with corresponding reductions in manpower and equipment requirements, while significantly enhancing quality and consistency of output.

AI at L&T: From Experimental Steps to Organisational Leap

AI adoption at L&T is described as a transition from cautious exploration to confident, organisation-wide leaps. The emphasis moves from 'use cases' to institutional capability. At L&T, AI adoption began several years ago with targeted solution development, followed by iterative refinement. The Company is now embedding these solutions into core business processes, transitioning from experimentation to enterprise-wide deployment.

Concrete AI

The process of finalising concrete mix proportions typically requires considerable time and effort due to the need for multiple trial mixes and performance evaluations. An AI-based application has been developed that predicts compressive strength based on material composition and recommends optimised mix proportions for targeted levels of strength and durability. This significantly reduces design cycle time and dependence on extensive laboratory trials.

Crawler for Automated Liquid Penetration Testing

An AI-powered inspection crawler developed to overcome the difficulty of inspecting welds in long clad tubes, where full-length non-destructive testing is nearly impossible. This crawler travels autonomously inside the tube, identifies defects and sizes them using AI vision analytics.

Model for Weld Visual Inspection

A model deployed on a Real-Time Operating System for in-process weld defect detection in heavy engineering equipment. Continuous improvement is enabled through a dedicated data annotation and model training pipeline.

Earthing Optimiser

An AI-driven software that automates earthing system design by integrating AutoCAD and CYMGRD. It generates optimised BOQs through iterative simulations, enabling engineers across experience levels to handle complex site conditions.

Overhead Catenary System Electronic Bill of Material (OCSEBOM)

An AI/ML-driven fully autonomous software developed for end-to-end Overhead Electrification HE BOQ/BOM generation from PDF Layout Plan drawings in railway electrification project. The software uses high-end object detection models to identify and capture various data present in drawings, do meaningful correlation, validation and calculations, and then generate BOQ/BOM reports.

Accelerated Material Take-off Generation

Automated data extraction from Piping and Instrumentation Diagram (P&ID) using AI/ML for material take-off generation, including detection of components, flood-fill and skeletonisation, vision language models (VLMs) reasoning and component mapping. Engineering effort reduced by 90%, helping in bidding stage as well as in execution.

Collectively, these applications demonstrate a clear shift from isolated AI pilots to scalable, high-impact solutions delivering measurable gains in productivity, accuracy and turnaround time across the project life-cycle.



L&T Cognitive Services: AI-led Transformation

The Company launched L&T Cognitive Services (LNTCS) in 2024 to drive enterprise-wide adoption of AI and embed intelligence across the project life-cycle. Initial deployments focused on pre-bid support, contract analysis, workforce planning and equipment optimisation, thereby compressing multi-week processes into minutes while delivering measurable gains in cost, time and productivity.

Building on this foundation, AI adoption has expanded across core business functions. In supply chain management, AI-enabled sourcing intelligence enhances vendor discovery, risk assessment and performance tracking, while providing real-time insights into pricing and market trends. In engineering, AI-driven solutions interpret 2D P&ID drawings to automatically extract quantities, reducing estimation effort by up to 75% and significantly improving speed and accuracy.

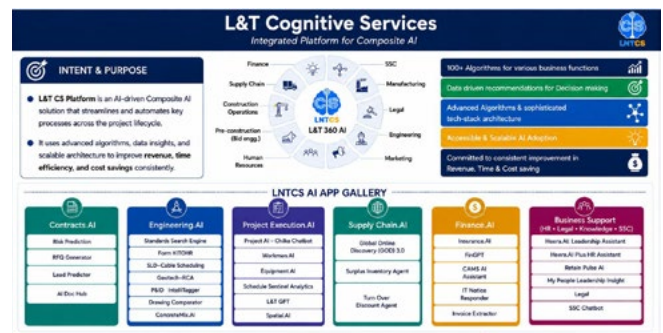
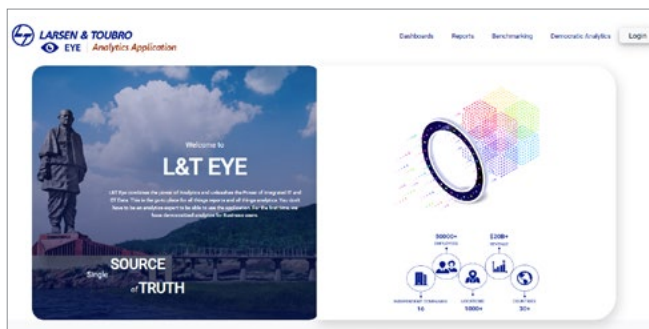
LNTCS has introduced a secure, enterprise-grade conversational platform integrated with Teams Copilot. This enables employees to retrieve, summarise and generate context-aware insights from vast repositories of project documents, contracts, schedules and engineering standards, accelerating decision-making and making the workforce increasingly 'AI-native'.

Beyond process automation, LNTCS is investing in next-generation capabilities spanning machine vision, robotics and drone-based systems. A dedicated Centre of Excellence is developing hardware-agnostic AI intelligence to power

autonomous systems, enabling use cases such as automated quality inspections, real-time progress tracking and proactive safety monitoring, thus, marking the next phase of digital transformation.

AI systems suffer from various biases and other issues. To ensure reliability and mitigate hallucination, AI models in LNTCS have been grounded on curated enterprise data sources. Retrieval-Augmented Generation (RAG) techniques are employed, where responses are generated based on verified internal knowledge repositories. All solutions have been deployed within the Company's secure tenant and integrated with enterprise-grade authentication mechanisms, including Single Sign-On (SSO), ensuring confidentiality and controlled and role-based access. To manage costs effectively, LNTCS has implemented usage caps and real-time monitoring dashboards for each AI application. These dashboards provide visibility into consumption spikes, enabling optimisation of resource utilisation.

Looking ahead, L&T is advancing towards **Agentic AI** as the next frontier, leveraging organisational knowledge graphs to enable an ecosystem of intelligent, self-orchestrating agents across functions such as supply chain, finance and shared services. By shifting from application-centric to role-centric operations, these always-on AI agents will augment human expertise and drive step-change improvements in productivity, consistency and cost efficiency across the enterprise.



L&T Business Excellence Model (LTBEM): Strengthening Performance and Organisational Capability

LTBEM represents the Company's approach to embedding excellence across the enterprise. As a cornerstone of L&T's quality and transformation journey, it reinforces a strong commitment to continuous improvement, innovation and stakeholder value creation. The model provides a comprehensive framework spanning leadership, strategy, execution, people, partnerships and societal impact, thus enabling businesses to assess maturity, strengthen processes and drive sustained performance.

Aligned with evolving global benchmarks, LTBEM continues to be refined in line with the enhanced EFQM 2025 Model. In 2025, 18 businesses participated in the assessment cycle, supported by an evaluation framework comprising 35 external assessors and 66 trained internal assessors. Conducted over 100 days across 20+ project sites, the process delivered a rigorous and objective assessment of organisational maturity, execution effectiveness and overall business performance.

Recognising assessors as critical enablers of the model's credibility, L&T continues to invest in capability-building. In 2025, 84 new assessors were certified, expanding the internal pool to over 200 certified professionals, thereby strengthening institutional expertise and knowledge transfer across businesses.

The 2nd edition of the LTBEM Awards, held during the 9th Quality Summit in Kolkata in November 2025, marked the culmination of the assessment cycle. Driven jointly by the Quality Council and Corporate HR, the initiative reinforced a structured, enterprise-wide approach to institutionalising business excellence.

Beyond a performance framework, LTBEM acts as a catalyst for learning and transformation, embedding a culture of continuous improvement while delivering superior, long-term value to customers, partners and investors.



Pi-Awards: Advancing Enterprise-wide Innovation at L&T

The Pi-Awards are L&T’s enterprise-wide platform for identifying, scaling and institutionalising innovation as a driver of long-term value creation. Anchored in the belief that innovation is continuous and cumulative, much like the mathematical constant π , the Awards serve as a structured mechanism to convert individual ingenuity and project-level breakthroughs into organisational intellectual capital. By recognising high-impact initiatives across Projects, Products, Services and ESG, the Pi-Awards catalyse the systematic diffusion of new ideas, technologies and practices across businesses. As a company-wide initiative, the platform strengthens L&T’s innovation pipeline,

embeds a culture of problem-solving and learning, and enables the repeatable application of proven solutions enhancing productivity, sustainability outcomes and competitive differentiation across project execution, manufacturing, services and enterprise processes.

The 2025 edition brought together 1,108 teams and over 5,000 employees, with the top 12 teams earning a spot at the Grand Finale. Innovations were assessed by an independent external jury comprising leading academic and industry experts, reinforcing the robustness, objectivity and governance of the process.

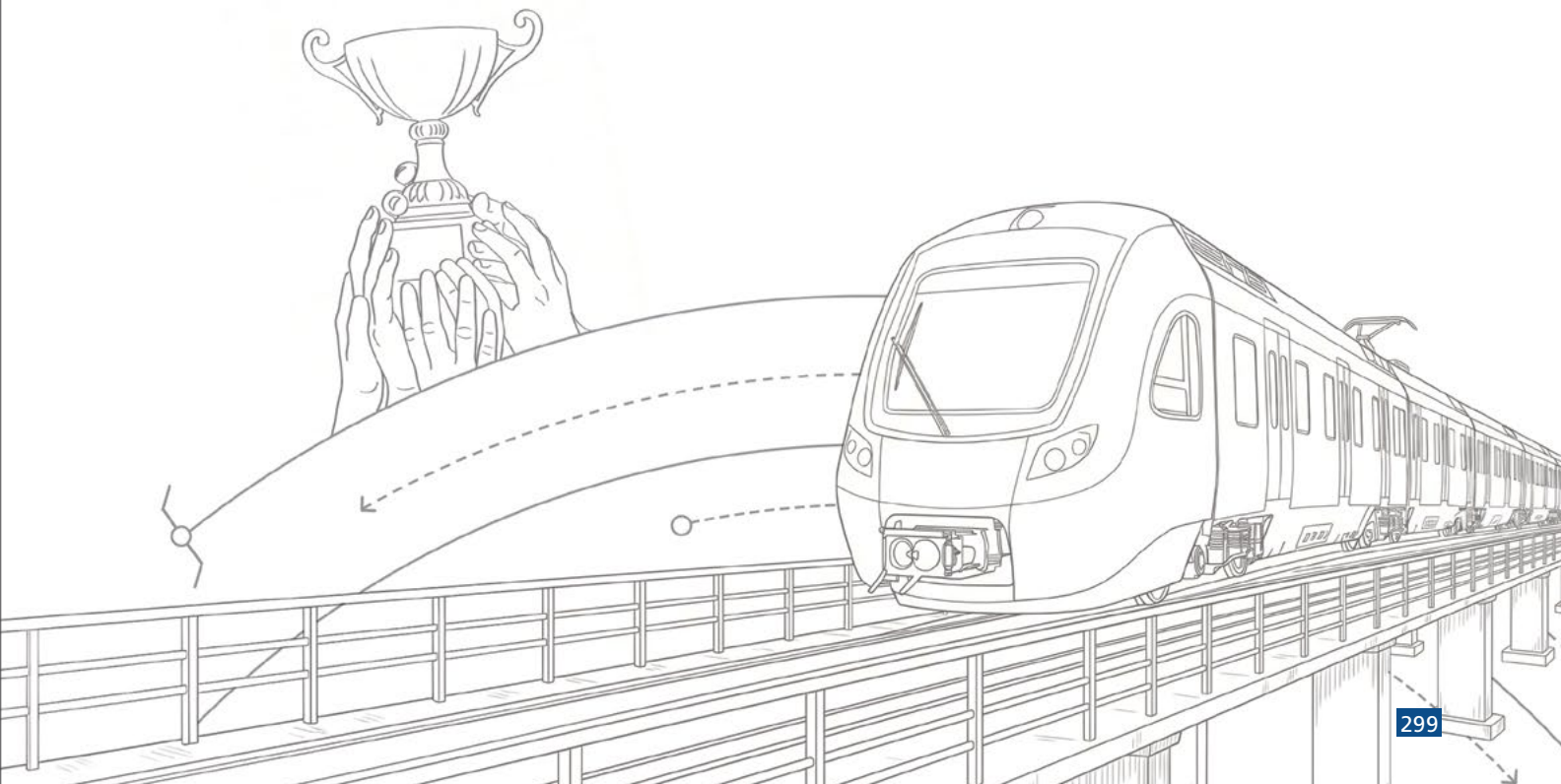
Winning Innovations from Pi-Awards 2025

Innovation	Business	Category
Design and development of indigenous non-regenerative CO ₂ scrubbing system	Heavy Civil Infrastructure	Product
Development of trenching and pipe-laying machine	Construction Equipment and Industrial Product Design Development	Product
Development of smart test jig for testing electronic cards	Precision Engineering and Systems	Product
A novel methodology for precasting and erection of special spans in High-Speed Rail project	Heavy Civil Infrastructure	Project
Solutions for gearbox failures in CMRL Phase-2 project	L&T Geostructure	Project
Monolithic precast breakthrough for seismic-resilient framed structures	Building & Factories	Project
NAVIS-TEC ‘Steering Safe Paths’	Heavy Civil Infrastructure	Service
Enhancing water supply scheme efficiency through innovative design using AI, GIS and optimisation algorithms	Water & Effluent Treatment	Service
Digital Value Platform - Asset One	Divisional Corporate – L&T Construction	Service
Green solutions and pavement strategies for reducing GHG emissions and enhancing environmental sustainability	Transportation Infrastructure – Roads	ESG
Integrated process innovations to achieve water neutrality and GHG emission reduction at MAHSR C6	Transportation Infrastructure	ESG
Eco Journey: Process-based approach to implement green initiatives	Heavy Engineering	ESG

Innovation as lever for sustainable growth

Looking ahead, L&T will continue to strengthen its intellectual capital as a core driver of long-term value creation and competitive advantage. The Company's focus will be on deepening and scaling proven innovations across digital technologies, advanced analytics and engineering solutions, enabling their systematic adoption within core business processes. This approach aims to deliver sustained improvements in productivity, quality, execution certainty and operational resilience, while supporting lower environmental footprints and safer project outcomes.

In parallel, L&T will continue investing in building organisational capability through targeted upskilling, cross-functional learning and knowledge integration, ensuring that innovation is embedded not only in tools and technologies but also in people and processes. By institutionalising a culture of continuous innovation and leveraging its strong engineering expertise, the Company seeks to deliver differentiated, high-value solutions to customers, strengthen stakeholder trust and contribute meaningfully to economic and societal development over the medium and long term.



SOCIAL AND RELATIONSHIP CAPITAL

At L&T, social and relationship capital represents the trust, credibility and depth of relationships the Company has built with communities, customers, employees, supply chain partners, governments and society at large. These relationships, nurtured through transparent engagement, ethical conduct and shared value creation, are integral to business resilience, stakeholder confidence and long-term value creation. By embedding social responsibility into business strategy and fostering mutually beneficial partnerships across the value chain, L&T strengthens its licence to operate while enabling sustainable growth.



Key Highlights of FY 2025-26

19,40,601
CSR Beneficiaries

9.1
Customer Satisfaction Score

Strategy Linkage¹



SDGs Impacted



Material Topics

- Community Relations
- Labour Practices and Human Rights
- Sustainable Supply Chain
- Customer Satisfaction
- Water and Waste Management
- Land Use and Ecosystem
- Geopolitical Risks
- Business Ethics

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



Building India's Social Infrastructure

L&T's approach to social capital creation is rooted in inclusive growth and nation-building, with focused interventions in water, sanitation, health, education and skill development. Oversight and strategic direction of CSR programmes are provided by the CSR & Sustainability Committee of the Board. Implementation is driven by decentralised CSR teams across business units and project locations, working closely with non-governmental organisations, government agencies and local partners. This multi-stakeholder approach ensures relevance, scale and sustainability of social interventions. L&T aims to promote inclusive growth by empowering communities, minimising disparities and enabling them to achieve their full potential.

Beneficiaries across thrust areas

8,64,649

Water and Sanitation

7,98,848

Health

2,60,419

Education

16,685

Skill Building

L&T's CSR ecosystem is driven by a structured and collaborative approach: the Corporate CSR Team aligns all programmes with Board-approved guidelines while engaging with its partners; location-based CSR teams assess local needs and implement community-specific interventions; L&T Health Centres and Mobile Health Units deliver affordable healthcare to underserved populations;

Prayas Trust supports social welfare initiatives led by employees' spouses and women employees; L&Tearing gives employees a platform to volunteer for community development; and the L&T Public Charitable Trust independently implements CSR initiatives in education, health, water and livelihoods in line with the Company's CSR framework.

Need Assessment and Community Engagement

- All CSR programmes commence with structured need assessments, including baseline studies and stakeholder consultations with communities and local authorities. It helps to identify priority areas and align interventions with local socio-economic needs.
- Ensuring the sustainability of initiatives, even after handover by the Company, is critical to their long-term success. This is enabled through the active involvement of communities and local government bodies in the planning and implementation of initiatives to strengthen institutions and ensure continuity beyond L&T's direct involvement.

Unnati: Integrated Community Development Programme

Unnati is the Company's flagship programme. It commences with watershed management, based on the principle that access to water is fundamental to enhancing quality of life. After ensuring adequate water availability at the location, initiatives in health and sanitation, education and skill development are implemented in a phased manner, aimed at achieving comprehensive improvement in quality of life.

Since 2014, Unnati has successfully reached 30,092 households and conserved 46,035 hectares of land across the states of Rajasthan, Maharashtra and Tamil Nadu. In FY 2025-26, L&T launched Nayi Disha, a programme aimed at driving education and health-led development across the states of Jharkhand, Bihar and Odisha. These states are key source of contractual workers engaged at various EPC project sites of L&T. Nayi Disha project reached an additional 4,131 households in Odisha, Bihar and Jharkhand.



Watershed Management

Water security poses a significant challenge in India, where increasing population pressures and environmental degradation jeopardize livelihoods, food security and health-particularly in rural areas. In response, L&T has implemented a comprehensive strategy for watershed management that combines the restoration of existing structures along with the creation of new infrastructure to ensure year-round water availability for communities.

L&T's initiatives are concentrated in water stressed districts such as Aurangabad, Jalna and Ahmednagar in Maharashtra, Rajsamand in Rajasthan and Coimbatore in Tamil Nadu. These regions have experienced declining groundwater levels, land degradation and inadequate management of shared resources, which adversely affect both agriculture and livelihoods.

Communities are involved in the planning and execution of water and soil conservation strategies, including check dams, anicuts, gully plugs, contour trenches and farm bunds. The establishment of native species of trees and shrubs also contributes to reducing top-soil erosion and improving moisture retention, resulting in enhanced crop yields and increased fodder availability. As a result, farming communities in these areas have been able to cultivate second and even third crops each year, with lower agricultural expenses and additional incomes through sustainable livestock rearing.

Village Development Committees (VDCs) are pivotal in maintaining these initiatives. These community-driven organisations formulate by-laws for resource utilisation, collect maintenance fees and foster ownership and governance of restored commons. VDCs also link villagers to government programmes, enhance skills through expert training and improve market access.

By employing this ecosystem approach, L&T's watershed projects have markedly enhanced water security, agricultural productivity and rural livelihoods - ensuring increased income, savings and year-round food availability for participating households.

From Vulnerability to Resilience: Bagunda, Kumbhalgarh Block, Rajasthan

Located in the Kumbhalgarh block of Rajsamand district in Rajasthan, Bagunda village, home to 98 families, faced persistent challenges including water scarcity, low and uncertain farm incomes, poor sanitation and limited livelihood opportunities, particularly for women. Agriculture was largely rain-fed, livestock productivity was constrained and community-level planning mechanisms were minimal.

In 2019, L&T's Unnati programme was introduced with the formation of a VDC to enable participatory planning and implementation.

Integrated interventions have since strengthened livelihoods and infrastructure. Development of over 125 acres of community pastureland improved fodder availability, benefiting 65 livestock-owning families and reducing annual expenses by ₹ 4,000 - ₹ 8,000. Agricultural diversification through horticulture and vegetables enhanced income and nutrition, with meadow orchards generating about ₹ 55,000 annually per family and vegetables adding ₹ 15,000.

Women's empowerment has been a key outcome, with six Self-Help Groups (SHGs) enabling investments in income-generating activities such as goat rearing, livestock and small enterprises. Infrastructure improvements including repair of three wells, construction of 40 household toilets and upgrades to the Anganwadi and school water facilities-have enhanced access to water, sanitation and early childhood services.

Today, Bagunda reflects the impact of community-led development, with household incomes rising by 60-70% (₹ 70,000 - ₹ 78,000 annually per family). The village has also seen stronger social cohesion and resilience, demonstrating the effectiveness of integrated, people-centric interventions.



Agriculture

In India, over 80% of farmers operate on small and marginal landholdings (up to 5 acres), often resulting in low productivity, limited access to quality inputs, dependence on rainfall and constrained market linkages. L&T supports these farmers through a holistic, life-cycle-based approach covering pre-production, production and post-production stages.

Interventions begin with strengthening water availability, followed by measures to improve soil health. Farmers are organised into groups for crop planning and are introduced to practices such as inter-cropping and multi-cropping to enable year-round cultivation. Water-efficient technologies like drip irrigation and mulching are promoted to address resource constraints.

A strong focus is placed on sustainable agriculture. Natural farming practices are encouraged, with farmers trained to prepare organic inputs using locally available resources, reducing input costs and dependence on chemicals. Knowledge transfer is facilitated through Farmer Field Schools, where demonstration-based learning enables peer-to-peer adoption of best practices. Crop demonstration plots on previously uncultivated land further support uptake and productivity improvements.

To enhance resilience and income diversification, kitchen gardens are promoted for household nutrition and supplementary income, while horticulture orchards provide seasonal revenue streams. Together, these interventions strengthen productivity, reduce risks from climate variability and improve farmers' livelihoods.



Indirabai's Kitchen Garden, Georai Khurd: Small Plot, Big Impact

In Georai Khurd village, Indirabai's 0.025-acre multi-layer kitchen garden is a compelling example of sustainable, household-level transformation. A farmer by livelihood, she earlier relied on open-field cultivation, where exposure to chemical inputs from nearby farms posed concerns for health and food safety.

Through L&T's Unnati programme, Indirabai received training in multi-layer farming, vermicomposting and efficient water management. She subsequently converted a small plot near her home into a diverse, chemical-free kitchen garden.

Today, the garden produces 10-20 kg of vegetables each month-improving household nutrition while reducing expenses by up to ₹ 6,000. Beyond direct benefits, her initiative has encouraged neighbouring families to adopt similar practices, creating a ripple effect within the community. As Indirabai shares, "As long as we are here, our children and grandchildren will only eat organic vegetables."

This intervention reflects how integrated support across water, soil and farming practices can strengthen food security, reduce costs and enable sustainable livelihoods at the grassroots level.



Bio Resource Centres: Enabling Localised, Sustainable Agriculture

In the rain-fed villages of Kumbhalgarh block, Rajsamand district in Rajasthan, small and marginal farmers have traditionally depended on distant markets for seeds and chemical inputs, raising costs and limiting control over farming decisions.

To address these challenges, Unnati established four Bio Resource Centres (BRCs) during FY 2025-26 as decentralised hubs supporting nearly 600 farmers. These centres provide access to quality vegetable seedlings, bio-inputs, demonstration of organic practices and platforms for knowledge sharing. Women's participation has been actively enabled through their involvement in nursery management and BRC operations.

One such centre is led by Dhapu Bai, a 58-year-old farmer from Awali ki Bhagal village. Previously reliant on seasonal agriculture with limited income stability, she built her capabilities through Farmer Field Schools, gaining skills in organic farming, nursery management and record keeping. She now manages the village BRC, producing vegetable seedlings using shade-net nurseries and pro-tray technology, along with preparing bio-inputs such as Jeevamrit.

In FY 2025-26, Dhapu Bai produced nearly 15,000 tomato and chilli seedlings, supplying around 80 farmers with affordable, high-quality inputs and practical guidance. Her efforts generate an additional annual income of approximately ₹ 33,000 while promoting the adoption of sustainable farming practices across neighbouring villages.

Today, the BRC functions not only as an input centre but also as a community learning space where farmers exchange knowledge in organic agriculture. This ecosystem is further strengthened by trained local volunteers 'Krishi Mitras' / 'Vasundhara Sevaks', who support farmer training, promote soil and water conservation and connect communities with government schemes and resources.



Nursery Preparation in BRC



Pro-Tray Nursery in BRC



Multi-Cropping Farm

Antarwali Khandi: From Water Scarcity to Resilience

Antarwali Khandi village in Paithan taluka, Chhatrapati Sambhajnagar district, Maharashtra, has long faced chronic water scarcity and climate variability. Agriculture was entirely rain-dependent, with repeated droughts depleting groundwater, reducing farm productivity and triggering distress migration. Women bore a significant burden, spending hours fetching water, with tanker supply remaining the primary source of drinking water until 2020.

To address these challenges, L&T's Unnati programme implemented a community-led water conservation initiative, supported by local leadership. Pandurang Walhure, serving as Jalmitra and Vasundhara Sevak, played a key role in mobilising community participation and strengthening local governance. Integrated interventions, including river deepening, repair of percolation tanks, construction of bunds and creation of recharge structures and farm ponds, resulted in conservation of 8,648 lakh litres of water. This led to year-round water availability in wells and eliminated dependence on tanker-based supply.

Improved water security enabled farmers to adopt better crop planning, water-efficient irrigation and sustainable practices, restoring productivity and incomes while reducing women's drudgery. Community institutions such as VDCs, SHGs and Farmer Producer Organisations (FPOs) further strengthened access to finance, government schemes and market linkages.

Today, Antarwali Khandi reflects a shift from vulnerability to resilience-driven by community ownership, strengthened livelihoods and empowered local leadership.

Onion Dryer Unit: Reducing Losses, Increasing Income

In Chambharwadi village, Nagzari cluster of Jalna district in Maharashtra, onion cultivation is a primary livelihood for small and marginal farmers. However, the absence of storage and processing facilities meant that produce had to be sold immediately, often at distress prices, while significant quantities were lost due to high moisture and inadequate storage.

Recognising this gap, the 3 members from Jijamata Mahila Bachat Gat Self Help Group (SHG), with facilitation from L&T's Unnati programme, established a renewable energy (RE)-based onion dryer unit. The group coordinated with a manufacturer and accessed bank financing to set up the unit, enabling controlled moisture reduction while preserving quality and nutritional value. This extended the shelf-life of onions from a few weeks to several months.

In FY 2025-26, the group procured 11 tonnes of onions directly from village farm gates at market rates, reducing farmers' transport burden. By processing and selling dried onions during the off-season, they have able to secure better prices while minimising post-harvest losses. Following loan repayment, members now earn an additional ₹ 40,000 per month for four months annually, strengthening both household incomes and women's economic agency.

As shared by Savitribai Dighule of the SHG, "Earlier, we had to sell onions immediately after harvest at very low prices and many would spoil. With the dryer unit, we can store and sell at better rates, increasing our income and opening new opportunities for our group."



Livestock Development

Livestock rearing plays a critical role in strengthening rural livelihoods and acts as a key safety net during climate-related shocks when crop income becomes uncertain. However, challenges such as fodder scarcity, water stress, limited access to affordable credit, veterinary services and modern management practices often constrain its potential.

Under L&T's interventions, farmers are trained in improved livestock management covering animal health, vaccination, nutrition (including silage preparation), hygiene, breed-specific care and shelter management to enhance productivity and reduce losses. Linkages with government schemes and veterinary services further improve access to healthcare and infrastructure support for poultry and goatery units. VDCs support sustainable management of pasturelands, while SHGs enable access to affordable credit for livestock expansion and infrastructure development such as sheds. These efforts collectively strengthen income diversification and enhance household resilience by reducing dependence on a single livelihood source.



Livelihood Transformation through Water Security

Antarwali Khandi, a drought-prone village in Paithan taluka, Maharashtra, has long depended on rain-fed agriculture. For farmers like 60-year-old Vitthalrao Hande, farming and dairy once provided a stable livelihood, but erratic rainfall, groundwater depletion and rising input costs gradually turned agriculture into a high-risk activity. Repeated crop failures, fodder scarcity and mounting debt forced him to rely on wage labour and small supplementary activities, with little income stability.

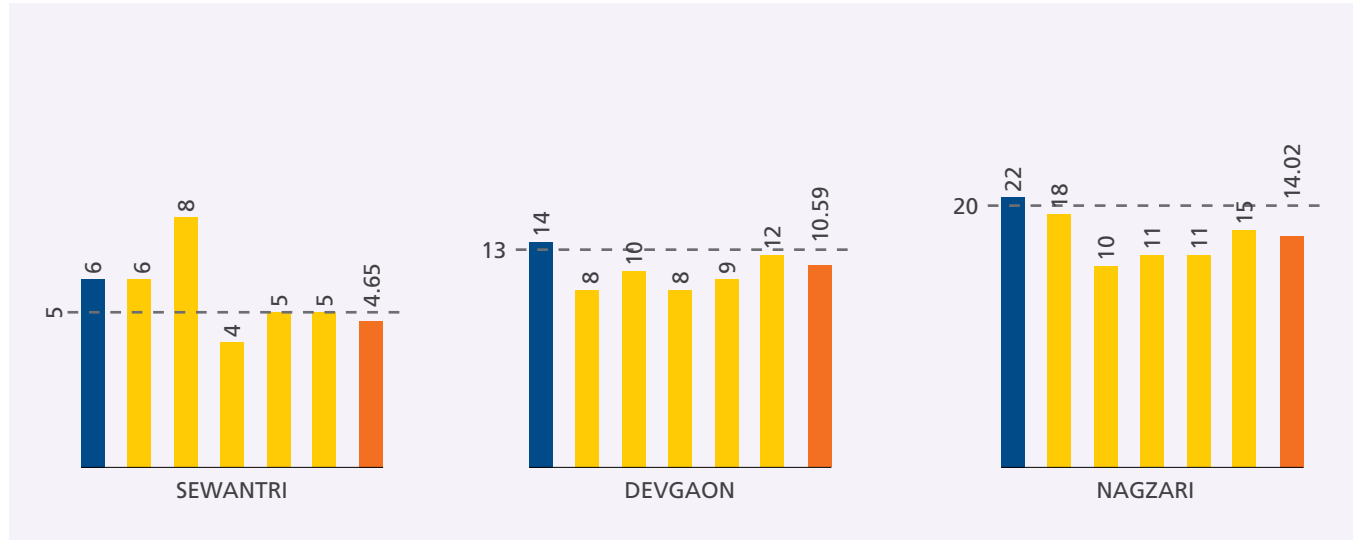
Through L&T's Unnati programme, targeted water conservation measures, including farm bunding, a cement check dam and nala deepening, were implemented to improve water retention and groundwater recharge. Over time, these interventions restored year-round water availability in wells.

With assured irrigation, Vitthalrao revived fodder cultivation and diversified cropping, reducing costs and improving farm output. He subsequently expanded into dairy farming, supported by Unnati's livestock management guidance. Today, he owns 11 Jersey cows producing around 140 litres of milk daily, generating approximately ₹ 1.68 lakh per month with a net income of about ₹ 1 lakh.

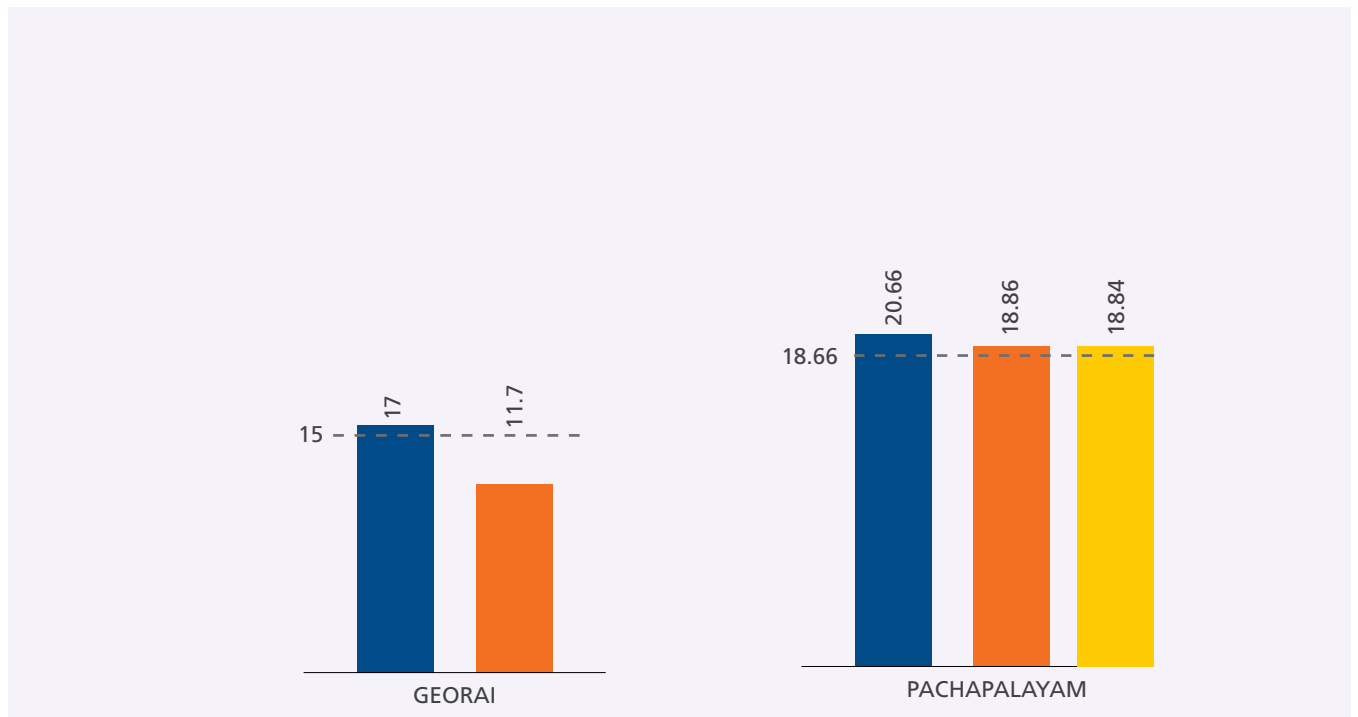
His sons are now engaged in the dairy enterprise, eliminating dependence on wage labour and stabilising household income. Vitthalrao's journey demonstrates how water security can unlock livelihood diversification, restore agricultural confidence and build long-term rural resilience.

Depth of Water from Land Surface (metre)

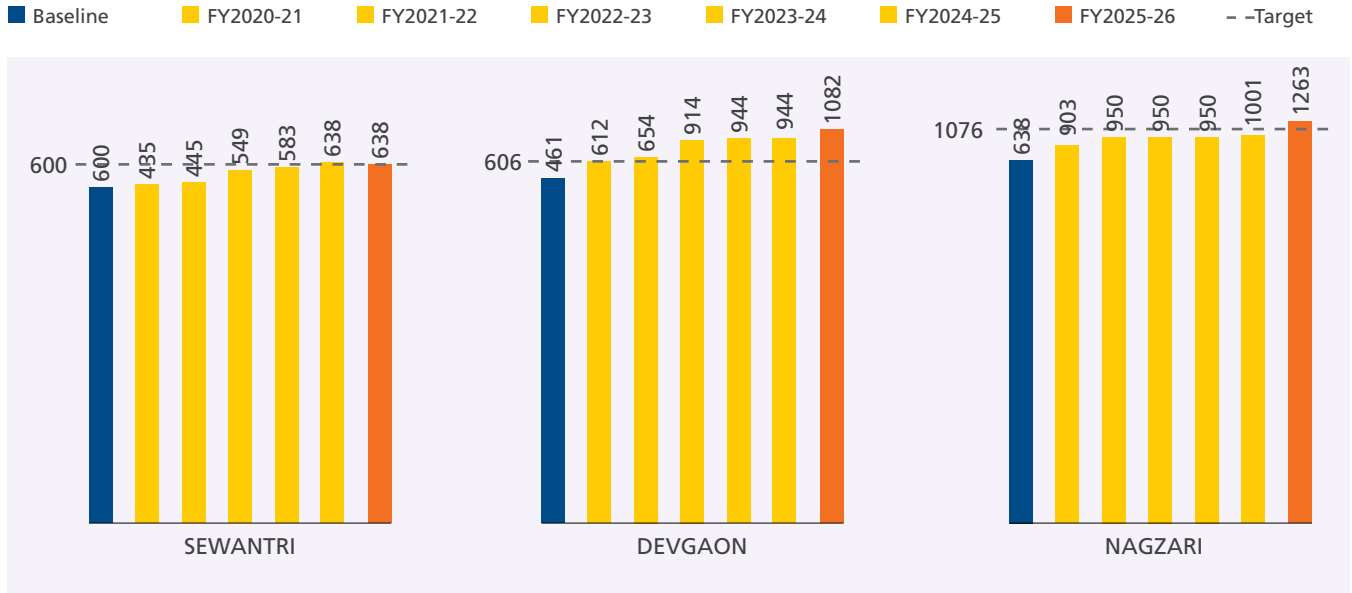
■ Baseline ■ FY2020-21 ■ FY2021-22 ■ FY2022-23 ■ FY2023-24 ■ FY2024-25 ■ FY2025-26 --Target



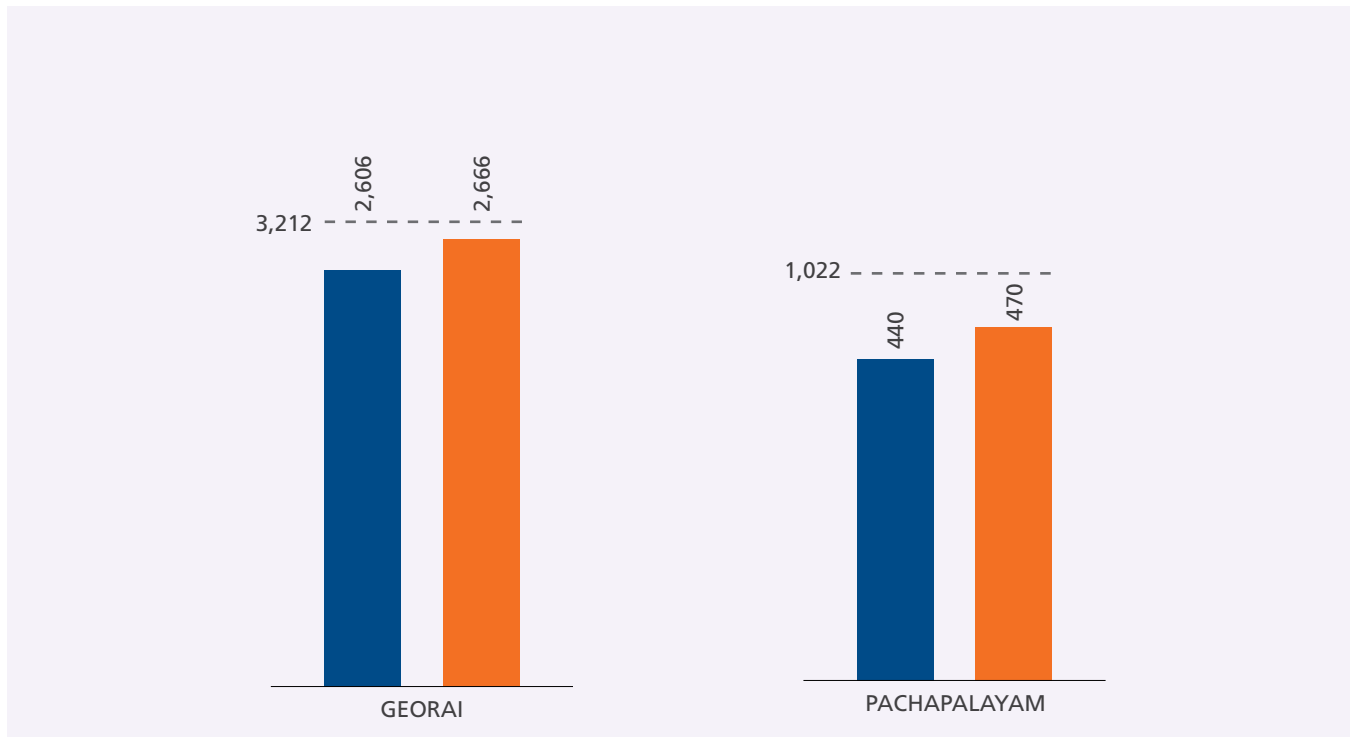
Georai in Maharashtra and Pachapalayam in Tamil Nadu are being newly reported from FY 2024-25. Unnati has been in Devgaon and Nagzari in Maharashtra and Sewantri in Rajasthan since 2019-20



Increase in Irrigated Area (hectares)



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





Sanitation

Open defecation poses serious public health risks, contributing to malnutrition, morbidity and mortality. Addressing it requires not only infrastructure development but also behavioural change, particularly in relation to deep-rooted cultural norms around sanitation, ritual purity and menstrual hygiene. These efforts are essential for advancing gender equity, human rights and social dignity.

With improved access to water, L&T’s interventions under Unnati expanded focus to sanitation, supporting the construction of toilets across 11 locations in India, including Maharashtra, Rajasthan and Tamil Nadu. Community participation was strengthened through engagement of local leaders to ensure ownership and sustained usage.

Youth from villages were trained in masonry, creating livelihood opportunities while ensuring long-term maintenance capacity. To date, 4,723 sanitation units have been constructed, with 2,984 households adopting toilet usage. As a result, 41 villages across the three states have achieved Open Defecation Free (ODF) status.

L&T continues to strengthen access to safe sanitation and promote sustained behavioural change to support long-term ODF outcomes across rural communities.



Strengthening School Sanitation and Learning Environment

An education status assessment in the Nagzari cluster identified critical gaps in school sanitation infrastructure affecting student attendance and learning outcomes. At Rajureshwar Vidyalay in Alamgaon village, Maharashtra, toilets were found to be dilapidated, compounded by water scarcity and poor hygiene conditions.

L&T initiated the construction of a comprehensive school sanitation block during FY 2025-26, benefiting 313 students from grades 5 to 10. The intervention was implemented in coordination with school authorities, the local community and other stakeholders.

Alongside infrastructure development, hygiene awareness activities were conducted through posters, wall paintings and sensitisation sessions, encouraging students to adopt proper sanitation practices and take ownership of the facilities.

The intervention resulted in safe, functional and gender-appropriate sanitation facilities, significantly improving hygiene conditions and creating a healthier learning environment, particularly for adolescent girls. It also promoted behavioural change and sustained usage, strengthening student well-being and supporting long-term educational outcomes at Alamgaon.



Improving Household Sanitation and Dignity

Mrs. Palaniammal, from a low-income household in Pachapalayam village, Coimbatore district in Tamil Nadu, depended on daily wage labour for livelihood. Like many families in her village, she previously lacked access to a safe and hygienic toilet, resulting in open defecation and associated challenges.

The absence of household sanitation facilities posed safety risks, particularly for women, including lack of privacy, exposure to unhygienic conditions and difficulties during early mornings and late evenings. It also increased vulnerability to sanitation-related health issues.

Under L&T's Unnati ICDP, a household toilet was constructed for Mrs. Palaniammal, along with guidance on hygiene and safe sanitation practices to support sustained behavioural change. This intervention was part of a broader initiative in the Pachapalayam watershed, where 150 household toilets were constructed during the year to improve rural sanitation coverage.

As shared by Mrs. Palaniammal, "Having a toilet at home has changed our daily life. We feel safer, more comfortable and maintain better hygiene. It has given us dignity and peace of mind."



Health

Rural India continues to face health challenges driven by nutrition gaps, food insecurity, cultural norms and limitations in public healthcare systems. Deep-rooted practices often restrict women from seeking care or prioritising their own health, contributing to malnutrition among pregnant and lactating women, adolescent girls and children, leading to underweight births and stunting.

L&T's Unnati programme addresses these challenges through livelihood enhancement, improved sanitation and platforms that encourage women's participation in health-related dialogue and behaviour change across age groups. Interventions focus on training women's groups and community volunteers to engage with Health Departments, Anganwadis, Panchayats and block-level officials to improve nutrition awareness, increase awareness of government health schemes, strengthen access to healthcare services and enhance linkages with frontline health workers such as ASHAs and ANMs.

With support from VDCs and SHGs, communities are guided on balanced diets, kitchen gardening, hygiene practices and the role of Anganwadis. These efforts have strengthened health-seeking behaviour and enabled communities to actively demand better healthcare services while co-creating local solutions with authorities.



Sumati’s Journey from Hardship to Empowerment

Sumati, from Koyla village in Rajsamand district in Rajasthan, faced early marriage that ended her education and led to prolonged financial and social hardship. After a failed dairy venture left her family in debt, she worked as a daily wage labourer while managing household responsibilities.

Facing domestic violence, she returned to her parental home with her children, confronting social stigma but determined to rebuild her life. With the launch of L&T’s Unnati programme in 2019, she was identified for her potential and selected as a Bal Sakhi.

Through training in child welfare, health communication and community facilitation, she now serves as a Bal Sakhi and ECCN Resource Person in her Panchayat. She has also resumed her education through open schooling with scholarship support, strengthening both her confidence and family stability.

As Sumati shares, “Today, I am studying again-not to prove anyone wrong, but to build a life for my children that no one can ever take away.”

Suman’s Role in Maternal Health Support

Suman, a Mahila Salaahkar (women’s health counsellor), has been working across hamlets under the Hataji ka Gudda VDC since 2023, focusing on the health and nutrition of children (0-5 years), pregnant and lactating women and adolescent girls, with special attention to malnutrition and anaemia.

She identified Kamla Bai, a pregnant woman and a new mother, who had not registered for antenatal care and was unable to access essential check-ups and iron-folic acid supplements. Medical assessment revealed critically low haemoglobin (5.2 g/dL) and low body weight, placing both mother and child at high risk.

Working closely with the ANM and ASHA workers, Suman provided sustained six-month support. Kamla Bai was enrolled at the Anganwadi, received iron infusions and diagnostic care and was guided through nutrition, birth preparedness and family planning counselling. Suman also supported the family during hospitalisation and postnatal care, including guidance on newborn care and Kangaroo Mother Care. Over time, Kamla Bai’s condition improved significantly and she safely delivered twin babies. Today, both mother and children are healthy, reflecting the impact of timely intervention and sustained community-based support.

As Suman reflects, “All I did was make sure she knew she was not alone. The strength to recover was always hers.”





Education

Despite India's progress in education, challenges such as high dropout rates and poor learning outcomes persist, particularly in government schools. Nearly 26% of children discontinue schooling before completing Class 5, driven by factors such as inadequate infrastructure, shortage of trained teachers, limited learning resources, gender and language barriers and low parental engagement. As a result, many children lack foundational literacy and numeracy skills. Early childhood education through Anganwadis and Balwadis is also constrained by irregular attendance, limited trained staff and weak infrastructure.

To address these gaps, interventions focus on strengthening foundational learning through improved early childhood education, teacher training, provision of Teaching Learning Materials (TLMs), supplementary classes in literacy and numeracy and enabling parental involvement in early learning.

Mobile libraries promote reading habits, while community participation through parents and VDCs ensures sustained impact. In states like Rajasthan, Learning Resource Centres (LRCs) managed by community volunteers are enhancing access to learning materials and nurturing children's aspirations, with centres eventually handed over to the community for long-term sustainability.

The education programme in Devgaon and Nagzari was launched in FY 2024-25, creating a structured learning environment across 12 villages and reaching 2,381 children. For children aged 3-5 years, structured engagement with parents, supported by TLMs made from locally available resources, builds early learning skills and school readiness through regular practice.

For children aged 6-14 years, library-based, grade-wise sessions and remedial support classes for Standard 3-8 strengthen foundational learning. Libraries act as the primary outreach platform, fostering a reading culture through regular access to books and structured reading activities, while remedial classes address learning gaps and support high performers with advanced exposure. Parents are actively engaged through workshops and home visits to strengthen the learning environment at home and reduce dropout risks.

The programme has demonstrated strong learning outcomes: reading fluency among Standard 3-5 improved from 43.5% to 75.5%, number recognition increased from 64% to 88%, comprehension among Grades 6-8 rose from 22% to 60% and competency in multiplication/division improved from 39% to 70%.



Amol's Learning Transformation

Amol, an 11-year-old student from Alamgaon village in Jalna district, belongs to a marginal farming family with limited academic support at home. Despite his interest in learning, he struggled in school due to low confidence, fear of Maths and lack of individual attention in overcrowded classrooms, which led to disengagement and withdrawal.

In 2024, Amol was identified through a needs survey and enrolled in the Support Class Programme. The intervention focused on personalised attention, a safe learning environment and activity-based pedagogy. Through games, storytelling and hands-on Maths using everyday objects, he gradually overcame his fear and began focusing on conceptual understanding.

Within four months, Amol showed significant improvement. He now solves basic Maths problems confidently, reads fluently and actively participates in class. Teachers recognise him as an enthusiastic learner, reflecting a strong shift in both performance and self-belief.

As his mother shares, "Earlier he wouldn't even talk about studying; now he prepares himself with enthusiasm to go to school." Amol adds, "I want to become a teacher so that every child like me can find learning easy and fun."



Durga Devi's Role in Home-Based Learning

At 75, Durga Devi from Jalpa Danta village never imagined becoming a 'teacher'. A grandmother with no formal education, she carried a rich collection of traditional stories, though her role in her grandson Jaspal's learning had diminished over time.

This changed through the Saajhi Shiksha Project. During a home visit, she was encouraged to use storytelling, picture reading and everyday conversations to support early childhood learning.

Today, Durga Devi actively engages Jaspal through stories and play. Her confidence has grown and she now participates in parent meetings, inspiring other families to support learning at home-demonstrating that education begins within the household.



Coverage under Unnati in four locations - Devgaon, Nagzari, Sewantri and Coimbatore

Households covered under ICDP		8,750
Area of land under the project area (hectares)		22,248
People covered		42,308
	FY 2024-25	FY 2025-26
WATER AVAILABILITY		
Water harvested (lakh litres)	53,391	53,787
Increase in water table level (metres- average)	14.6	18.6
Percentage of households with drinking water	84%	87%
AGRICULTURE		
No. of crop demonstrations	569	215
Additional area protected from Direct Run-Off (hectares)	8,411	9,033
Increase in area under cultivation/ irrigation	43%	54%
Fallow land converted to agricultural land (hectares)	344	84
Area under horticulture (hectares)	722	817
HEALTH AND NUTRITION		
No. of kitchen gardens	685	280
No. of children in Balwadis supported	1,344	2,564
LIVESTOCK LIVELIHOOD		
No. of veterinary camps	24	24
Pastureland area under protection (hectares)	28	28
INSTITUTION BUILDING		
Village Development Committees	44	44
No. of active SHGs	305	325
SHG savings fund created for inter-loaning (₹ lakh)	192	220
No. of Farmer Groups Formed	18	27
CAPACITY BUILDING		
No. of Farmers attended Farm-Field Training	1,622	1,646



Check Dam in Pachapalayam, Tamil Nadu



Check Dam in Sewantri, Rajasthan



Check Dam in Devgaon, Maharashtra

Nayi Disha

Nayi Disha complements L&T’s engagement with migrant workers by strengthening socio-economic conditions in their home communities. Implemented across eight districts in Jharkhand, Bihar and Odisha. The programme focuses on education, health, water and sanitation and institutional capacity building, in addition to the initiatives under the ‘Humara Jeevan, Humara L&T’.

During the year, 26,270 individuals across 118 villages and one Nagar Panchayat benefitted through upgraded Anganwadis, school infrastructure, health camps, SHG capacity building and youth engagement initiatives across eight districts - Garhwa and Hazaribagh in Jharkhand; Gopalganj, Katihar and Muzaffarpur in Bihar; and Ganjam, Keonjhar and Jajpur in Odisha.



Beneficiary Received Ayushman Bharat Card



CSR Team Interacting with Girl Students



SHG Meeting

Impact of the entry-level activities conducted during the year:

<p>Education</p>	<ul style="list-style-type: none"> • 1 Model Anganwadi created in Jharkhand, resulting in a 41% rise in enrolment • 86 Anganwadis in Bihar, Jharkhand and Odisha equipped with teaching-learning materials, play items and kitchen utensils • 37 schools in Jharkhand and Bihar supported with mini-libraries, sports kits, literary events and awareness drives
<p>Water & Sanitation</p>	<p>8 schools in Odisha provided with water filters for safe drinking water facility</p>
<p>Community Institutions Strengthening and Skill Development</p>	<ul style="list-style-type: none"> • 25 women’s SHGs trained in financial literacy and SHG governance aligned to the Government’s Panch Sutra (regular meetings, savings, inter-lending, record keeping and linkage with financial institutions) • 20 youth groups formed and trained on health, hygiene and sanitation topics
<p>Health</p>	<ul style="list-style-type: none"> • 32 health camps conducted across the three states, covering general health, eye care, TB, maternal health and NCDs • 79 individuals referred to Primary Health Centres for further treatment • 8 TB patients provided with nutrition kits • 129 expecting mothers counselled and supplemented with Iron-Folic Acid tablets • 50 individuals received Ayushman Bharat health insurance cards in Bihar • 120 new cases of diabetes and hypertension identified and linked to government healthcare facilities

Transforming Anganwadis into Early Learning Spaces

"Here, learning happens through play, because the Anganwadi itself is our school." This vision has become a lived reality across 63 Anganwadi Centres in Gopalganj district in Bihar, where early childhood care and development (ECCD) spaces are being transformed into vibrant learning environments.

Traditionally seen as centres for supplementary nutrition and basic health services, Anganwadis are now evolving into child-centric learning spaces through L&T's intervention. The programme began by strengthening the capacity of 63 Anganwadi Sevikas through contextual training and hands-on capacity building, enabling them to adopt play-based and experiential learning approaches.

Age-appropriate TLMs such as flashcards, storybooks, puzzles and activity kits have transformed classroom environments, shifting learning from routine instruction to interactive, game-based engagement. Anganwadis have been redesigned as safe and stimulating spaces with learning corners, role-play kits and activity tools that support cognitive, social and emotional development. Behaviour-change communication and caregiver counselling have further strengthened awareness on nutrition, hygiene and responsive childcare, extending impact beyond centres into households.

The transformation is evident at Anganwadi Centre No. 34, now a model ECCD hub where children actively engage in joyful learning. Parents report increased enthusiasm among children, while stakeholders note visible improvements in engagement and teaching practices. As a Panchayat representative observes, the centres are now seen as essential to children's development and future.

The intervention has reached 2,000 children and trained 63 Sevikas across six Panchayats in Gopalganj Sadar and Thawe blocks, demonstrating a scalable model for early childhood learning transformation.

One mother shares, "Earlier, my child was not interested in going to Anganwadi, but now he goes happily every day. He comes home and shares new things he has learned-this brings us great joy. Now we feel that his future will be better." System level stakeholders echo this transformation. A Child

Development Project Officer adds: "The change is clearly visible-not just in infrastructure but in the approach of Sevikas and the engagement level of children. This model has strong potential for scale." A Panchayat representative observes, "This initiative has strengthened the role of Anganwadi Centres in our Panchayat. The community now sees these centres as essential for children's future."



Education

India’s education system continues to face challenges such as inadequate infrastructure, limited resources, uneven learning levels and disparities in teaching quality. L&T’s education programmes strengthen access, quality and equity across rural and urban contexts.

Key interventions include upgrading infrastructure in under-resourced schools, providing remedial and self-learning support at the community level, enhancing teacher capabilities through training and strengthening parental engagement to support children’s learning at home.

The Jyoti STEM (Science, Technology, Engineering and Mathematics) Education Programme addresses the urban-rural divide by introducing engaging science and Mathematics learning in resource-constrained government schools. During the year, the L&T’s education interventions have reached 940 schools across India, creating learning opportunities for thousands of students.

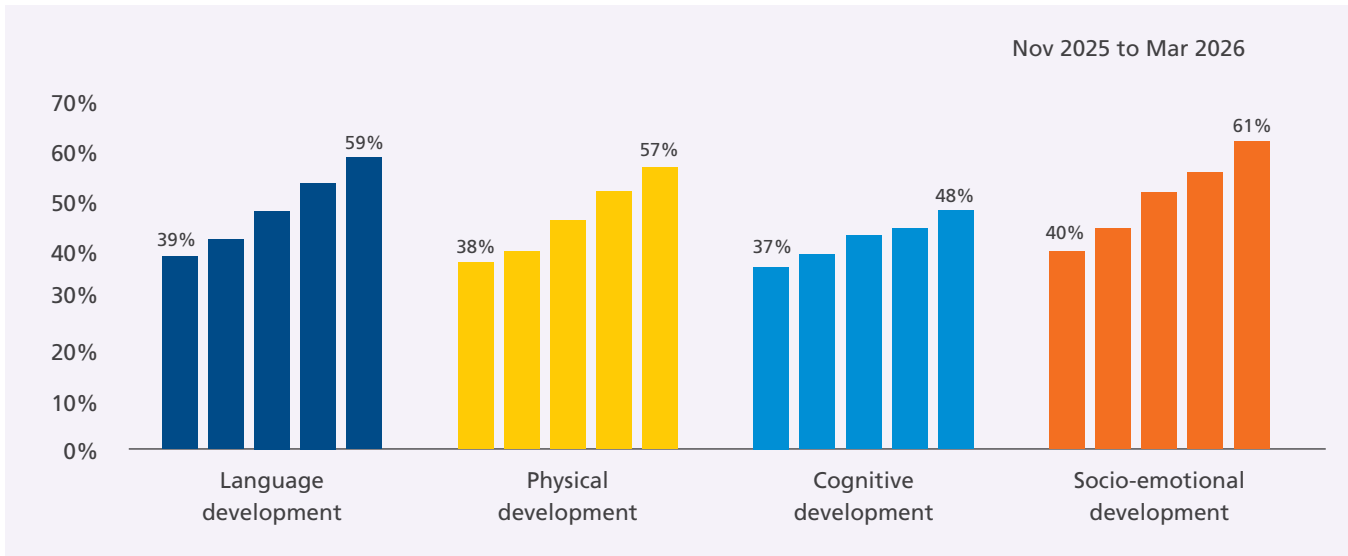
Early Childhood Support

In Mumbai’s low-income communities, L&T’s preschool initiative promotes holistic child development across 41 community Balwadis, reaching 1,970 children over 10 months and preparing them for a smooth transition to primary education. The programme focuses on building emotional, cognitive, language and sensory-motor skills in a safe and joyful learning environment. It also empowers local women as Balwadi teachers, strengthening community ownership and sustainability. Through teacher training, learning assessments and home visits, the programme enhances attendance and parental engagement.

As a result, children’s cognitive, emotional, language and motor skills have improved by an average of 93%, enabling vulnerable children to develop confidence and reach their full potential.

The Classroom Learning Evaluation (CLE) reflects steady and significant progress across all developmental domains, indicating strong gains in children’s school readiness.

Average Score in Classroom Learning Evaluation (CLE)



Learning Enhancement through the School Partnership Programme

L&T’s School Partnership Programme in nine municipal primary schools in Powai, Mumbai, focuses on enhancing foundational literacy and numeracy. By shifting from teacher-led to learner-led teaching, the programme improves learning outcomes using interactive methods. It reached 3,898 children resulting in 52% of children improved in literacy, 64% in numeracy, 67% in reading levels and 92% in language development through the library initiative.



Sunila’s Learning Progress

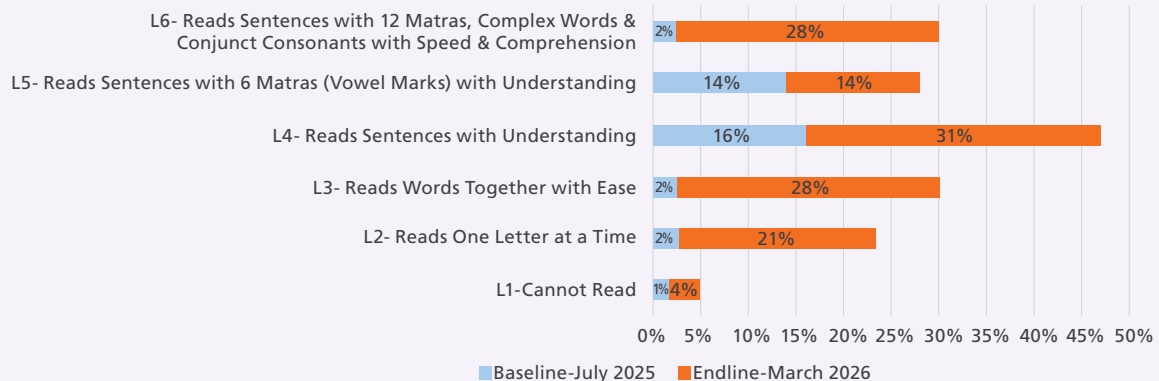
Sunila, a nine-year-old student of Class 3 at Veravali Marathi School No. 1 in Mumbai, lives with her father, a gardener, after the loss of her mother. Despite financial and emotional challenges, her father remains committed to her education. A baseline assessment in Class 2 identified significant learning gaps-she could recognise only a few letters and was unable to read words or sentences and was hesitant to participate in class due to low confidence.

Sunila was enrolled in the reading programme in Class 2, where teachers designed a personalised learning plan supported by interactive methods and level-appropriate TLMs. Through structured practice, repetition and continuous encouragement, she gradually developed foundational reading skills.

Now in Class 3, Sunila can read matras and simple books independently. She has become more confident, cheerful and now actively participates in classroom activities.



Reading Promotion Programme Assessment



Jyoti - STEM Education Initiative

Jyoti, L&T's STEM Education Programme, is a strategic initiative aimed at bridging learning gaps in Grades 6-8 across government schools in Gujarat, Tamil Nadu and Maharashtra. The programme strengthens digital infrastructure, builds teacher capacity and promotes Activity-based Learning (ABL) to transform traditional classrooms into interactive environments that foster curiosity and problem-solving.

Students are engaged through hands-on STEM models, robotics kits and space exploration tools, enabling experiential learning beyond textbooks. Teachers receive specialised training in STEM pedagogy and ABL, including sessions at District Institutes of Education and Training (DIETs) and are also trained to develop Edu-Reels-short, curriculum-aligned videos that simplify complex concepts.

Key components of the programme include:



Teacher Training:

1,176 teachers trained in STEM pedagogy, supporting 248 student-led STEM clubs and enabling creation of 6,658 models.



Science Fairs:

Participation and recognition at district, state and national levels, boosting student confidence and visibility.



ABL Sessions:

Interactive group learning using STEM TLMs, with 37% of teachers now independently using TLMs instead of lecture-based methods.



STEM Innovation and Learning Centres (SILCs):

Dedicated hubs integrating all STEM disciplines for advanced learning.



Young Entrepreneurs Bootcamp:

Students develop solutions to real-world problems, strengthening innovation and critical thinking.



The programme also strengthens School Management Committees (SMCs), teachers and parents. SMCs are trained to monitor learning outcomes and sustain interventions, while parents are encouraged to actively support their children's education and track academic progress, ensuring long-term continuity beyond the project period.



Like most parents in our community I had quietly accepted that a government school could only do so much - we sent our children hoping for basic education but never truly expecting them to be inspired, discovered, or celebrated. But the day I saw my child's name on a competition certificate, watched her teacher speak about her potential with genuine pride and walked through that STEM lab that these dedicated teachers had built with such care, I was overwhelmed - because everything I had silently wished for but never dared to expect from a government school was standing right in front of me.

Ms. Gayathri N,

Parent of student enrolled in Government Girls' Higher Secondary School, Raja Street, Coimbatore, Tamil Nadu

The programme maintains strong government partnerships, including teacher training in collaboration with DIET under the Jyoti initiative. These engagements ensure active involvement of government stakeholders in implementation and sharing of best practices. Through DIET, L&T has trained 384 teachers, with 15 independently using ABL pedagogy. Additionally, 112 student projects have been developed in 29 non-intervention schools after exposure to ABL practices.

This year, 95% of teachers reported improved ease in teaching concepts, 62% of students showed better conceptual clarity, 89% of parents observed increased interest in STEM, 69.5% of students improved in Maths and Science grades and 91% expressed interest in science-related careers.

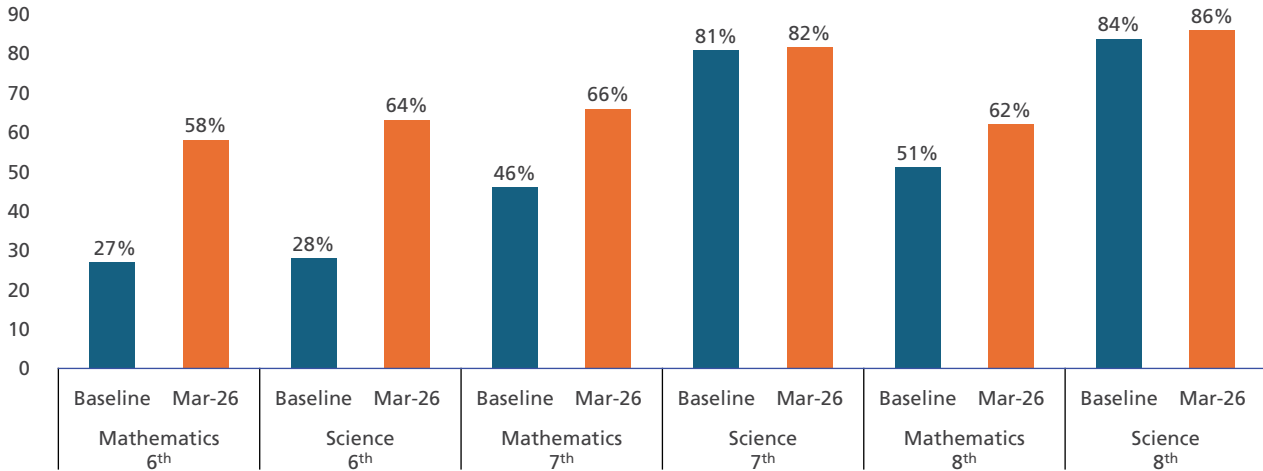


The teacher support sessions play a vital role in strengthening the ABL teaching in our school. The Jyoti project has helped us consistently transform our classrooms by using hands-on models and engaging demonstrations. These sessions not only support new teachers in understanding how to effectively use the STEM lab but also help experienced teachers refresh their practices and address classroom challenges. It helped me a lot to teach the complex and abstract science concepts easier to students and increasing their curiosity, participation and overall engagement in the classroom.

Ms. Chinnathai

Science teacher at GHSS Sundakamuthur, Coimbatore, Tamil Nadu

Standard-wise and Subject-wise Scores



Young Entrepreneurs Finale 2026

The Young Entrepreneurs Finale 2026 under the Jyoti initiative brought together 540 students from 90 schools across Mumbai and Talegaon. After a rigorous selection process, 181 students presented 90 innovative ideas, with the top three recognised at the event.

The programme followed an 18-hour “Thinking Coaches” workshop introducing Design Thinking and future technologies to solve real-world challenges. It also included training for 150 teachers to support student innovation.

Overall, the initiative engaged 10,000 students and 150 teachers, with 12 L&Ters mentoring students from 7 schools, fostering creativity, collaboration and problem-solving skills.



Digital Scarecrow Innovation

In rural agricultural communities, crop damage from birds and animals remains a persistent challenge, affecting farmer livelihoods. Traditional scarecrows have become ineffective as animals adapt over time. Addressing this issue, students from Pratibha Vidyaniketan, Talegaon developed a ‘Digital Scarecrow’ as part of the Jyoti initiative. The solution uses spring-based sensors to detect movement and emits loud sounds to deter birds and animals without causing harm.

The device is cost-effective, non-lethal, easy to deploy and adaptable to different farm conditions. Pilot use on farms showed reduced crop damage and fewer instances of trespassing. The innovation demonstrates how empathy, creativity and technology can combine to deliver practical and scalable solutions for agriculture.



Remedial Classes

L&T's Community Learning Centres provide remedial education for children aged 7-12 years, strengthening Foundational Literacy and Numeracy (FLN) skills. Set up in government schools or public spaces and operating after school hours in partnership with local municipal bodies, the centres support children struggling with grade-level competencies.

Students are grouped into small batches for focused two-hour daily sessions, where trained teachers and volunteers provide personalised support in language and Maths within a nurturing environment.

Currently, 58 centres operate in Mumbai, reaching 3,677 children. The initiative has led to measurable improvements in learning outcomes and received strong appreciation from parents.

Anusha's Learning Progress

Anusha, a nine-year-old from Asalpa, Mumbai, moved from a Hindi-medium school in her native village when her family shifted for her father's employment. Enrolled in an English-medium school mid-transition, she struggled with reading, number recognition and understanding lessons, which affected her confidence and participation in class.

Under the Humara Sheher project, she was enrolled in remedial classes focused on foundational learning through personalised mentoring and activity-based methods. Teachers supported her with phonics, number recognition and basic concepts, using simple, step-by-step approaches and encouraging regular practice at home.

With consistent support, Anusha now reads short stories independently and solves basic Maths word problems. She actively participates in class discussions and has regained her confidence, also helping her younger sibling with learning at home.



Self-Learning Classes

The education programme promotes collaborative learning through self-learning groups for students in Grades 6-8. On average, 100 children participate each month, forming groups of five that meet at least once a week to solve exercises and use learning materials to strengthen understanding. Sessions run for 23 days each month, creating a consistent learning rhythm.

A notable outcome is the growing involvement of the local elderly community, with many offering their homes as safe study spaces and actively supporting and monitoring children. This has strengthened both learning support and community ownership of education.



Supporting Schools through Infrastructure Development

L&T supports under-resourced government schools by developing essential infrastructure such as classrooms, libraries, compound walls, toilets, laboratories and learning spaces. The initiative also includes furniture provision, digital classrooms, renovation of facilities and playgrounds, drinking water systems and solar power installations to improve the learning environment.

Students from low-income families in rural and tribal areas are also supported with uniforms, textbooks, notebooks and sports equipment, ensuring access to essential learning resources.

Improving School Sanitation in Sirohi

A Government Senior Secondary School in Sirohi district, Rajasthan, in Rajasthan, catering to 630 students (over 75% girls), faced severe sanitation challenges with only one functional toilet for girls and none for boys. This led to poor hygiene, overcrowding and health risks, affecting attendance and student well-being.

To address this, two gender-segregated toilet blocks with assured water supply were constructed within the school premises, designed for accessibility, privacy, ventilation and proper maintenance. Hygiene awareness sessions were also conducted for students and staff. The intervention significantly improved sanitation conditions, student comfort and attendance-particularly among girls. The initiative also received appreciation from the Additional District Magistrate, Sirohi.

As the Headmaster noted, "We are seeing better attendance and healthier students, especially among girl students."



Restoring Learning Space in Buxar

Sarenja Government Primary School in Buxar, Bihar faced severe infrastructure constraints, with two classrooms operating in makeshift spaces near toilets, creating discomfort, poor hygiene conditions and disruptions to learning.

To address this, two new classrooms were constructed, providing safe, adequate and dignified learning spaces. The improved infrastructure led to higher student attendance, better concentration and increased classroom engagement. Parents, particularly of girl students, became more supportive of school participation.

The intervention restored dignity and trust in the learning environment, contributing to improved educational outcomes and a positive school experience.

The education programme works closely with school principals to ensure active participation in implementing initiatives, fostering engagement among teachers and students. This collaboration builds a strong sense of ownership, encouraging principals to share best practices with other schools.

Teachers and students are also provided exposure visits to experience project interventions across institutions. Under the Jyoti programme, principals are encouraged to organise competitions and facilitate visits to STEM Innovation and Learning Centres (SILC) and laboratories, thereby strengthening interest and participation in STEM education.

Interventions	Schools/ Centres	Students
Jyoti	341	51,741
Digitisation	48	13,085
Pre-school	170	7,004
Learning Enhancement and Life Skills	513	1,18,008
Community Learning Centres	142	13,162
Infrastructure Improvement	172	47,288

Health

India's healthcare system continues to face challenges such as rising costs, shortage of trained professionals, limited elderly care and urban-rural disparities. Low public health spending, limited insurance coverage and inadequate awareness of preventive practices further restrict access to quality care, especially among underserved communities.

Since 1968, L&T has been working to improve community health by delivering accessible and affordable healthcare. Its initiatives strengthen health infrastructure, leverage technology and promote community engagement to enhance overall well-being.

L&T operates 10 Community Health Centres (CHCs) and 12 Mobile Health Units (MHUs) across Gujarat, Maharashtra and Tamil Nadu. While CHCs cater to urban populations in cities like Mumbai, Surat and Chennai, MHUs extend services to remote villages, tribal communities, the elderly and persons with disabilities. Interventions include primary care, specialised services such as dialysis and Antiretroviral Therapy (ART) and outreach programmes for children, pregnant women, senior citizens and persons with disabilities. Health camps, awareness drives, blood donation initiatives and self-care programmes further promote preventive health practices.

The programme aligns with national health priorities, covering Reproductive, Maternal, Newborn, Child and Adolescent Health (RMNCH+A), family planning and management of communicable diseases such as tuberculosis and HIV, as well as non-communicable diseases like anaemia, diabetes and hypertension. Services also include mental health support, early cancer detection and therapeutic care, with select centres offering homeopathy.

L&T facilitates access to government schemes such as Pradhan Mantri Jan Arogya Yojana and Jan Aushadhi Yojana. The ART Centre in Mumbai operates in partnership with MDACS and the Municipal Corporation of Greater Mumbai.

During the year, services expanded to include Jan Aushadhi linkages at CHC Chennai, ophthalmology services at CHC Lonavala and increased in-patient capacity at Nirali A M Naik Charitable Healthcare Facility. **The ART centre, and Health Centres at Andheri and Thane received NABH accreditation, taking the total number of accredited centres to five.**

In addition, L&T supports infrastructure development in government hospitals, including Primary Health Centres (PHCs), further strengthening access to quality healthcare for underserved communities.

10 Community Health Centres (CHCs)

12 Mobile Health Units (MHUs)



Cancer Care Services

During FY 2025-26, L&T implemented a community-based cancer screening programme for early detection of oral, breast and cervical cancers across Mumbai, Navi Mumbai and Thane. The initiative covered 100 camps and focused on awareness generation, capacity building of frontline workers, organised screenings and a structured referral and follow-up system.

The programme reached 5,095 beneficiaries from underserved and high-risk communities, integrating screening with health education, IEC material distribution, counselling and patient navigation to ensure continuity of care. Capacity building of 103 government officials and frontline workers strengthened alignment with the public health system and enhanced community trust.

For the first time, cervical cancer screening using HPV DNA and VIA testing was introduced at the community level. HPV DNA testing enables early identification of high-risk infections before visible symptoms appear, improving the scope for timely intervention.

The programme achieved 91% coverage among eligible women and identified 156 women (4%) as HPV-positive, prioritising them for further diagnosis and treatment. This initiative marks a significant step towards early detection and reducing the burden of cervical cancer in underserved populations.

Timely Antenatal and Newborn Care

Ms. Pradnya was enrolled under antenatal care (ANC) at L&T's Satellite Clinic in Govandi-Mumbai immediately after pregnancy confirmation. She received regular monitoring along with iron, calcium and nutrition support, complemented by counselling on diet, medication adherence and safe delivery practices.

During a routine postnatal home visit on day five after delivery, the newborn showed signs of mild jaundice. Prompt diagnostic testing revealed elevated bilirubin levels (17.8 mg/dL) and the baby was immediately admitted for phototherapy. After two days of treatment, bilirubin levels reduced to 8.7 mg/dL and the newborn recovered fully.

Timely home visits, early detection and swift medical intervention ensured a safe outcome, along with continued guidance on breastfeeding, newborn care and supplementation.

Long-term HIV Care and Psychosocial Support

At the ART Centre in Andheri-Mumbai, a young adult in his early 20s arrived carrying years of emotional distress and confusion regarding his HIV status, acquired through parent-to-child transmission. Although his positive status was identified at birth, it was initially not disclosed due to his mother's denial.

In 2017, after sustained counselling efforts, he was brought in for testing and confirmed HIV positive. The ART Centre team provided structured individual and family counselling to help him cope with anger, confusion and stigma. A personalised, long-term care approach helped rebuild trust and treatment adherence. Over time, he achieved viral load suppression since 2022, with significant health improvement, including weight gain from 55 kg to 75 kg over six years. Psychosocially, he showed reduced stigma, improved confidence and a renewed sense of purpose and is now a working professional.

As he shares, "The ART Centre team stood by me like family. They helped me accept my condition and move forward. Today I take my treatment regularly and feel confident about my future."

The ART Centre is India's first ART centre to receive NABH accreditation.



Skill Development

Recognising the gap between the demand for skilled manpower and youth employability, L&T established Construction Skills Training Institutes (CSTIs) since 1995 to equip underprivileged rural youth with industry-relevant skills and enhance livelihood opportunities.

Operating across 10 locations - Bengaluru, Kancheepuram, Panvel, Pilkhuwa, Serampore, Jadcherla, Cuttack, Chacharwadi, Mayurbhanj and Vadnagar, CSTIs offer training in over 14 construction trades, including welding, scaffolding, masonry and electrical work. The curriculum is aligned with the National Skills Qualification Framework (NSQF), with 80% hands-on training. Trainees receive National Council for Vocational Training (NCVT)-recognised certification, ensuring industry acceptance. Beyond technical skills, programmes integrate soft skills, digital literacy and safety practices to develop workforce-ready candidates.

Impact

13,102

candidates trained through CSTIs

61%

placement rate

306

candidates trained at the Multi-Skill Training Centre

3,289

individuals reached through other vocational programmes, with

96

micro-enterprises established generating

~₹ 6,000

monthly income

L&T continues to promote gender inclusivity in construction. The Skill Hub in Mayurbhanj trained 268 women during the year, while also working with project teams to create safe, inclusive worksites. Employers report that women trainees demonstrate high efficiency, discipline and professionalism, positively influencing workplace culture.

L&T collaborates with the Ministry of Skill Development and Entrepreneurship and the National Skill Development Corporation (NSDC) through its Skill Trainers Academy (STA) in Mumbai, which trained 660 trainers this year, strengthening the ecosystem for skilled workforce development.

L&T's skilling initiatives continue to advance inclusion, with women constituting 19% of participants across construction and vocational programmes.



Transitioning from Agriculture to Skilled Employment

Rishi Kumar from Champaran, Bihar grew up in a farming household marked by uncertain incomes. After schooling, he enrolled at Bettiah ITI, where he learned about L&T's CSTI in Bengaluru and where he joined a 45-day Pipe Fitting course. The hands-on training equipped him with practical skills in installation and utility applications. Upon completion, he secured employment with a starting salary of ₹ 18,000 per month, rising to ₹ 20,000 in the second year, bringing stability to his household beyond agriculture.



Doubling Income through Skill Training

Arun Singh from Ambedkarnagar, Uttar Pradesh, despite completing ITI, worked as a daily wage helper earning ₹ 12,000 per month with limited growth prospects. After enrolling in CSTI Pilkhuwa's Electrician course, he gained hands-on experience and discipline-driven training. He now earns ₹ 25,000 per month, more than doubling his income and enabling him to support his family with dignity.



From Daily Wage Worker to Overseas Employment

Chandrasekara from Karaikal, Puducherry had to leave school early due to family constraints and worked as a welding assistant earning ₹ 350 per day.

Through formal training in advanced welding techniques, he enhanced his technical skills and secured a job in Abu Dhabi. Today, he earns ₹ 30,000 per month, supporting his family, funding his brother's education and contributing to his father's medical care.

Empowering Women through Skills

Jharna Murmu, a 23-year-old from Mayurbhanj, Odisha, faced financial hardship after being orphaned young. Determined to build a future, she enrolled in the Computer Data Operator and Office Assistant course at L&T's Skill Hub.

The training enabled her to secure employment in Jamnagar, Gujarat, with a monthly income of ₹ 23,000. Today, she supports her family and stands as an inspiration in her community.

L&T-eering: Employee Volunteering Initiative

L&T nurtures a strong culture of employee volunteering, encouraging its workforce to actively engage in community development initiatives.

In FY 2025-26, 10,461 employees dedicated their time and expertise to a wide range of activities, including creativity camps, STEM workshops, educational excursions, NGO and craft melas, and participation in Daan Utsav. Many volunteers focused on mentoring underprivileged children, helping bridge learning gaps and equipping them with future-ready skills. Employees also contributed to healthcare initiatives through medical camps, blood donation drives and awareness programmes. In addition, they supported environmental sustainability by organising tree plantation drives, clean-up campaigns and promoting RE solutions.

JalTarang - Fostering STEM Learning through Volunteering

The JalTarang initiative in Surat, Gujarat, was launched to spark curiosity by combining classroom learning with hands-on technology, complementing the Jyoti STEM programme across 52 schools and nearly 6,000 students in Olpad and Choryasi talukas.

19 L&Teers underwent training in sensor technology, basic coding and problem-solving to mentor students. At Shardha Vidhyalaya, Icchapore, students developed practical solutions such as a water tank overflow alarm, automatic tap and plant watering system-addressing real-world challenges like water conservation. The overflow alarm is now actively used in the school.

In addition, volunteers supported the installation of a groundwater recharge system and school benches. With 191 volunteer hours, JalTarang fostered innovation among students while strengthening employee engagement, creating a meaningful impact on sustainability and community learning.

Linking CSR Interventions with Government Schemes and Programmes:

Swachh Bharat Abhiyan:

2,984

household toilets constructed since 2017-18 using local skills and materials

1,739

school toilets constructed since 2015-16

49,149

children provided WASH awareness since 2015-16

41

villages achieved Open Defecation Free status

Swajal Yojana under Rural Development Ministry:

Watershed development programme under Unnati, ICDP

National Rural Livelihood Mission (NRLM):

SHG programme under Unnati, ICDP

Agricultural Technology Management Agency (ATMA) scheme:

Exposure visit, training, demonstration under Unnati, ICDP

Pradhan Mantri Krishi Sinchayee Yojana:

Drip irrigation in Unnati, ICDP

Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA):

Farm bunding activity in Unnati, ICDP

National Skill Development Mission:

L&T CSTIs, Multi Skill Training Centre and Skill Trainers Academy (STA) at Madh

National Health Mission:

National AIDS Control Programme (NACP):

L&T ART centre at Andheri

National TB Control Programme (RNTCP):

L&T TB Centre at Andheri

National Family Planning Programme:

Contraceptive services made available at L&T Health Centres

Integrated Child Development Scheme:

Improving the quality of services at Anganwadi and capacity building of Anganwadi workers

Mother and Child Health Programme:

Ante and Post Natal Care, and immunisation services provided at the health centres are linked to this programme

Ayushman Bharat Yojana:

Linking patients visiting L&T health centres to this scheme

Pradhan Mantri Jan Arogya Yojana:

Linking patients availing dialysis services at L&T centre to this scheme

Pradhan Mantri Bhartiya Janaushadhi Pariyojana:

Linking patients visiting L&T health centres to this scheme

Mahatma Jyotiba Phule Jan Arogya Yojana in Maharashtra:

Linking patients visiting L&T health centres with this scheme

Widow Pension Yojana:

Linking HIV impacted widows at ART Centre

Adhar Poshan Yojana:

Provide nutritional support to HIV-affected patients at the ART centre

Sarva Shiksha Abhiyan (SSA) -

Community pre-school programmes and community learning centres preventing dropouts and ensuring enrolment

STEM Initiative of National Science and Technology Communication Council and the Department of Science and Technology, Government of India - L&T's STEM Education Programme Jyoti



Impact Assessment of CSR Projects

A total of 34 CSR projects implemented in FY 2023-24 were eligible for impact assessment in FY 2025-26.

The assessment, conducted by SGS India Private Limited, covered initiatives that collectively reached approximately 14.73 lakh beneficiaries across key thematic areas including skilling, education, healthcare and water and sanitation.

The assessment highlights that these interventions span both rural and urban geographies, with a deliberate focus on high-need and underserved regions. The portfolio demonstrates a balanced approach-combining intensive,

long-term engagement in select locations with broader geographic outreach to maximise inclusion and equity.

Findings indicate that L&T's CSR initiatives have generated tangible and sustained outcomes at the community level. These include improved access to essential services, strengthened educational outcomes, enhanced health and hygiene practices and expanded livelihood opportunities. Collectively, these efforts have contributed to an overall improvement in quality of life while also building resilience among vulnerable and underserved populations.



Skill Development

13

Projects Assessed

37,000

Beneficiaries

- 95% of candidates reported that the training was useful for their work
- 91% were able to align training with market demand for workmen and supervisory roles
- 99% were connected to local employment opportunities post-certification from skill training institutes
- 73% of CSTI beneficiaries were employed or self-employed, with 74% reporting increased household income
- 87% of Multi Skill Training Centre beneficiaries were employed or self-employed, with 95% reporting income growth
- Post-training earnings ranged from ₹ 15,000 - ₹ 18,000 per month for worker and up to ₹ 40,000 for supervisory roles
- Skill training initiatives in Gujarat have enabled rural women and youth to build confidence and livelihoods through trades such as tailoring, beautician services and computer skills



Water and Sanitation

5

Projects Assessed

4.62 lakhs

Beneficiaries

- 93.8% of targeted beneficiaries under Unnati achieved ODF status
- 100% of households provided with sanitation units are actively using them, reflecting behaviour change
- Integrated interventions, including soil and water conservation, livelihood enhancement and women's participation in community institutions, have reinforced long-term outcomes
- 86.5% of women and girls reported improved menstrual hygiene management through school sanitation and awareness initiatives, enhancing dignity, safety and school participation
- Groundwater recharge and waste management initiatives show strong sustainability, with over 93% of beneficiaries confirming proper maintenance of water and sanitation facilities



Education

13

Projects Assessed

2.86 lakhs

Beneficiaries

- L&T’s interventions addressed critical infrastructure and learning gaps in schools, particularly in rural and underserved regions
- Teachers and headmasters reported improved attendance, reduced dropout rates and smoother academic functioning
- 95% of students reported improved reading and writing skills, enabling better engagement with school curricula
- Children in Balwadis showed higher engagement, stronger grasp of basic concepts and active participation, while also creating local employment for educators
- Increased parental involvement observed, with mothers actively supporting children’s learning at home
- 90% of students reported greater interest in Science and Maths for higher education and careers
- STEM programmes enhanced awareness of real-world challenges and problem-solving capabilities
- 93% of students reported increased confidence in using computers and technology following access to computer labs



Health

3

Projects Assessed

6.88 lakhs

Beneficiaries

- 100% of assessed facilities reported critical baseline gaps (equipment, diagnostics, emergency transport), indicating strong alignment of interventions with community healthcare needs
- Beneficiaries reported high satisfaction, improved access to diagnostics and better continuity of care
- MHUs effectively bridged last-mile access gaps, while dialysis and chronic care services enabled sustained treatment for vulnerable populations
- 92% of beneficiaries reported improved health outcomes
- 87.5% reported reduced out-of-pocket expenditure, with savings of up to ₹ 35,000 per month

Relationship Capital

Relationship capital reflects the value embedded in L&T's engagement with stakeholders across the value chain - customers, supply chain partners, employees, investors, governments and communities. Built on trust, transparency and collaboration, these relationships enhance operational efficiency, innovation, risk management and long-term growth.

- **Trust and Collaboration:** When partners work together transparently and share information, it leads to more efficient problem-solving, innovation and mutual growth
- **Engagement and Loyalty:** Building long-term relationships with supply chain partners and customers enhances reliability, reduces lead times and ensures better quality control
- **Communication and Transparency:** Open, honest communication builds a foundation of trust, which is vital for anticipating issues, addressing challenges and driving continuous improvement in the value chain
- **Risk Management:** Strong relationships with the direct stakeholders help organisations better anticipate, mitigate and manage risks such as supply disruptions, price volatility, or regulatory changes

The basis of identification of the stakeholders has been elucidated in the 'Driving Stakeholder Engagement' chapter along with mode of engagement, frequency and topics covered in these engagements. Furthermore, Principle 4 of the BRSR aligns closely with relationship capital by highlighting the importance of building strong, trust-based and mutually beneficial relationships with stakeholders. This relationship capital, in turn, drives sustainable business growth, innovation and long-term value creation.

Sustainable Supply Chain and Responsible Sourcing

L&T integrates ESG principles across procurement and supply chain operations through its Sustainable Supply Chain Policy and Supplier Code of Conduct. All supply chain partners are required to comply with standards on ethics, human rights, labour practices, environmental stewardship and anti-corruption. ESG due diligence, third-party sustainability assessments, capacity-building programmes and corrective action plans strengthen supply chain resilience and accountability.

289 critical supply chain partners have been assessed through a third-party digital ESG platform, with structured handholding and re-assessments driving measurable improvements in ESG performance. Over 1,200 supply chain partners were trained on sustainability expectations, reinforcing shared responsibility for value creation

ESG Integration

L&T is guided by its Sustainable Supply Chain Policy and Code of Conduct for Suppliers, which embed ESG expectations across labour practices, environmental stewardship, human rights, ethics and anti-corruption in the supply chain. Brief overview is as follows:

- **Purpose & Scope:** Defines standards for ethical, responsible and sustainable practices across L&T's global supply chain and applies to all supply chain partners, contractors, sub-contractors, vendors, consultants and business partners.
- **Core Pillars**
 - **Environmental Sustainability:** Resource efficiency, pollution prevention, waste reduction, regulatory compliance
 - **Human Rights & Labour:** Safe working conditions, human rights protection, equal opportunity, non-discrimination and zero harassment
 - **Ethics & Compliance:** Zero tolerance for bribery and corruption, conflict of interest disclosure, data privacy, fair competition and ethical conduct
- **Governance & Enforcement:** Compliance with the Code of Conduct for Suppliers and submission of a compliance declaration are mandatory for onboarding. Supply chain partners are also assessed on ESG KPIs including quality, safety, environmental management systems and regulatory compliance. Grievance redressal and whistleblower mechanisms are in place to enable confidential reporting of concerns. L&T reserves the right to conduct due diligence, audits and inspections. Acceptance of the Code is mandatory and forms part of vendor onboarding and purchase orders.
- **Accountability:** Non-compliance constitutes a breach of contract and may result in corrective action, suspension, or termination of the business relationship. Breaches can be reported through the whistleblower mechanism.

Capacity Building

The Company conducts regular capacity-building sessions to familiarise supply chain partners with evolving sustainability expectations and standards. This includes topics such as fundamentals of ESG, regulatory frameworks, BRSR, environmental management, human rights.

Sustainability Assessment of Supply Chain Partners

L&T continues its structured approach to supply chain sustainability by partnering with an independent third-party agency to conduct a comprehensive sustainability assessment through a digital platform. This external assessment enhances objectivity, enables benchmarking and helps identify both risks and improvement opportunities across critical supply chain partners.

The refined methodology includes ESG questionnaires aligned with global standards, desk reviews, disclosures and on-ground validations (as applicable), followed by scoring and classification of supply chain partners into ESG risk categories. Corrective action plans are developed for medium- and high-risk supply chain partners.

I. Identification of 'Critical' Supply Chain Partners:

The critical supply chain partners have been identified based on those with the highest influence on business continuity and operations. Given the Company's diversified portfolio, the identification process was guided by a set of well-defined criteria, including:

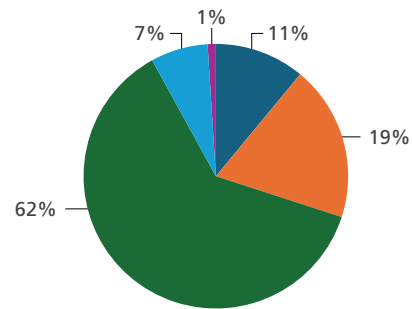
- **High value/high volume Supply Chain Partners:** Providers of essential materials such as steel, cement, aggregates, or capital equipment.
- **Single or sole source Supply Chain Partners:** Partners providing proprietary technologies, niche components or critical engineering systems with limited alternative sourcing options.
- **Strategic impact Supply Chain Partners:** Partners engaged in long-term collaboration and partnership
- **Geographical or risk-based importance:** Supply chain partners in high-risk geographies or critical to project timelines.

- **Client-designated Supply Chain Partners:** Partners mandated or preferred by clients for technical or compliance reasons.

II. **Sustainability assessment of critical Supply Chain Partners through third-party:** Based on the above multi-dimensional criteria, 289 critical supply chain partners have been assessed through a third-party digital ESG platform in the last two years; 169 evaluated during the year.

III. **Coverage:** Supply chain partners from India and other countries

Geographical distribution of selected critical supply chain partners selected in FY 2025-26



■ Europe ■ West Asia ■ India ■ Rest of Asia ■ Others

IV. **Performance Banding and Results:** Categorised in three bands as below:

Band	Score Range	Interpretation
Green	> 60%	Leader
Yellow	> 40% and < 60%	Emerging
Amber	< 40%	Aspirant

V. **Training programmes for critical supply chain partners:** L&T conducted targeted training sessions to onboard supply chain partners and build awareness of the assessment framework, methodology and expectations, reinforcing shared responsibility for sustainability performance.

Approach to Sustainability Assessment

1

Phase 1 Self-assessment by the Supply Chain Partners:

A structured self-assessment was conducted across five ESG modules: governance, ethical business practices, human rights and labour, health and safety and environment. The questionnaire was aligned with regulatory requirements, BRSR disclosures and global ESG standards, includes both qualitative and quantitative responses along with supporting documentation.

2

Phase 2 Gap assessment report and handholding workshops:

The self-assessment is followed by verification of information and documents by independent assessors. Each supply chain partner received a customised gap assessment report outlining key findings and improvement areas, along with defined targets and timelines to enhance ESG performance. L&T conducted handholding workshops for Yellow and Amber category supply chain partners, focusing on recurring gaps across ESG modules such as EMS implementation, climate risk management, sustainable supply chain practices. Supply chain partners were supported in developing and implementing structured improvement action plans.

3

Phase 3 Re-assessment of ESG score:

The yellow and amber band supply chain partners were subsequently reassessed through the digital platform, confirming measurable improvements in their ESG scores based on the corrective actions implemented.

Results of FY 2025-26

169

Total desk assessments during the year: Phase I

101

Total desk assessments during the year: Phase III

7

Total on-site assessments during the year

Out of 169 supply chain partners assessed:

90

Number of Supply Chain partners with ISO 14001 Certification

92

Number of Supply Chain partners with ISO 45001 Certification

101

Number of Supply Chain partners with ISO 9001 Certification

Band	Score Range	Interpretation	Initial number of supply chain partners [Phase I]	Final number of supply chain partners [Phase III]
Green	> 60%	Leader	63	104
Yellow	> 40% and < 60%	Emerging	50	30
Amber	< 40%	Aspirant	56	35

Highlights

- Sustainable supply chain policy coverage: **All supply chain partners**
- Supplier code of conduct signed: **100%** of all active supply chain partners
- Supply chain sustainability assessment coverage: **289** critical supply chain partners in last two years
- Sustainability awareness coverage: **>1,200** supply chain partners
- Green rated supply chain partners in the last two years: **210**
- Sustainable sourcing by value of purchase (sourcing from Green rated supply chain partners): **~20%**

Looking Ahead

Relationship capital represents a key intangible asset reflecting the strength of an organisation’s stakeholder relationships. Built on trust, communication and mutual respect, it enables long-term value creation, enhances stakeholder loyalty and reputation and supports sustainable growth. Effective management of relationship capital through transparent and consistent engagement strengthens resilience and creates competitive advantage.

To promote a skilled and gender-inclusive workforce and support the growing construction sector, L&T’s new CSTIs at Vadnagar and Amaravati will provide a strong impetus, aligned with the Skill India Mission. L&T will continue to strengthen social and relationship capital by scaling inclusive skilling initiatives, deepening engagement in aspirational districts through Nayi Disha and advancing responsible supply chain practices. By embedding trust-based relationships, transparent engagement and shared value creation, L&T aims to convert social capital into sustained competitive advantage and long-term stakeholder value, aligned with global best practices in integrated and sustainability reporting.

A grievance redressal mechanism plays a crucial role in building and maintaining relationship capital by fostering trust, improving communication, preventing conflicts and ensuring stakeholder loyalty. *The mechanism related to investors, shareholders and supply chain partners is explained in Section A of the BRSR of this Report. The mechanism for workers, communities and customers is explained in Principles 3, 8 and 9, respectively, of the BRSR section of this Integrated Annual Report FY 2025-26.*



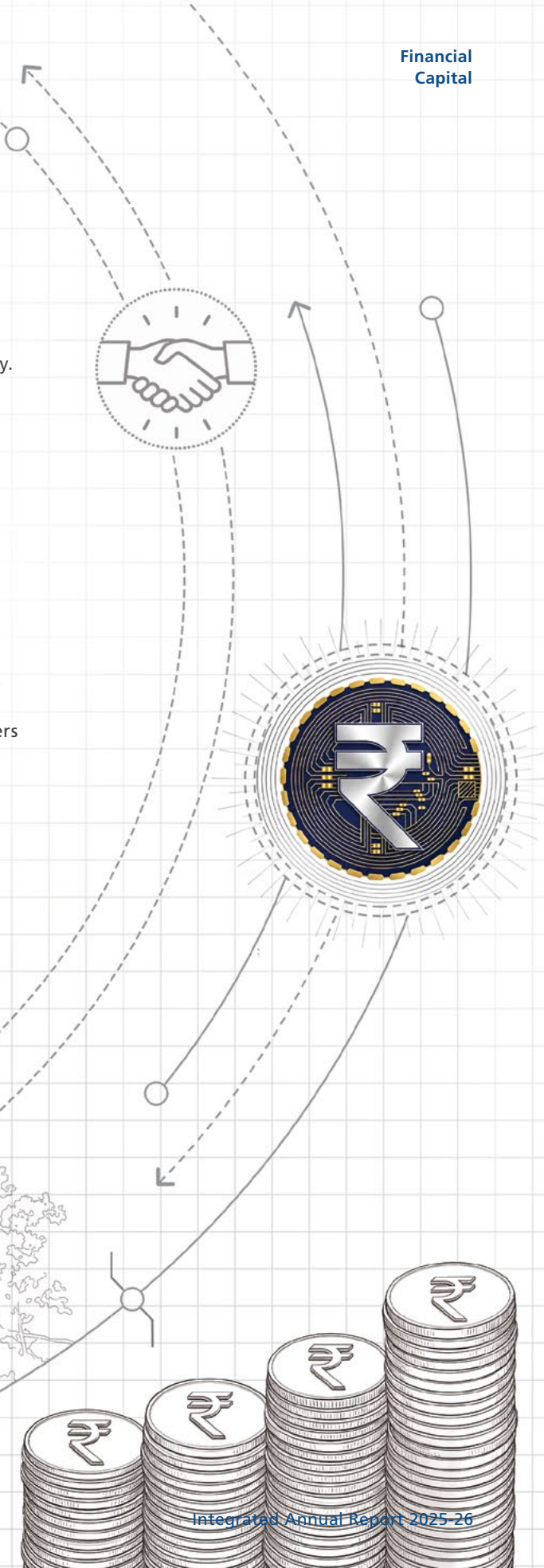
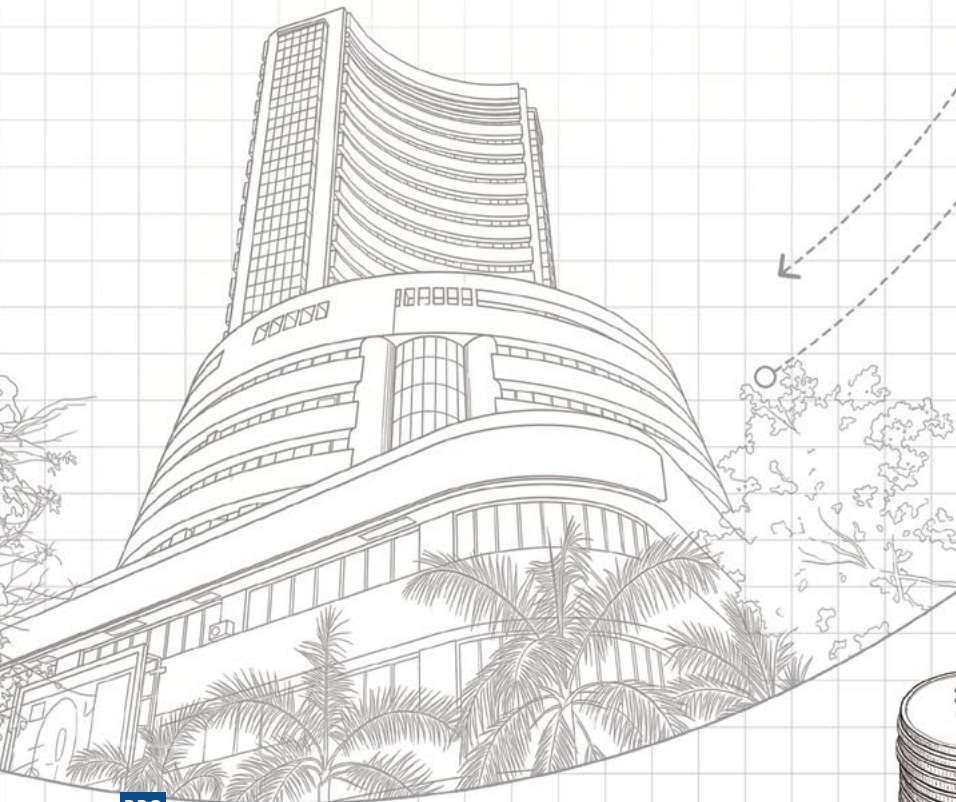


FINANCIAL CAPITAL

Financial capital provides a strong foundation for effective risk management amidst unexpected events and macroeconomic volatility. It enables the Company to maintain optimal balance between risk exposure and growth objectives.

Backed by a record-high order book, a strong balance sheet, a well-diversified portfolio and a consistent history of successful execution, the Company is well positioned to manage the challenges of today's volatile business environment. Continued growth in core business segments, along with strategic expansion into emerging sectors, is expected to play a key role in achieving the **Lakshya 2031** goals and in creating long-term value for all stakeholders.

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



Key Highlights of FY 2025-26

21%

Order Inflow Growth

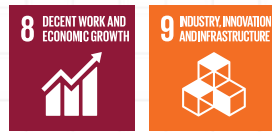
62%

Growth of International Order Book

Strategy linkage¹



SDGs Impacted



Material Topics

- Customer Satisfaction
- Product Quality and Reliability
- Data Privacy and Security
- Geopolitical Risks
- Climate Change
- Community Relations



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

Key Highlights of FY 2025-26:

- The Company executed a Share Purchase Agreement with Hyderabad Metro Rail Limited, a Government of Telangana enterprise, for disposal of its entire shareholding in L&T Metro Rail (Hyderabad) Limited (L&T MRHL), a subsidiary of the Company
- The Company has acquired additional 4.1% equity shareholding of E2E Networks Limited during the FY 2025-26, taking the total shareholding to 19% in FY 2025-26
- The process to transfer the Realty Business Undertaking (Realty BU) to L&T Realty Properties Ltd. (L&T Realty), a wholly owned subsidiary of the Company, through a slump-sale via NCLT-approved Scheme of Arrangement has been initiated



Performance Summary for FY 2025-26:

- Order Inflow achieved a growth of 21% y-o-y, with 47% contribution coming from international orders
- Revenue registered growth of 8% compared to FY 2024-25
- Recurring PAT registered growth of 26% y-o-y attributable to a pickup in activity levels and improved treasury operations
- Operational cash flows improved on account of favourable working capital movements
- The Board of Directors has recommended a final dividend of ₹38 per equity share for the approval of the shareholders



Economic Value Generated and Distributed² [in ₹ Cr]

Data	Description	FY 2025-26	FY 2024-25
Economic Value Generated	Total income	1,64,828	1,51,340
Economic Value Distributed	Manufacturing, construction and operating expenses	1,30,266	1,20,900
	Employee wages and benefits	11,573	10,349
	Payments to providers of capital		
	Interest	1,675	2,195
	Dividend	5,227	4,676
	Payments to exchequer	7,742	7,481
	Community investments (CSR)	176	165
Economic Value Retained		8,169	5,573

² Excluding exceptional items

Value Generated

Total Income [in ₹ Cr]

FY 2025-26

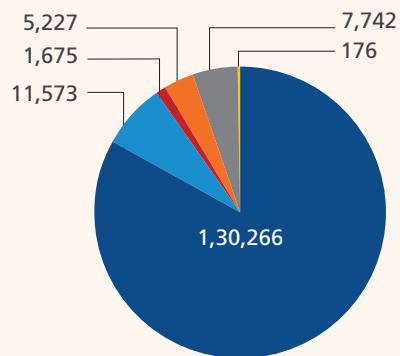
1,64,828

FY 2024-25

1,51,340

Value Distributed [in ₹ Cr]

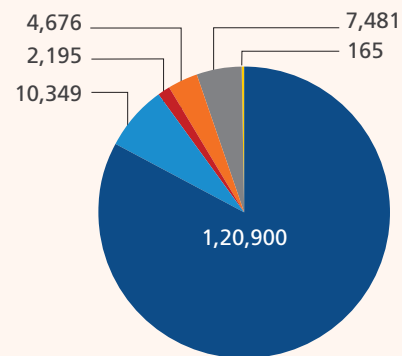
FY 2025-26



■ Manufacturing, Construction and Operating Expenses

■ Employee Wages and Benefits

FY 2024-25



■ Interest

■ Dividend

■ Payment to Exchequer

■ Community Investments (CSR)

Notes on Sustainability Information

The Integrated Report section of Integrated Annual Report FY 2025-26 showcases various information across sustainability parameters. This section includes details on coverage, approach, standards and references used for the disclosures.

Scope and Reporting Boundary

This report has been prepared for the parent or standalone entity of Larsen and Toubro Limited. The scope is aligned with the businesses considered under the L&T's standalone financial reporting. Listed subsidiaries of the Company i.e. LTM Limited, L&T Technology Services Limited, L&T Finance Limited, and unlisted subsidiaries have not been included in the reporting boundary.

Data disclosed for Scope 1 emissions, Scope 2 emissions, energy, water and waste covers all operations and 100% of the Company revenues (standalone) for FY 2025-26.

Methodology and References

Scope 1 Emissions

Scope 1 emissions have been calculated based on GHG Protocol and includes GHG emissions from all the fuels consumed (diesel, petrol, natural gas, liquified petroleum gas, furnace oil, acetylene, biodiesel, biomass) across all locations of the Company. Fugitive emissions from consumption of CO₂ in fire extinguishers and welding processes as well as from use of refrigerants in air-conditioning systems have also been included under Scope 1 emissions.

Emission factors for fuels are as per the latest emission factors published by UK DEFRA.

Scope 2 Emissions

Scope 2 emissions have been calculated based on GHG Protocol for the electricity consumed across all locations of the Company. The Company does not consume any purchased steam, heat, or cooling. Location-based Scope 2 emissions have also been disclosed.

Electricity sourced from renewable sources/supply has been accounted based on the instruments used (power purchase agreements, open access, green tariffs) by the business units of the Company or generated within the Company. The instruments have the relevant green attributes embedded as required for accounting as renewable power. Residual mix for electricity sourced from the grids has been considered based on the country where the electricity is getting consumed. For India, the emission factor (residual mix) is taken from latest data published by Central Electricity Authority (CEA) in January 2026. For other countries, emission factor has been taken from latest data published by International Renewable Energy Agency (IRENA).

Scope 3 Emissions

Scope 3 emissions across different categories (as included in GHG Protocol) have been calculated for material using specific method relevant to the category.

Scope 3 category	Evaluation status	Calculation Methodology
Purchased goods	Relevant, calculated	For one set of materials, average-data method has been used to calculate emissions based on the quantity of materials purchased. Emissions factor taken either from supplier or public sources. For another set of materials, where the quantities were not available, spend-based method used with emission factors were taken from US EPA.
Capital Goods	Relevant, calculated	Spend-based method used for calculating the emissions by using value of capital expenditure incurred and emission factors from US EPA.
Fuel- and Energy-Related Activities Not Included in Scope 1 or Scope 2	Relevant, calculated	Average-data method used to calculate emissions for quantity of fuels and electricity consumed by supply chain partners, related to work activity and not included under Category 1.

Scope 3 category	Evaluation status	Calculation Methodology
Upstream Transportation and Distribution	Relevant, calculated	Calculated based on distance-based method by considering total distance of material transport (raw materials procured, including stock transfer between various locations), mode of transport (different types of trucks or other vehicles), total tonnage and emission factor taken from UK DEFRA.
Waste Generated in Operations	Relevant, calculated	Calculated based on waste-type-specific method by considering the quantities of different types of wastes disposed by the company and type of disposal with emission factor for disposal method taken from UK DEFRA.
Business Travel	Relevant, calculated	Distance-based method used for calculation by considering the total distance travelled for specific mode (rail, road, air) and applicable emission factor for the specific mode taken from UK DEFRA.
Employee Commuting	Relevant, calculated	Fuel-based method used for calculating emissions linked to transport services arranged by the Company. Quantity of fuel consumed is considered with emission factors taken from UK DEFRA. Spend-based method used for calculating emissions linked to spend reimbursed by the Company for employee commuting.
Upstream Leased Assets	Not relevant	Energy, and related emissions, consumption related to leased assets are included in Scope 1 and Scope 2 emissions
Downstream Transportation and Distribution	Relevant, calculated	Distance-based method used for calculations by considering the total distance covered through various modes (road, rail, air, sea) and applicable emission factor taken from UK DEFRA
Processing of Sold Products	Not relevant	The outputs generated by the Company are directly sold to the clients with no-intermediate products.
Use of Sold Products	Not relevant, not estimated	The Company provides EPC services for construction of assets related to infrastructure and energy. The assets created are owned and operated by the clients. In Hi-Tech Manufacturing, the Company manufactures engineered-to-order specialized equipment and systems used in various industries. These equipment or systems are part of larger setup related to any plant or factory. Estimating energy use and emissions for such assets and equipment is very difficult due to unavailability of data.
End-of-Life Treatment of Sold Products	Not relevant, not estimated	The Company's EPC Projects business, which contributes more than 80% of the revenue, provides EPC services for construction and assets created are owned by the clients. There is no product being sold to the clients. In Hi-Tech Manufacturing business, equipment or systems being manufactured are related to process plants and other industries and are intermediate products to the larger plants/machineries. Typical lifetime of such plant/machineries is high 15-20 yrs and there is no end-of-life treatment typically for such equipment or systems.
Downstream Leased Assets	Relevant, calculated	There are a few assets (offices) leased out by the Company. Electricity and fuel data for these assets is included for reporting this category. Applicable emission factors taken from UK DEFRA and CEA (Central Electricity Authority) India.
Franchises	Not relevant	The Company provides services or output to the clients directly. The Company does not have any Franchises and therefore, no emissions to be reported under this Category.
Investments	Not relevant	The Company's main businesses are EPC Projects (EPC services for construction of assets related to infrastructure and energy) and Hi-Tech Manufacturing. Investments or Financing is not part of business operations of the Company.

Business-wise Energy Consumption data for FY 2025-26

Business	Energy Consumption (Mn GJ)
Buildings & Factories (B&F)	0.77
Heavy Civil Infra (HCI)	2.77
Heavy Engineering (HE)	0.31
L&T Energy-CarbonLite Solutions (LTECLS)	0.09
L&T Realty	0.15
L&T Energy Hydrocarbon - Offshore	1.07
L&T Energy Hydrocarbon - Onshore	0.74
Larsen & Toubro Vyoma	0.07
Minerals & Metals (M&M)	0.33
Offices and other small businesses	0.20
Power Transmission & Distribution (PT&D)	0.57
Precision Engineering and Systems (PES)	0.14
Renewables (RENU)	1.18
Rubber Processing Machinery (RPM)	0.02
Transportation Infra (TI)	1.22
Water & Effluent Treatment (WET)	0.58

Business-wise Emissions data for FY 2025-26

Business	Emissions: Scope 1 and 2 (Mn tCO ₂ e)
Buildings & Factories (B&F)	0.08
Heavy Civil Infra (HCI)	0.27
Heavy Engineering (HE)	0.02
L&T Energy-CarbonLite Solutions (LTECLS)	0.01
L&T Realty	0.02
L&T Energy Hydrocarbon - Offshore	0.08
L&T Energy Hydrocarbon - Onshore	0.06
Larsen & Toubro Vyoma	0.01
Minerals & Metals (M&M)	0.03
Offices and other small businesses	0.02
Power Transmission & Distribution (PT&D)	0.04
Precision Engineering and Systems (PES)	0.01
Renewables	0.09
Rubber Processing Machinery (RPM)	0.002
Transportation Infra (TI)	0.10
Water & Effluent Treatment (WET)	0.05

Water

Significant portion of water data is related to the EPC project sites of the Company, more than 600 in current year, 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. Therefore, Water data has been disclosed based on a combination of direct measurement and estimation. Direct measurement is either through the flowmeters or through the bills provided by the supplier. Estimation method has been used wherever direct measurement is not available. For water consumption in industrial activities, estimation has been done based on quantity of work done or production volumes and average water consumption per unit of production. E.g. for water consumption in concrete related works, volume of concrete produced is taken for quantity and water requirement per cu. mtr. is based on mix-design ratio as per QA/QC team. Water required for curing the concrete is also considered, based on similar principle. For water requirement in domestic activities i.e. human consumption, estimation has been done based on per capita water requirement as published by National Building Code, 2016. The Company has implemented IoT based flowmeters for measurement and put in place SOP for water data, covering withdrawal, consumption, wastewater generation and disposal, to ensure consistency and completeness in data reporting.

Business-wise water data for FY 2025-26

Business	Water Withdrawal (Mn kl)
Buildings & Factories (B&F)	3.76
Heavy Civil Infra (HCI)	4.51
Heavy Engineering (HE)	0.45
L&T Energy-CarbonLite Solutions (LTECLS)	0.34
L&T Realty	0.11
L&T Energy Hydrocarbon - Offshore	0.36
L&T Energy Hydrocarbon - Onshore	0.76
Minerals & Metals (M&M)	1.63
Offices and other small businesses	0.68
Power Transmission & Distribution (PT&D)	0.45
Precision Engineering and Systems (PES)	0.22
Renewables	0.98
Rubber Processing Machinery (RPM)	0.02
Transportation Infra (TI)	2.07
Water & Effluent Treatment (WET)	1.13

Waste

Direct measurement (weight) of waste may not be feasible at all the locations, particularly at EPC project sites or for all types of wastes, and therefore, indirect estimation has been used in those locations or specific types of wastes. Specially, measurement of construction and demolition waste presents a significant challenge due to heterogeneous composition, voluminous nature and lack of standardised measurement protocols. Therefore, waste data has been disclosed based on a combination of direct measurement and estimation. All hazardous waste is based on direct measurement. Direct measurement is either through weight and/or through the manifests or invoices provided by the waste processing agencies. Estimation method has been used primarily for some categories of non-hazardous waste wherever direct measurement was not available. Production or activity volume for the specific time-period and wastage % has been considered for the estimation e.g. concrete waste generated from concrete cube testing activity is estimated based on the number of cubes tested and size of cubes (standard dimensions). The Company has put in place SOP for waste data, covering generation, recycling or reuse and disposal, to ensure consistency and completeness in data reporting.

Business-wise waste data for FY 2025-26

Business	Hazardous Waste (tonnes)	Non-Hazardous (kilo tonnes)
Buildings & Factories (B&F)	101	78.94
Heavy Civil Infra (HCI)	489	97.97
Heavy Engineering (HE)	104	12.39
L&T Energy-CarbonLite Solutions (LTECLS)	13	0.81
L&T Realty	3	0.35
L&T Energy Hydrocarbon - Offshore	389	13.35
L&T Energy Hydrocarbon - Onshore	64	4.15
Larsen & Toubro Vyoma	2	0.01
Minerals & Metals (M&M)	81	13.76
Offices and other small businesses	87	2.41
Power Transmission & Distribution (PT&D)	2451	21.88
Precision Engineering and Systems (PES)	165	3.27
Renewables	332	53.90
Rubber Processing Machinery (RPM)	15	0.79
Transportation Infra (TI)	286	279.82
Water & Effluent Treatment (WET)	194	7.62

ESG ratings

The Company has obtained following ESG ratings in 2025:

- MSCI ESG Rating: Rated as 'A'
- CDP: Rated as 'B' for Climate Change, 'B-' for Water Security, 'C' for Forests
- ENR: Ranked 2nd in 'Top 200 Environmental Firms' Survey
- Achilles: Rated as '5 Star' (Score of 88); rating is for L&T Energy Hydrocarbon
- CRISIL: Rated as 'Strong' (Score of 62)