



Nurturing
Tomorrows



We empower people to build a newer and brighter future, by providing exciting opportunities and a sense of ownership. We combine potential with professional skills to create a culture of trust, care and growth. Our employee engagement & employee satisfaction framework is aimed at giving our employees a platform to increase their involvement and efforts, thereby taking the company to greater heights. The engagement framework is built on the organisation's core values, which contribute towards making the company a great place to work at.

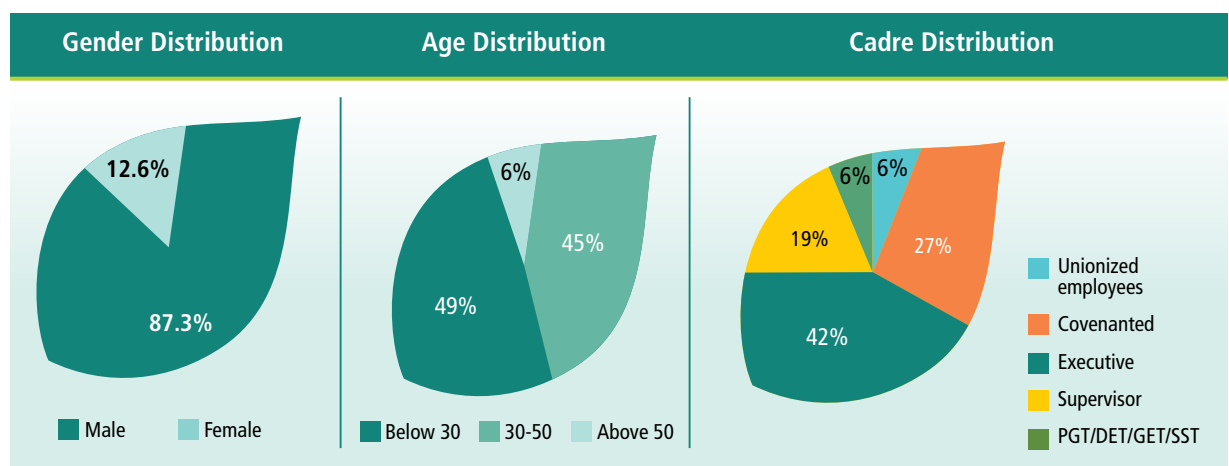
The Company employs various platforms for interaction, in which employee engagement surveys play an important role. An action plan is prepared to address the expectations and concerns expressed by employees. The Company is a merit-based organisation and embraces diversity in race, nationality, religion, caste, age, physical-ability, and religion. The annual compensation review is an important part of any employee's calendar, and we strive to make it a transparent and engaging process. There had been no cases of discrimination in the reporting year. L&T's believes in diversity and equal career opportunities for all. The remuneration ratio of male to female is 1:1.

All Board members are Indian nationals above the age of 50, and there are two female representatives on the Board. The Company directly employs 93 persons with disabilities and the value chain also employs 31 persons with disabilities. 100% of our senior management is local and belong to India.

We have launched a range of strategic Human Resources initiatives, initiated by the Corporate Human Resources Department and implemented across businesses. Shadow Task Forces are constituted for individual businesses and are responsible for 'Concept to Delivery' of the various initiatives planned. The advice of the Shadow Task Force is important for conceiving and delivery of the initiatives.

'Working on Wellness' is our umbrella of employee health initiatives conducted to build a robust, stress-free environment and enhance employee well-being, with a focus on stress management and essential healthcare.

Periodic employee engagement with Top Management is done through Town Hall sessions, webcasts, video conferencing and emails. Various other initiatives like long service awards, team building workshops, recognition events, etc., are undertaken to enhance employee motivation. The business also has tie-ups with premier institutes like IIMs, XLRI and IITs for conducting 'Core Development Programmes', E-MBA, M. Tech and e-learning Programmes at regular intervals.



Our Workforce

Workforce	2015-16
L&T (excluding L&T Infotech)	47,069
L&T Infotech	18,279
Total Full Time Employees (a)	65,348
Full Term Contract Workers (b)	310,424
Total Workforce (a+b)	375,772

Human Rights and Labour Practices

L&T is committed to the philosophy of conducting business in an ethical manner with respect for human values, individual dignity and professional conduct. We are committed to the United Nations Global Compact Principles, the Universal Declaration of Human Rights and the applicable International Labour Organisation (ILO) Core Conventions on Labour Standards.

Our policies and systems ensure protection of Human Rights and are defined in our Code of Conduct. These policies cover the issues of prohibition of child labour, prohibition of forced & compulsory labour, non-discrimination, freedom of association and collective bargaining. The Code of Conduct is available to all employees through the Company's Intranet and online training modules on the Code of Conduct are available through our Any Time Learning (ATL) portal.

Our HR policies and practices are on par with the best in the industry. We follow all applicable local laws and regulatory requirements, which include among others, the Factories Act 1948, Building & Other Construction Workers (Regulation of Employment & Conditions of Service) Act 1996, Central Rules 1998 and Industrial Disputes Act 1947. All our security personnel are regularly apprised of human rights and there were no grievances related to security personnel's breach of human rights at our operations. There have been no significant fines or non-monetary sanctions for non-compliance pertaining to human rights, or labour practices during this reporting period.

There were no cases of child labour, forced or compulsory labour or discrimination reported within the organisation.

Also, there have been no violations involving rights of indigenous people during this reporting period.

L&T strictly adheres to statutory and regulatory norms for payment of wages and benefits. The Company ensures that there is no violation of the rights of workmen and provides statutory benefits like PF and medical facilities, etc. The Minimum Wages compliance is 100%. All union employees retain the right to exercise the option of collective bargaining.

We make certain that Human Rights clauses including the right to exercise the option of Collective Bargaining, Prohibition of Child labour, Forced or Compulsory Labour or Discrimination are included in our investments and contract documents with sub-contractors and are strictly adhered to within our premises and at project sites. Each facility has its grievance handling mechanism in place to address concerns related to labour practices.

Significant suppliers and contractors are screened for compliance to the Environmental and Social Code of Conduct, which includes clauses related to human rights, environment, health and safety. All our employees are trained regularly on Human Rights aspects, which is a part of the Code of Conduct training. To enhance workmen's training and upgrade the skillsets of the workmen at our project sites in various functional areas of construction, our Heavy Civil Infrastructure business has set up dedicated Workmen Training Centres at its project sites. More than 8,000 workmen at more than 15 project sites have been trained in Formwork, Bar Bending and Masonry Trades, during FY 2015-16. This programme used the 'learning while working' methodology to train, with a special emphasis on safe working practices.

Right Equipment for the Right Job

Safe, quick and cost-effective - The benefits of using the right equipment for the job on hand are clear. Our Buildings and Factories business trains our people in this crucial area – helping meet project schedules in a safer, cost-effective way.

G4-DMA Child Labour, G4-DMA Prohibition of Forced & Compulsory Labour, G4-DMA Nondiscrimination, G4-DMA Freedom of Association, G4-DMA Collective Bargaining, G4-DMA Assessment, G4-HR 9, G4-DMA (Security Practices), G4-HR 7, G4-9, G4-10, G4-HR 9, G4-HR 12, G4-HR 3, G4-HR 6, G4-DMA (Indigenous People), G4-HR 8, G4-11, G4-DMA Labor practices grievance mechanism, G4-DMA Investment G4-HR 1, G4-HR 4, G4-LA 16, G4-HR 4, G4-HR 10, G4-HR 11, G4-LA 8, G4-HR 2

Employee Benefits

We offer full-time employees a range of benefits like insurance, healthcare, maternity leave, post-retirement medical benefits, gratuity, pension and provident funds. Apart from all statutory benefits we provide additional benefits such as leave encashment, scholarships and rewards to employee's children, education for children of deceased or permanently incapacitated employees, annual health check-ups, holiday homes and medical insurance in accordance with the Company's norms.

Minimum notice period for operational changes is mandated as 21 days as per the Industrial Disputes Act.

The Company supports employees through the 'Child Disability Project' by providing reimbursement of the expenses related to: Remedial therapy, physiotherapy, speech therapy, occupational therapy, special educator, medical consultations, surgical interventions and physical & mental Assessment, etc. The cost of hearing aids for children with hearing impairments and certain special equipment like wheelchairs and crutches for physically challenged children are also reimbursed. This is a part of an endeavour by the Company to help rehabilitate differently-abled children of L&Tites.

All female employees are entitled to maternity leave. During the year, 375 female employees took maternity leave. 97.07% returned to work after leave ended and 53.07% are still employed. The return-to-work retention rate for the Company is 54.7%.



Female Workforce

We have a policy for Protection of Women's Rights at Workplace which sets out objectives, and processes to redress complaints. We have constituted Apex and Regional Complaints Committees to address cases of sexual harassment at the workplace, if any.

'Renew' is a career renewal initiative for women which stems from L&T's strong belief in diversity and equal career opportunities for all. It is aimed at providing a platform through which women professionals can re-enter the corporate world after a career break. Any woman on a career break may apply and would be employed subject to fulfilment of selection criteria. Various departments that one can apply for are Audit, Finance / Accounting, Engineering Design, Project Management, Information Technology, Human Resource Management, Legal and Corporate Social Responsibility.

Female employees are provided with additional benefits such as maternity leave and crèche allowance.



Employee Development: Training and Capacity Building

Training is essential to our business and we offer several training modules for employee development and skill building to meet various facets of the organisation's growth and performance. Our training programmes can be categorized as follows:

Orientation Programmes: These entry-level programmes ensure a smooth transition from the academic to the corporate world. They include an introduction to L&T's culture and values, information about the organisation, its businesses and interaction with senior and top management.

Core Development Programmes: These programmes develop and groom talent in general management and equip trainees to address higher-level responsibilities.

Centre of Excellence Programmes: These are structured programmes to provide end-to-end consulting on various operational excellence initiatives of businesses. These programmes assist L&T businesses in improving business performance and effectiveness through training in operational excellence programmes and certification courses.

External Training Programmes: These programmes, conducted by external agencies, meet specific training needs on technical subjects.

Performance Oriented Development Plan: After identifying developmental and training needs of an individual, support for performance improvement is provided through on-the-job-training, self-study

material, participation in external and internal competitions, special projects, voluntary assignments, external programmes, seminars, etc.

Theme Based Programmes: These are need-based programmes conducted to spread awareness and knowledge about a particular system, model or process.

Any Time Learning (ATL): L&T's robust e-Learning platform, ATL is available online to all employees. It has a collection of training modules on diverse topics as well as availability of national and international journals and magazines. The modules are user-friendly, interactive and engaging, formulated by subject matter experts and using various knowledge resources. ATL is also being used as a blended learning tool, along with classroom learning sessions.

NEBOSH Certified Courses: L&T is the first Indian corporate to be accredited as a 'course provider' by National Examination Board in Occupational Safety & Health (NEBOSH), United Kingdom (UK) for delivering the International General Certificate and Institution of Occupational Safety & Health (IOSH), UK. The objective is to sustain a strong culture of Managing Safety across L&T businesses.

Leadership Development: Our Leadership Development Programmes are conducted in collaboration with reputed Indian and International Business Schools. The 7-Step Leadership Development process shown in this section has been meticulously structured.

Average Training Hours

Training Hours per Employee

Gender-wise Training Hours	Grade-wise Training Hours	2013-14	2014-15	2015-16
<p>A bar chart with a light blue background and a white grid. The x-axis is labeled 'Male' and 'Female'. The y-axis represents training hours. The bar for 'Male' reaches the value 53.41, and the bar for 'Female' reaches the value 39.73.</p>	Covenanted	16	13	17
	Executive	21	20	18
	Supervisors	26	12	16.5
	Unionized	43	11	10
	PGT/GET/DET/SST	480	480	480

Total Training Hours: 3.6 Million

Seven-Step Leadership Development Process

- 1 Management Education Programme (MEP):** An exclusive collaborative programme between L&T and the Indian Institute of Management (IIM) Ahmedabad, aimed to groom young leaders in holistic management.
- 2 Leadership Development Programme (LDP):** Designed for middle management, it focuses on the overall development of high performing executives to enable them to assume leadership responsibilities.
- 3 Global Leadership Development Programme (GLDP):** Customised and presented by the University of Michigan's Stephen M. Ross School of Business, the programme focuses on competition in the global context and facilitates leadership skills.
- 4 Transforming L&T into a Global Corporation:** In association with INSEAD, the business school for the world, this programme is designed for top management executives. The programme covers strategic choices including mergers and acquisitions, risk management and leadership attitudes from a global perspective.
- 5 Global CEOs Programme:** Conducted by Professors from Harvard Business School, it is aimed at leaders handpicked for future roles such as CEOs, Business Heads, Board Members and Business Leaders.
- 6 International Executive Education:** Enterprise Leaders are nominated for Advanced Management Programmes offered by select, globally renowned business schools like London Business School, INSEAD, etc.
- 7 Mentoring:** A systematic, internal mentoring process is put in place, where the Group Executive Chairman personally mentors a few Senior Executives through regular interaction.

The Leadership Development Academy (LDA) has been recognised by Symbiosis International University as a 'Research Centre' which enables L&T-ites to pursue their Ph.D. Programmes.



New Hires

New Employees Who Joined in 2015-16	
Male	9,930
Female	1,986
Below 30 years	8,518
Between 30-50 years	3,227
Above 50 years	171
Unionised	2
Total	11,918

Employee Turnover

Turnover in 2015-16	
Male	10,116
Female	1,515
Below 30 years	6,550
Between 30-50 years	4,597
Above 50 year	484
Unionised	131
Total	11,762



First Level Leadership Programme Launched in Infrastructure business

Feedback Fuels Leadership

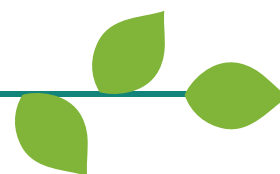


To sustain a company far into the future, it is essential to groom leaders from within the organisation. L&T Hydrocarbon Engineering designed a First Level Leadership Programme (FLP) to bridge the gaps in the leadership capability of its young managers and equip high performers with the managerial and leadership skills to build a strong leadership pipeline.

Constructive feedback plays a positive role in shaping an individual's future. That is why FLP 360 is provisioned to get feedback from everyone in a young manager's corporate environment: seniors, peers, mentors, friends, subordinates, et al. Respondents complete a survey, designed around the competencies of a participant. Holding up a mirror to the young manager; this helps him or her to build professional strengths for the Company's growth.



Occupational Health & Safety



Safety continues to be our top priority and a critical component of any business decision made. Our goal is to ensure 'Zero Harm' for all our employees, contractors and customers. We manage safety across our businesses through a combination of rigorous systems, procedures and by building a culture for safe operations. Our standards and operating procedures define the controls and physical barriers we require to prevent incidents. All L&T businesses and our contractors must manage safety risks in line with the L&T Corporate Environment, Health and Safety (EHS) Policy, local laws and the terms of their contract with relevant permits and approvals. Each business has its own dedicated EHS team for focused business-specific environment, health and safety interventions.

Across our project sites, we foster a culture where health and safety are core values. Each person is encouraged to understand the importance of good health, and his or her role in creating a safe workplace. Essential periodic training and skills are provided before commencement of work and our safety performance is reviewed during business meetings and management review meetings. In addition, key safety performance numbers are reviewed by the Company Board on a quarterly basis.

Safety Culture

Our Corporate EHS Policy articulates our commitment towards building a workplace that is conducive to the mental and physical well-being of the workforce and encourages implementation of best practices.

The policy is explained to our contract workforce during induction training. It is periodically reviewed by senior management. Safety capability of our sub-contractors is evaluated before assigning contracts and compliance to the policy is ensured through regular training, site visits and audits. The EHS framework helps translate our EHS policy into practice at campuses & project sites and is deployed across the organisation through procedures, guidelines and manuals.

Safety committees have been constituted at our manufacturing locations to encourage employee participation in building a culture of safety consciousness. The committees comprise management representatives and union members. More than 50% of the members of the committees are union members. The Safety Committees assist the management in achieving the objectives of safety performance for a particular campus. Regular job-specific safety training and implementation of proactive safety measures is ensured.

The projects executed by L&T continued to receive various Safety awards and recognition. 17 Projects were awarded by the Royal Society for Prevention of Accidents (RoSPA), 14 by the British Safety Council, and 12 by the National Safety Council, India.



*Safety is our top priority and is driven from the top.
Mr. S. N. Subrahmanyam, Dy. Managing Director & President
addresses workers at a project site.*

Solar Light Enhances Safety by Night

Solar blinkers on the moveable tower crane hooks keep operators and signal workmen safe from injury during the night shift at Buildings and Factories business project sites.

Building a Safety Culture



The Buildings and Factories business executed Olympia Grande, Chennai, India – a residential apartment project, with these safety processes. Solving lofty issues: wall protection, peripheral working platform and safety net, overhead protection, handrails and anchoring points for lifelines.

Safety Dashboard

Accident Statistics (YoY)	2013-14	2014-15	2015-16
Frequency Rate	0.15	0.15	0.16
Severity Rate	218	225.94	189.63
Fatality Rate	8.83	8.98	9.55
Fatalities (YoY)	40	43	41

Frequency Rate (FR): Number of reportable accidents per million man-hours worked.

Severity Rate (SR): Number of man-days lost per million man-hours worked.

Fatality Rate: Number of fatalities per lakh workforce.

At workshops and fabrication yards, our workers are exposed to the risk of developing hearing disorders, but we take utmost care and ensure that our noise levels are within the permissible limits. Similarly, Information Technology business' workforce is exposed to the risk of having ergonomic disorders, for which we conduct ergonomic awareness camps and impart training on a regular basis. The workforce of our Construction business is exposed to the risk of heat strokes and dehydration at places with high temperature. This is managed through time schedules with most of the work to be done during comfortable timings.



Road Safety Week 2016

Significant Safety Interventions

1. Striving to achieve the goal of 'zero harm', the Heavy Civil Infrastructure business has launched the Corporate EHS Strategic Plan 2015-16 with key EHS deliverables that have been implemented across all its operations. As part of the EHS Strategy, the following significant initiatives were taken up during the year:
 - Successful re-certification of EHS Integrated Management Systems (IMS) conforming to international standards: ISO 14001 & OHSAS 18001.
 - Key training initiatives include IOSH Managing Safely certification courses for Project Heads, NEBOSH certification courses for Project EHS In-charges and online EHS certification courses for all technical employees.
 - The business has revamped the IMS procedure and introduced monthly EHS Risk Management audits to facilitate and monitor implementation across all its projects.
 - A Pre-cast elements lifting strategy was launched with inputs from all stakeholders and training workshops were held at relevant project sites to facilitate implementation.
 - The Workmen Management Centre trained 8,045 subcontractors' workmen at various sites through 'On Job Training' (OJT) programmes on formwork, bar bending and masonry to enhance their skill level for speedy and effective execution of jobs, while emphasising on safety, quality and productivity.

Safety is the most crucial investment that we make to focus on improvement.

2. To enhance safety at its operations, Power Transmission and Distribution business, has taken various initiatives, which include:
 - Upgrading Safe Operating Procedures (SOPs) for Transmission Lines
 - EHV substations and distribution projects to reflect changing work methods and a mechanisation
 - Adoption of the sagging bridge (stringing working platform) technique
 - Use of motorised winch machines in place of tractors in final sag activities
 - Enhanced training on Behaviour-Based safety, safety audit and train the trainers
3. At L&T Hydrocarbon Engineering, cross-functional Safety Audits were initiated across all business units, as a part of the Corporate HSE Plan. All safety systems and procedures were IT enabled to make them more user-friendly. Senior Management involvement and visibility was reinforced through systematic senior management site safety observation. To spread safety awareness, various theme-based campaigns were held on various important dates during the year. Lessons learnt during project execution were shared throughout the organisation by way of 'Safety learnings and alerts'. Various safety training programmes were held, and motivational schemes were instituted during the year.



4. L&T set up a Safety Innovation School in 2012 at its facility at Hazira, near Surat, India to provide safety training. This school is one-of-its-kind to be established by any engineering & construction company in India. Similarly, there are two more safety training schools established at the Madh Training Centre near Mumbai and at Kanchipuram near Chennai.

5. L&T Infotech ensures safety of female employees working during late hours and specific initiatives have been instituted such as:

- A minimum of two female employees are required to be present on the same floor, in case of an operational requirement.
- Pick-up and drop facility is provided to all female employees through L&T authorized transport vendors, with an appropriate schedule.
- Security checks at all floors have been enhanced
- Mandatory communication to security is enforced regarding presence of female employees in office for extended hours.

Safety System – Now more effective through digitisation

Behavior-Based Safety (BBS) focuses people’s attention and actions on safe behaviour. At our Heavy Engineering facility at Hazira, near Surat, an online system was designed to collect and analyze BBS observations. Simpler, faster and more efficient than manual collection and analysis, the digitized system enables user departments to resolve safety issues speedily, thus enhancing safety levels on the shop floor.

We focus on safety of our workers at our construction sites.



