

L&T Press Release

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L&T House, Ballard Estate, Mumbai 400 001
Tel: 91 22 6752 5656

L&T Launches its fourth Integrated Report; Announces commitments for carbon and water neutrality

KEY HIGHLIGHTS OF THE FY21 INTEGRATED REPORT

- Saved cumulative energy equivalent to 128 million units since 2008
- Averted 33,500 tons of CO2 equivalent emissions during FY21
- 150,000 fully grown trees at various campuses; planted nearly 1 million saplings in FY21.
- 1.2 million lives were impacted through community development programs in FY21
- Spent Rs 150 Crore for education, health, skill development and water & sanitation
- Company's green offerings stood at INR 277 billion, which is 29.6% of revenue
- 1037 million accident-free man-hours achieved across businesses

Mumbai, 21 October 2021: Larsen & Toubro, India's leading EPC, hi-tech manufacturing and services conglomerate today reaffirmed its commitment to integrate its ESG goals with business targets and is working towards becoming a 'Net Zero' company. A net zero company achieves a state in which the activities of the company result in no net impact on the climate from greenhouse gas emissions, achieves a sustainable balance between water availability and demand, and eliminates solid waste sent to landfills.

It launched its fourth Integrated Report, '*Sustainable Progress for a Better World*', a comprehensive document that communicates the organization's strategy, governance, performance and prospects in the context of external environment and value creation.

Over the years L&T has been focusing on ESG parameters such as climate stewardship, circular economy, green offerings, green supply chain, employee and social welfare, workforce health & safety. Climate variability across the world has emerged as one of the biggest risks of the 21st century. Operating primarily in the construction and engineering sector that is prone to climate change, L&T is incorporating climate related policies, including the NAPCC, TCFD and other similar guidelines into its business.

The company aims to become a leader in these areas with improved resource efficiency and conservation of vital natural resources. More than 10% of the total electricity consumed by the company comes from renewable sources. Cumulatively, the company has saved 128 million KWh of energy since 2008 which is equivalent to powering 60,000 households for one year. Through energy conservation measures and renewable energy, the company has avoided 33,500 tons of CO2 emissions during FY21.

On water management front, L&T has been excelling over the years. 57% of wastewater is recycled and reused during FY21. The company has also been focusing on material recycling. Since the year 2008, the company has cumulatively used 43,068 tons of recycled steel and 2.4 million tons of fly ash. Today, 22% of its input material comes from recycled or eco-friendly sources. It's green offerings at INR 277 billion is 29.6% of its revenue. Nature conservation and promoting biodiversity is one of the major focus area and L&T has been planting trees since more than a decade. The company has urban forests at 6 locations and 150,000 fully grown trees across various company campuses. During the year it has planted nearly 1 million saplings and cumulatively 3.3 million trees. Similarly, on the safety front the company is focusing on high-risk activities and a number of measures including the use of Digital AI Technologies, have helped in significantly improving the safety performance.

Sustainable Value Creation

The focus of the L&T's strategy is to create value for its shareholders, investors, clients, employees, and societal stakeholders through economic benefits, fulfilment of social obligations, and ecological sustainability while promoting the L&T brand. This wholistic and integrated approach is applied to its value creation model based on the 6 capitals - financial capital, manufactured capital, intellectual capital, human capital, natural capital, and social and relationship capital. Across the 6 capitals, the company strives for continual improvement in people, planet and profit.

Being the leading EPC, hi-tech manufacturing and services conglomerate in India, L&T is using technology and innovation to achieve sustainable growth. Digital chipsets to track and monitor assets; and Geospatial tech, LiDAR and drone-based surveys have helped L&T capture and monitor site data remotely during the lockdown. L&T's green offerings comprise projects embedded with advanced technology, solutions centered on renewables, water, effluent treatment plants, efficient power distribution, mass transit systems, and green buildings.

People at the core- Social

On social front, the company has touched lives of 1.2 million people in the community, and has spent Rs.150 Cr. for education, health, skill development and water & sanitation. In addition, Mindtree, LTI, L&T Technology Services (LTTS) and L&T Finance Holdings (LTFH) have contributed Rs. 80 Crore towards CSR during the year. Further, at the Group level, it contributed Rs 150 Crore to the PM CARES Fund at the onset of the pandemic, and an additional Rs 39 Crore was later allocated towards Covid care initiatives.

L&T's workforce played a key role in driving seamless operations during COVID-19 and have been delivering projects effectively on time. L&T continuously strives to create an enabling work environment that encourages continuous learning, promotes inclusivity and equality and ensures a healthy and safe workplace.

Commitments on carbon and water neutrality

Raising the ambition to the next level, the company is undertaking big goals related to Climate Change and Water Security. The company aims to achieve Carbon Neutrality by 2040, ahead of the Paris Agreement deadline of 2050, and Water Neutrality by 2035.

L&T's key subsidiaries such as Mindtree, LTI, LTTS and LTFH are also taking meaningful actions and ambitious targets in these areas. Mindtree, LTI and LTTS have taken targets of becoming Carbon Neutral and Water Neutral by 2030. Similarly, LTFH has taken the target to become Carbon Neutral by 2035.

Commitments	L&T	Mindtree	LTI	LTTS	LTFH
Carbon Neutrality	2040	2030	2030	2030	2035
Water neutrality	2035	2030	2030	2030	2022

Commenting on the occasion, Mr. S.N. Subrahmanyan, CEO and Managing Director, L&T said, “We are reaffirming our vision, policies, frameworks, roadmaps and action plans on ESG. Our ESG roadmap will align with our 5-year strategic plan - Lakshya 2026, and will reflect our commitment to climate leadership, water stewardship, circular economy, green supply chain, biodiversity, and green offerings. In line with the global push on ESG, we are gearing up for a step-change in our ambitions to scale new heights.”

L&T’s ventures spanning across critical industries will aid in not only meeting crucial economic requirements, but also improve the quality of life of people in multiple ways and create long-term value for stakeholders.

Background:

Larsen & Toubro is an Indian multinational engaged in EPC Projects, Hi-Tech Manufacturing and Services. It operates in over 50 countries worldwide. A strong, customer-focused approach and the constant quest for top-class quality have enabled L&T to attain and sustain leadership in its major lines of business for eight decades.

Media Contacts:

Yuvraj Mehta
 Head, Corporate Brand Management & Communications
Yuvraj.mehta@larsentoubro.com / +91 85888 88272

Ketan Bondre
 Head, Media Relations
ketan.bondre@larsentoubro.com / +91 98205 36572