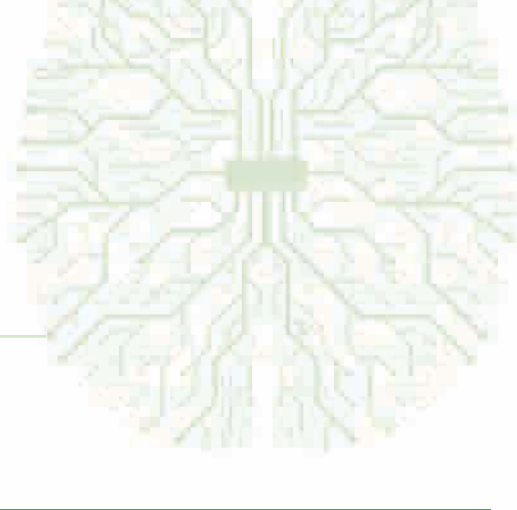




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## INDEPENDENT ASSURANCE STATEMENT

### Introduction and objectives of work

**BUREAU VERITAS** has been engaged by **Larsen & Toubro Limited (L&T)** to conduct an independent assurance of its **Sustainability Report** for the year **2016-17**. This Assurance Statement applies to the related information included within the scope of work described below.

This information and its presentation in the **Sustainability Report 2016-17** are the sole responsibility of the management of **L&T**. Bureau Veritas was not involved in the drafting of the Report. Our sole responsibility was to provide independent assurance on its content.

### Scope of work

The assurance process was conducted in line with the requirements of the Assurance Standard **AA1000AS (2008) Type 2 and 'Moderate'** assurance. The scope of work included:

- Data and information included in Sustainability Report 2017 for the **reporting period 1st April 2016 to 31st March 2017**;
- Appropriateness and robustness of underlying reporting systems and processes, used to collect, analyse and review the information reported;
- Evaluation of the Report against the main principles of the AA1000 Assurance Standard (2008)
  - o Inclusivity
  - o Materiality
  - o Responsiveness
- Evaluation of the Report against the principles of Accuracy, Accessibility, Balance, Clarity, Comparability, Reliability, Timeliness and Stakeholder Inclusiveness, as defined in the GRI Sustainability Reporting Standards for the reporting option **"In accordance - Comprehensive"**;

### Methodology

As part of its independent assurance, Bureau Veritas undertook the following activities:

#### 1. Visited selected locations of **L&T** and interviewed relevant personnel of **L&T**

- Heavy Engineering, Hazira
- Heavy Engineering- L&T SS & HF, Hazira
- L&T Hydrocarbon MFF, Hazira
- Buildings & Factories, Chennai
- Heavy Civil Infrastructure, Chennai
- Power Transmission & Distribution, Chennai
- Smart World Communication, Chennai
- Water & Effluent Treatment, Chennai
- L&T Hydrocarbon Engineering Ltd. (LTHE)
- L&T Power & Knowledge City, Baroda
- Electrical & Automation, Baroda
- Electrical & Automation, Ahmednagar
- L&T Transportation Infrastructure, Mumbai

#### 2. Interviews at these locations were conducted on video-conference

- Metallurgical & Material Handling, Kolkata
- Heavy Engineering, Vizag & Talegaon
- Heavy Engineering- Sohar & Coimbatore
- L&T Shipbuilding

#### 3. Bureau Veritas also conducted a visit to Godrej Tree Residential Project site of L&T Infrastructure-Buildings & Factories business in Mumbai. The site visit was undertaken in addition to the interviews that had been conducted at the Building & Factories Chennai campus, prior to this visit.

The assurance process involved carrying out an assessment by experienced assessors from Bureau Veritas. We interviewed Project and Plant Operations & Maintenance, managerial and supervisory personnel at various locations. The Sustainability & CSR team of L&T at Powai was also interviewed.

#### 4. L&T had submitted performance data on reported GRI indicators. The data pertaining to each location visited was audited by Bureau Veritas through the process above described. The credibility of the reported data was confirmed by Bureau Veritas assessors through a comparison with data management platforms maintained by L&T such as SOFI, ERP, EIP, MIS & HR portals. Where necessary, relevant documentary records were also reviewed to confirm data trails up to reporting.

5. The data was audited on a sampling basis. It was confirmed that the same verified data for all locations went into preparation of the final data within the Sustainability Report 2016-17.
6. Bureau Veritas reviewed stakeholder engagement activities that had been undertaken by L&T prior to the preparation of the Sustainability Report. The Stakeholder Engagement process was reviewed. Various records of the stakeholder engagement activities were reviewed to confirm how aspects material to L&T stakeholders had been determined.

Our work was conducted against Bureau Veritas' standard procedures and guidelines for external assurance of Sustainability Reports, based on current best practice in independent assurance.

#### **Our findings**

On the basis of our methodology and the activities described above, it is our opinion that:

- Nothing has come to our attention to indicate that the reviewed statements within the scope of our verification are inaccurate and the information included therein is not fairly stated;
- It is our opinion that L&T has established appropriate systems for the collection, aggregation and analysis of quantitative data such as Environmental, Health & Safety, Human Resources, Labour & Community interventions as well as Product and Investor related information.

#### **Alignment with the principles of AA1000AS (2008)**

##### **Inclusivity**

L&T has processes in place for engaging with a range of key stakeholders including socially responsible investors, shareholders, suppliers & contractors, Government officials, local community representatives and employees and has undertaken a number of stakeholder engagement activities in 2016-17 covering a range of topics such as customer satisfaction, employee welfare, supplier development, community welfare and environment.

##### **Materiality**

The Report addresses the range of environmental, social and economic issues of concern that L&T and its stakeholders have identified as being of highest material importance. The identification of material issues has considered both internal assessments of risks and opportunities to the business, as well as stakeholders' views and concerns. The material issues were identified by a process of stakeholder engagement through one on one meetings and other engagements.

##### **Responsiveness**

L&T is responding to those issues it has identified as material and demonstrates this in its policies, objectives, indicators and performance targets. The reported information can be used by the organisation and its stakeholders as a reasonable basis for their opinions and decision-making. The company has taken various initiatives towards delivering environmentally friendly services along with occupational health and safety, appropriate measures for emergency handling, control and risk management in its operations.

##### **Evaluation against Global Reporting Initiative (GRI) Sustainability Reporting Standards**

Bureau Veritas undertook an evaluation of **L&T Sustainability Report 2016-17** against the GRI Sustainability Reporting Standards. This included cross checking the GRI index table against all the reference documents to provide an opinion on the self-declared GRI reporting option.

Based on our work, it is our opinion that the **Sustainability Report 2016-17** has been prepared in accordance with the GRI Sustainability Reporting Standards including appropriate consideration of the reporting principles and necessary indicators to meet the requirements of **GRI Standards** Reporting Option **"In accordance- Comprehensive"**.

##### **Limitations and Exclusions**

Excluded from the scope of our work is any assurance of information relating to:

- Activities outside the defined assurance period stated hereinabove;
- Positional statements (expressions of opinion, belief, aim or future intention) by L & T and statements of future commitment;
- Our assurance does not extend to the activities and operations of L & T outside of the scope and geographical boundaries mentioned in the report as well as the operations undertaken by other remaining subsidiaries or joint ventures of the Company.
- This independent statement should not be relied upon to detect all errors, omissions or misstatements that may exist within the Report.

##### **Statement of independence, impartiality and competence**

Bureau Veritas is an independent professional services company that specialises in Quality, Health, Safety, Social and Environmental management with almost 180 years history in providing independent assurance services.

Bureau Veritas has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day to day business activities. We are particularly vigilant in the prevention of conflicts of interest.

The assurance team has extensive experience in conducting assurance over environmental, social, ethical and health & safety information, systems and processes an excellent understanding of Bureau Veritas standard methodology for the Assurance of Sustainability Reports.



**Sanjay Patankar**  
**Lead Assurer**

Manager- Sustainability & Climate Change Services  
Bureau Veritas (India) Pvt. Ltd.



**Rupam Baruah**  
**Technical Reviewer**

General Manager (East Region)  
Bureau Veritas (India) Pvt. Ltd.

**Date: 4<sup>th</sup> October 2017**



**AA1000**  
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