

Reaching Out





Our key stakeholders are customers, shareholders and investors, suppliers, contractors, employees, Government bodies, the media and the community at large. Expectations, interests and the growth of our stakeholders are vital for the Company. We believe that we are accountable to our stakeholders and constantly engage with them to match their expectations.

Our stakeholder engagement framework is built on transparency, inclusiveness and trust, which are core to the Company. All our businesses use various formal and informal channels of communication for ongoing dialogue with their stakeholders. Apart from these, the Company has a dedicated Corporate Brand Management & Communications department which facilitates dialogue between the organisation and its stakeholders.

Shareholders and Investors

The Company values the contribution of its shareholders and investors in its growth and attributes its success to them. We release L&T's Annual (Financial) Report and Quarterly Financial Reports to provide shareholders with comprehensive information about the Company's performance and capabilities. Regular updates are posted on the corporate website, Larsentoubro.com. We also make presentations to institutional investors and equity analysts on the Company's quarterly performance. Information to Stock Exchanges is filed online for National Stock Exchange of India Limited and Bombay Stock Exchange Limited.

We have a robust grievance handling and redressal framework. Investor queries are handled by our Company Secretary & Compliance Officer through igrc@Larsentoubro.com. Our Stakeholders' Relationship Committee comprises of 1 Non-Executive Director, 1 Independent Director and 1 Executive Director.

As part of our effort towards environment conservation and in accordance with the circular issued by the Ministry of Corporate Affairs, Govt. of India, shareholders have been given the option of receiving documents related to General Meetings (including AGM), Audited Financial Statements, etc., through electronic mail.



L&T's Annual General meeting held on 9th September, 2015



L&T showcases its products and capabilities through business-specific exhibitions

Customers

We have continual dialogues with customers to understand their expectations and gauge satisfaction levels. Our engagement mechanisms include customer meets, workshops and conferences, exhibitions and trade fairs, product advertising campaigns, corporate print and TV campaigns, bulletins and news, one-on-one interactions and periodic reviews. We also release the Annual Review of the Company which is a capability statement, with highlights of the year.

The L&T Infodesk infodesk@Larsentoubro.com introduced in 2012, is a single-point contact for information and feedback on the entire range of L&T products and services. We periodically track customer satisfaction through surveys and focus group discussions conducted by independent agencies. This year, the Buildings and Factories business has established a formal system for collection and review of customer feedback about its project sites. In this business, customer feedback is collected every quarter on a scale of 1 to 10 (10 = Excellent, 1 = Poor) and the feedback is reviewed during Management Review Meetings. Corresponding action plans are drawn up to improve the performance in the areas

rated below the average (8.0). Through this model, 259 feedbacks were received and analysed from 96 project sites during the year.





A unique Safety Innovation School has been set up at Hazira, for imparting quality training on safety

Employees

We value our employees, and provide them with an engaging and encouraging environment. The Working on Wellness (WoW) initiative spearheaded by our medical health & welfare team conducts regular programmes for employees to drive preventive healthcare practices. Employees are informed about the Company's activities, new businesses and accolades, through Spot News and Newsman periodical e-mails. L&T Scape - a collaborative, enterprise-wide portal was launched in 2012. It provides employees with an opportunity to communicate, collaborate and access all employee welfare benefits provided by the Company. Employee Feedback Surveys are conducted by the respective business. ATL – 'Any Time Learning' facilitates online learning and knowledge sharing at the employee's convenience.

Our initiatives include welfare activities for employees and their families. In-house magazines, internal spot news, employee satisfaction surveys, town hall sessions, career development discussions and an employee suggestion scheme are other modes of engagement.



Suppliers and Contractors

Suppliers, contractors and service providers form an intrinsic part of our operations and we engage with them on a continual basis. Various categories of suppliers include raw material vendors, machine suppliers, contract workmen providers and other service providers. L&T uses the e-tendering system which is an e-procurement model for paperless buying, systematic information flow and reverse auctioning.

We aim to protect human rights. Our practices are extended to our suppliers and service providers, and included in our contract agreements and purchase orders. These cover prohibition of child labour, forced & compulsory labour, discrimination on the basis of gender, caste and nationality. Apart from this, the suppliers are required to endorse the 'Environmental & Social Code of Conduct' for suppliers.

The Company organizes periodical partner meets for its suppliers, vendors and contractors, where their concerns, issues and expectations are addressed. Our suppliers are also updated about the Company's progress and plans on aspects relating to business, sustainability and CSR during the meet and through other modes of engagement.

In March this year, we conducted a 'Sub-Contractors Meet' in Hyderabad for our Heavy Civil Infrastructure business, which 40 sub-contractors from project sites across India and Bhutan attended. Safety and Quality were given prime importance at the meet. The Company conducts vendor performance evaluations and encourages good contractors, and provides recreation facilities for contract labour forces. The Defence & Aerospace vertical of the Heavy Engineering business participated in

Buyer-Seller Meets organised by the CII at Mumbai and Aurangabad. About 100 MSMEs participated in the events wherein L&T shared the business opportunities along with its expectations about safety, quality and our process of supplier development.

Community

We work with the community to enhance the quality of life and livelihoods through regular interaction with village panchayats, school authorities and District Health Officials at our CSR project sites. A quarterly review of our Integrated Community Development projects is done with the Village Panchayats and local authorities.



Participatory rural appraisals (PRA's) during Integrated Community Development Programmes.



Employee training and interaction sessions

Government

The Indian Government is a key stakeholder in L&T. We regularly interact with regulatory bodies for policy development. We are members of several industry associations and regularly participate in national and international industry and economic forums.

Media

Regular media engagement activities are undertaken with the objective of keeping stakeholders updated about critical business developments. Four media briefings and two media visits were organised during the year.

Responses to stakeholder concerns

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

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