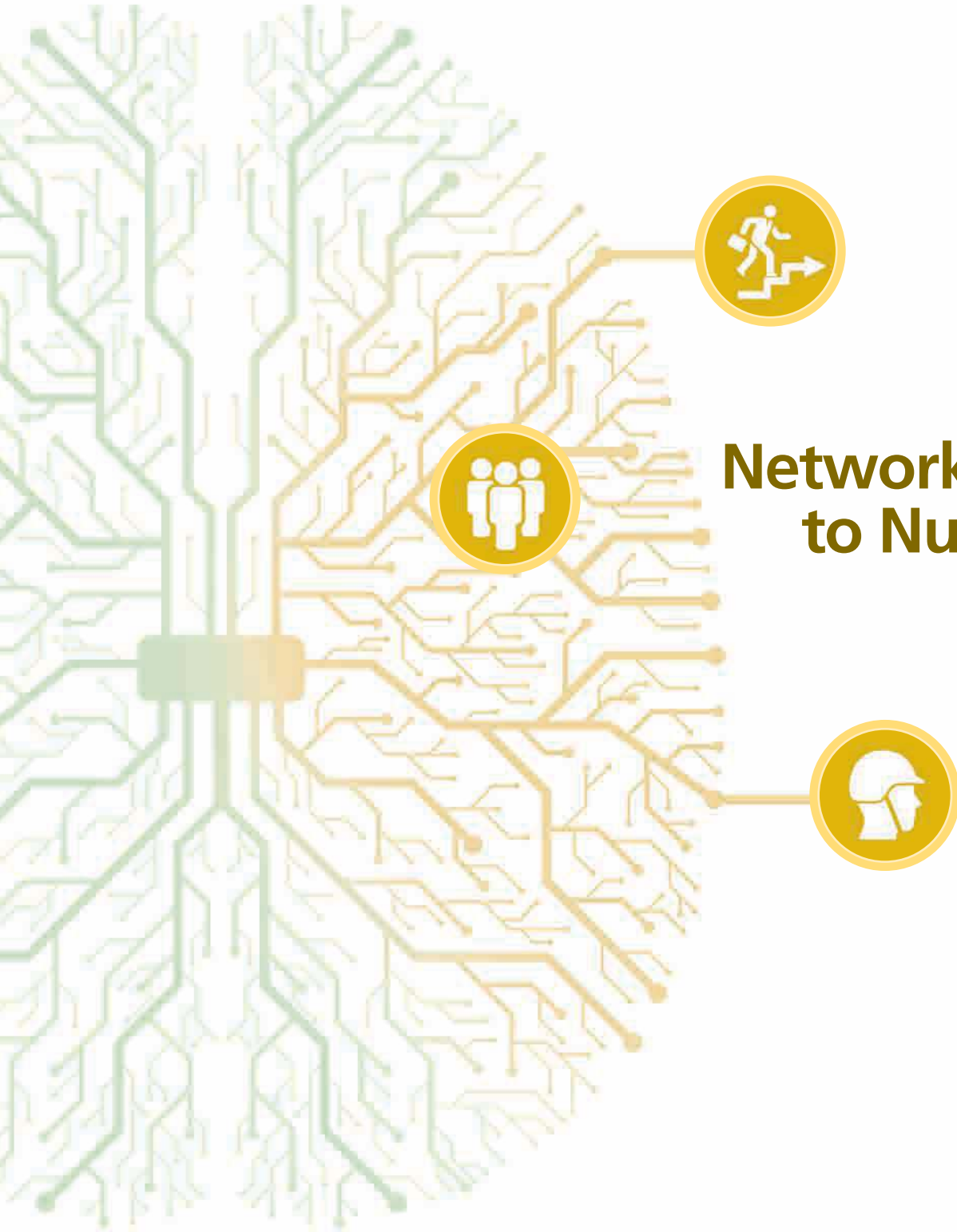


# people performance



**Networked  
to Nurture**



# People Performance

People are central to L&T's activities, achievements and the value it delivers to its stakeholders. The zeal, dedication and expertise of our people, powers L&T's growth and prospects. We recognize their significance and in turn, motivate them further with training, performance rewards, while moulding them to handle leadership roles. A robust framework of people management, created as per the Company's Corporate Human Resource Policy, provides them with opportunities for growth.

Workforce	2016-17
L&T Full Time Employees*	51,058
Full Term Contract Workers	282,311
<b>Total Workforce</b>	<b>333,369</b>

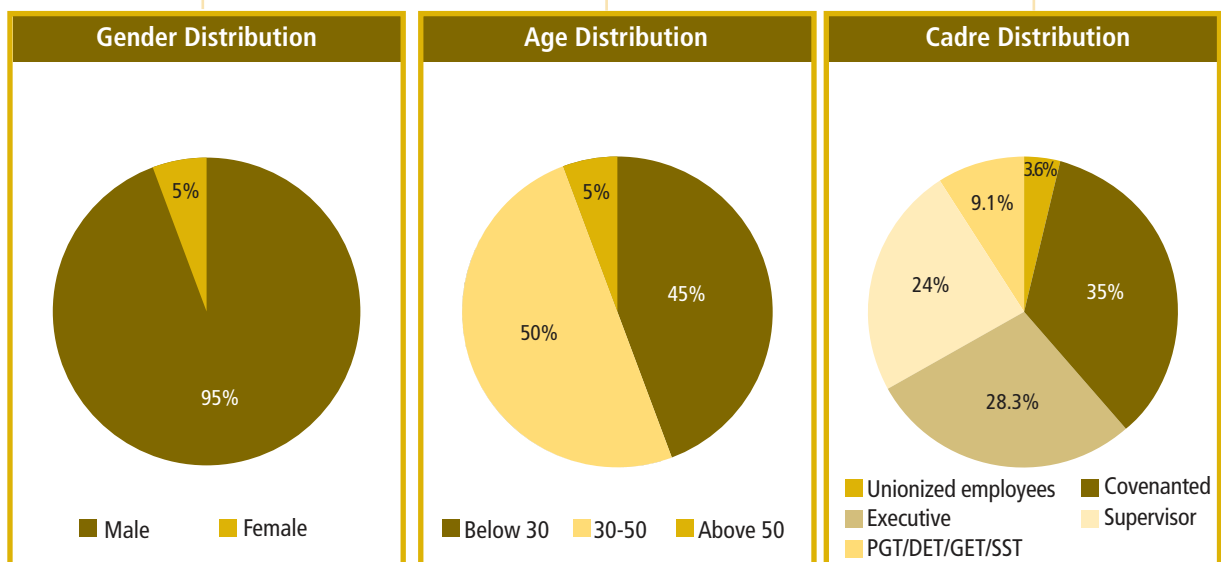
*\*Note: Includes L&T Hydrocarbon Engineering*

L&T embraces meritocracy and appreciates diversity in race, nationality, caste, age, physical ability and religion. There have been no cases of discrimination in the reporting year. L&T believes in equal career opportunities for all, and the remuneration ratio of male to female is 1:1. The Company employs 85 persons with disabilities, and the value chain also employs 48 differently-abled individuals.

All the Board members of the Company are Indian nationals, above the age of 50, with two female members. The senior management team too is entirely comprised of Indian nationals.

The Company employs various platforms for interaction with employees like Town Hall sessions, webcasts, video conferencing and e-mails. Information about the Company like management changes, company's progress and achievements is disseminated to the employees via e-mailers called 'Newsman'. The Company organizes events to promote engagement and team bonding, recognises innovations and presents technical and long-service awards. These events are crucial to motivate employees while recognizing their performance.

All the permanent employees go through an annual structured performance review and career development review, and we strive to make it transparent and engaging. This culminates in the annual compensation appraisal and insights from this review form the foundation of our annual training calendar.



## Human Rights and Labour Practices

Respect for human rights, individual dignity and professional conduct is crucial for L&T's operations. We are committed to operate in a manner consistent with the United Nations (UN) Universal Declaration of Human Rights, the 10 UN Global Compact (UNGC) principles and the applicable International Labour Organisation (ILO) Core Conventions on Labour Standards. We conduct our business in an ethical manner where our workforce is appreciated and valued.

L&T's Code of Conduct defines our Human Rights commitments and practices, along with our policies and systems for effective implementation. Human Rights cover the issues of prohibition of child labour, prohibition of forced and 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 Any Time Learning (ATL) portal. Our HR policies and practices for labour management are at 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, Industrial Disputes Act 1947 and amendments thereof.

L&T adheres to statutory and regulatory requirements related to payment of wages and benefits. The Company ensures that there is no violation of the rights of workmen and provides statutory benefits like Provident Fund and medical facilities. We comply with the Minimum Wages Act. All union employees retain the right to exercise the option of collective bargaining.

Our employees are trained regularly on aspects of human rights. All our security personnel are regularly

apprised, 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 the reporting period. There were no cases of child labour, forced or compulsory labour or discrimination, and no violations involving rights of indigenous people, during the reporting period.

At L&T, our investments and contract documents with sub-contractors include human rights clauses covering – the right to exercise the option of collective bargaining, prohibition of child labour, forced or compulsory labour or discrimination. All new vendors need to sign a combined Code of Conduct (CoC) as a pre-registration requirement. The Combined CoC covers financial as well as environmental and social aspects including human rights, wages and good labour practices. We lay emphasis on strict adherence of these clauses within our premises and at project sites. All our facilities have a grievance handling mechanisms in place to address concerns related to labour practices and human rights. Apart from this, we also conduct assessment of significant suppliers and contractors for compliance to the combined CoC.

Every business of L&T conducts workmen training programmes, as per the respective discipline. Our Heavy Civil Infrastructure business has workmen training centres at 15 of its project sites. They regularly train workmen in formwork, bar bending and masonry. We also have a Power Training Institute, Engineering Design & Research Centres, Switchgear Training Centres in Pune, Lucknow, Vadodara, Delhi, Kolkata and Coonor, and a Safety Innovation School at Hazira, near Surat.

female workforce

## Female Workforce

We believe in gender equality and aim towards increasing the number of women in our workforce. We initiated a programme called 'Renew', a platform that enables women professionals to re-enter the corporate world after taking a break. Any woman on a career break is eligible, and those applying will be evaluated as per the current employment criterion.

L&T has a redressal system to handle complaints from female employees and it is covered under Protection of

Women's Rights at Workplace Policy. We have constituted apex and regional complaints committees to address cases of sexual harassment at the workplace, if any.

All female employees are entitled to maternity leave. During the year, 105 female employees went on maternity leave. 84% returned to work after the leave ended, and 63% are still employed. The return-to-work retention rate for the Company is 83.8%.



## CASE STUDY

# Improving attendance through attention

Enhancing workmen's attendance at remote sites by improving quality of life

L&T's Water & Effluent Treatment business operates in harsh environments in remote areas, often leading to a drop in the attendance of workmen and increase in attrition of the workforce. The business addressed this issue by ensuring that its workers are provided with decent accommodation, with amenities and engagement activities. This motivated them to come to work regularly, focus on their work and have pride in what they were executing. The Company thus achieved the dual targets of high attendance and low attrition of workers with the following initiatives:

1. Comfortable accommodation near the site.
  - a) Workmen's Camp with pre-fab shelters along with clean toilet and bath facilities.
  - b) Clean drinking water with RO and chiller.
  - c) Fortnightly fumigation of camp and toilet areas to prevent mosquito breeding.
2. Engagement and motivation initiatives:
  - a) Movie screening: A movie of choice, played for the workmen every month.
  - b) Sports activities: Volleyball and cricket tournaments, indoor games are organized for staff, supervisors and workmen.
3. 100% screening for Aadhar and bank enrolment: Screening was done and dedicated Aadhar enrolment camps were organized.
4. 100% construction workers training: The entire workforce is trained in their relevant trade, depicting the importance of safe work execution.
5. Medical check-up camps
6. A provision store
7. On-the-job training
8. Celebration of festivals at Workmen's camps.



Competitions for children of workmen



Crèche facility for children of workmen



Comfortable accommodation at Workmen's Camp



Crèche facility for children of workmen



Festival celebrations



Workmen's Camp

## Employee Development: Training and Capacity Building

Training and skill development are the pillars which uphold L&T's capacity-building agenda. L&T imparts training in new skills in emerging fields to its employees. We offer several training modules for employee development and skill building to meet various facets of the organization'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 organization, its businesses and interaction with Senior Management. This programme also covers human rights related aspects.

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

**Centre of Excellence Programmes:** The structured programmes provide end-to-end consulting on various business initiatives of operational excellence. These programmes assist L&T businesses in improving performance and effectiveness by organizing training 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 the 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 and seminars.

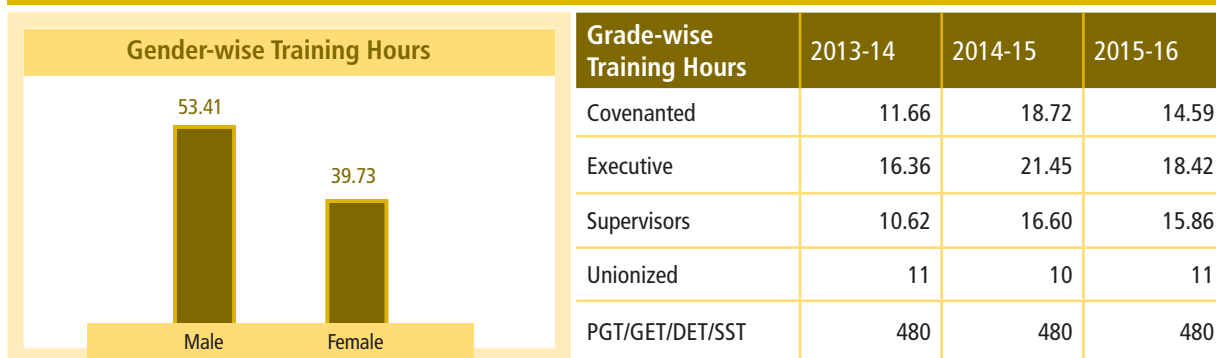
**Theme-Based Programmes:** These are need-based programmes conducted to spread awareness and knowledge about a particular system, model or process. These programmes also cover training modules for employees who are due to retire.

**Certified Courses on Safety:** L&T regularly conducts NEBOSH and IOSH courses for its employees. The objective is to sustain a strong culture of managing safety across L&T businesses.

**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 by Institution of Occupational Safety & Health (IOSH), UK for delivering their course - Managing Safety.**

### Average Training Hours

*Training Hours per Employee*



**Total Training Hours: 3 Million**

*Note: The values for 2014-15 and 2015-16 are restated after excluding L&T Infotech operations, which is not part of the scope of the report, from this year onwards.*

**L&T's robust e-Learning platform (ATL) is available anytime and at any place to its employees. It encompasses modules on diverse topics by subject matter experts and various knowledge resources. These courses are user-friendly, interactive and engaging.**

# employee benefits

## Employee Benefits

Our full-time employees are provided with insurance, healthcare, maternity leave, post-retirement medical benefits, gratuity, pension, leave encashment and provident fund. Apart from meeting all the statutory requirements, L&T also provides additional benefits such as crèche allowance, scholarships and rewards to employees' children, education for children of deceased or permanently incapacitated employees, annual health check-ups, holiday homes and medical insurance.

In an endeavour to help rehabilitate differently-abled children of L&T-ites, the Company reimburses their medical treatment and therapy expenses. It also provides for special educator needs and surgical interventions. Minimum notice period for operational changes is mandated as 21 days as per the Industrial Disputes Act.

## New Hires

### New Hires in 2016-17

Male	7260
Female	466
Below 30 years	4754
Between 30-50 years	2679
Above 50 years	293
Total	7726

## Employee Turnover

### Turnover in 2016-17

Male	8483
Female	422
Below 30 years	4033
Between 30-50 years	4288
Above 50 years	584.0
Total	8905

## Engagement Initiatives:

- **Build India Scholarship** – an Industry-academia collaboration for business excellence.
- **Strategic Finance Leadership Programme** – conducted in association with Wharton School to develop F&A heads as co-pilots for businesses.
- **8<sup>th</sup> Annual Book Festival** – it covers book sales, author speaking sessions, contests and workshops.
- **iCALL** – a telephonic professional counselling initiative done in association with Tata Institute of Social Sciences, Mumbai, as part of the employee wellness programme.

## One Team. One HR.

A two-day gathering of HR leaders and their extended leadership teams, from all the businesses was organized on July 22-23, 2016, at the Leadership Development Academy (LDA), Lonavala. It aimed at creating greater synergy among HR teams across the L&T spectrum, and providing them with a platform to exchange learnings and ideas. The workout was the second iteration of a novel idea first instituted in 2013.

The objective of this dynamic workshop is to work as 'ONE TEAM' by stimulating, connecting, sharing and assimilating the best HR practices, and preparing action plans which would power L&T into the future. The key focus areas were: sustaining a culture of high performance, leveraging Gen-Y and branding through social media, leadership development and succession planning. The recommendations that emerged from the workout were taken by the HR leaders as inputs for planning future initiatives.

## Leadership Development Academy

L&T's Leadership Development Academy (LDA) at Lonavala is recognised as a unique corporate university in India, collaborating with the world's most reputed institutions to provide global exposure. The LDA has been recognised by Symbiosis International University as a 'Research Centre' which enables L&T-ites to pursue their Ph.D. Programmes.

It is a symbol of value for L&T as it helps 'People Development & Growth' by providing the right training

infrastructure, ambience and services to support and enhance learning. The state-of-the-art campus offers a platform to interact across geographies and develop future leaders and global corporate entrepreneurs. Set in the tranquil environs of Lonavla, a hill-station and spread across 24 landscaped acres, the LDA offers a refreshing break from the urban sprawl. Since its inception in 1997, the LDA has benefitted several of L&T's businesses as well as those of other select corporates.



## Leadership Pipeline Development

Our Leadership Development Programmes are conducted in collaboration with reputed Indian and international business schools. The Company has a unique, seven-step leadership pipeline development process that has been meticulously structured.

**Management Education Programme:** An exclusive L&T and Indian Institute of Management (IIM), Ahmedabad collaborative programme, designed to groom young leaders in the discipline of General Management.

**Leadership Development Programme:** Designed for middle management, it focuses on the field and forum principles; and helps high-performing executives to assume leadership responsibilities.

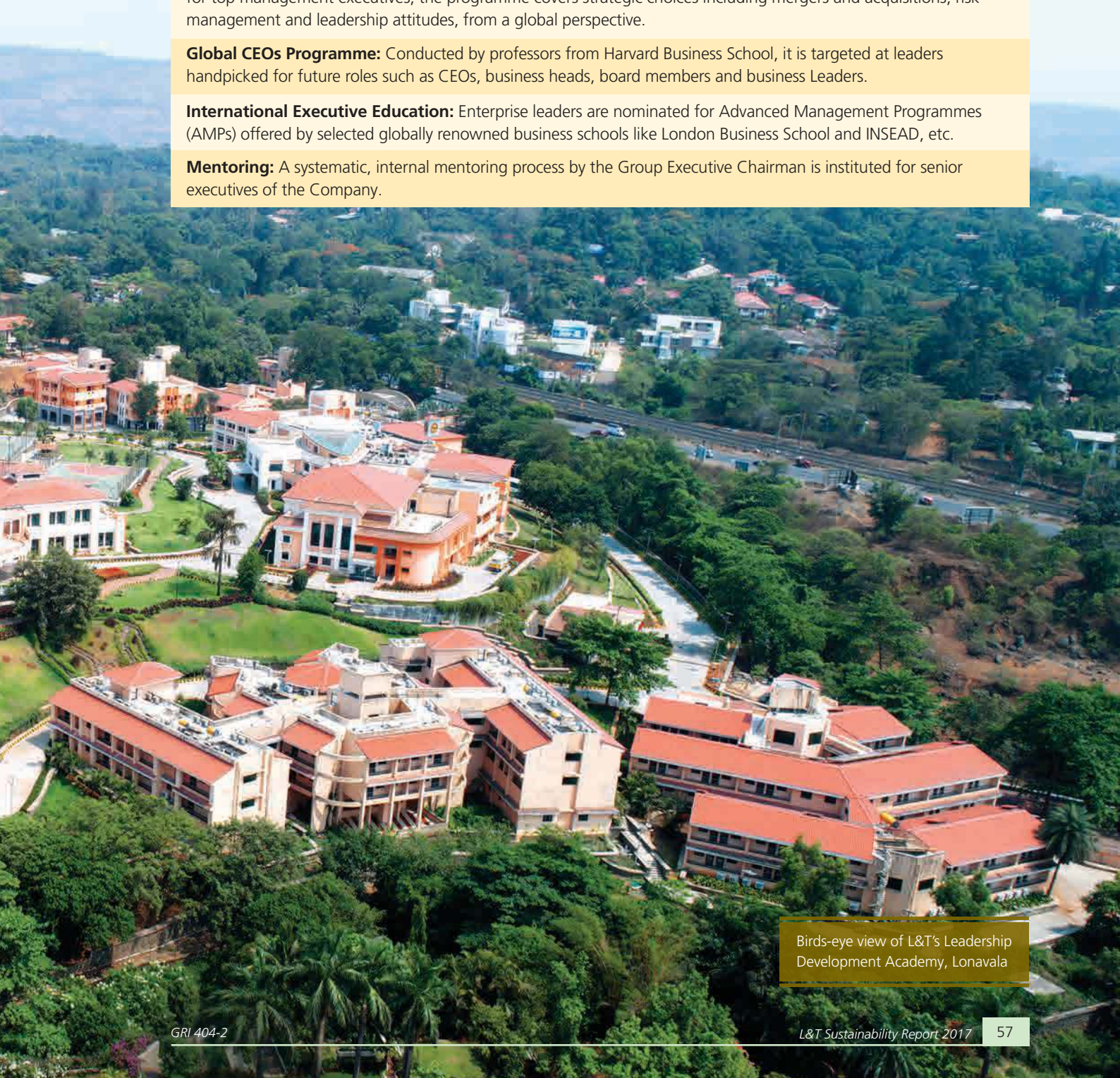
**Global Leadership Development Programme:** Customized and facilitated by University of Michigan's Stephen M. Ross School of Business, the programme focuses on leadership skills for effectively competing in the global context.

**Transforming L&T into a Global Corporation:** Conducted in association with INSEAD, France and designed for top management executives, the programme covers strategic choices including mergers and acquisitions, risk management and leadership attitudes, from a global perspective.

**Global CEOs Programme:** Conducted by professors from Harvard Business School, it is targeted at leaders handpicked for future roles such as CEOs, business heads, board members and business Leaders.

**International Executive Education:** Enterprise leaders are nominated for Advanced Management Programmes (AMPs) offered by selected globally renowned business schools like London Business School and INSEAD, etc.

**Mentoring:** A systematic, internal mentoring process by the Group Executive Chairman is instituted for senior executives of the Company.



Birds-eye view of L&T's Leadership Development Academy, Lonavala



# Occupational Health & Safety

The safety of our workforce is given top-most priority in all activities across facilities and project sites. We have a structured approach towards safety with assigned individual objectives. Our approach demonstrates the Management's commitment to safety, and forms a critical component of our business decisions. One of our key focus areas is effective implementation of health and safety practices in line with our 'Zero Accident Vision'. The vision is to create a safer work environment for our employees, contractors and customers through rigorous systems, procedures and firm implementation. The protocols extend to contractors whom we work with, as well. The Corporate Environment, Health and Safety (EHS) Policy articulates our commitment towards building a safe workplace and defines the protocols to be followed across businesses. The policy is periodically reviewed by the senior management.

## Building a Safety Culture

The Corporate EHS Policy is translated into action with the help of a corporate EHS framework, which spells out procedures, guidelines and manuals. The culture of safety is spread across all levels where every employee plays an important and responsible role. Dedicated EHS teams at each business and project site, work closely with proactive and highly competent project site teams, to enforce the Company's practices. The teams also aid business-specific EHS interventions commensurate with the relevant risks. Safety training before the commencement & regular training sessions are essential elements of our safety interventions.

The safety performance of the Company is reviewed every month at management review meetings and on a quarterly basis at the Board level, to ensure continual improvement.

We are conscious of the health and safety of all the contract workmen working at our sites. Sub-contractors are evaluated for their safety capabilities and strengths before assigning contracts. They are expected to comply with our policies and practices. L&T ensures their commitment through regular training and capacity building programmes, site visits and audits.

Safety committees have been constituted and regular meetings are organized at manufacturing locations and project sites. These committees comprise senior management representatives, as well as union members. The safety committees assist the management in achieving safety objectives as per the Company's vision and goals, for the project sites. Specific clauses relating to Health and Safety are included in the Collective Bargaining Agreement .

building a safety culture



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

### Safety Dashboard

	2014-15	2015-16	2016-17*
Severity Rate	225.94	189.63	165.00
Frequency rate	0.15	0.16	0.16
Fatality Rate	8.98	9.55	8.05
Fatality	43	41	33

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 lac workforce.

\*Values are restated after excluding L&T Infotech (LTI)

The workforce of our Construction business is exposed to risks like heat strokes and dehydration, in areas where temperatures are high. Hence, suitable time schedules are prepared where most of the work is done during comfortable timings of the day. The most common risk at the construction site is fall from height. It is a key focus area which is addressed by integrating health and safety norms at work as a basic operating principle. Also, strict supervision is ensured during weekends and holidays to avoid accidents. Workers below the age of 25, are key targets for behaviour-based safety training across project sites. Similarly, at workshops and fabrication yards, the workforce is exposed to higher noise levels and are at a risk of developing hearing disorders. We take utmost care and ensure that noise levels are maintained within the permissible limits.

### A basket case with a happy ending



At L&T Power sites, man baskets are used to conduct work at heights. This lifting equipment, consisting of a basket with a facility for anchoring harnesses enables workmen to be hoisted safely to heights beyond the reach of conventional ladders.

Activities like structural inspections and bolting at heights can be carried out without compromising personnel safety.

### Significant Safety Interventions

1. A range of solutions targeted at enhancing safety consciousness are being implemented in our Infrastructure business. Immersive Safety Training powered by Virtual Reality (VR) is being developed. RFID technologies are used to design solutions for material tracking and management, and worker safety. In our endeavour to improve workmen management system, we are linking the workmen's database with their Aadhar card and bank accounts.
2. Sessions are held at project sites to educate and sensitize the workforce on hazardous activities and the corresponding preventive measures. A Safety Innovation School – the first of its kind by a Construction company in India – has been set up by L&T to train the workforce.
3. Initiatives are undertaken to enhance safety in Power Transmission & Distribution (PT&D) operations. They include e-learning modules, improvised safety cards for reporting unsafe acts/conditions, Virtual Reality-based training, upgrading Safe Operating Procedures (SOPs) to reflect changing work methods and mechanization and adoption of Sagging Bridge (Stringing Working Platform) technique. In addition, the use of motorized winch machines in place of tractors in final sag activities, enhances the impact of training. Behaviour-based Safety and Train the Trainer programmes are also conducted at project sites.
4. Cross-functional EHS audits are conducted across all business units.
5. To spread safety awareness, various theme-based campaigns were observed on various important dates (e.g. National Safety Week, L&T Safety Day, etc.) during the year.
6. At L&T Hydrocarbon Engineering, lessons learnt during project execution are shared throughout the organization by well-documented HSE Learnings and HSE Alerts. Various HSE training programmes are held and motivational schemes are instituted.



## CASE STUDY

# Building a safety culture

Safety First' initiatives for a safer site

L&T is constructing an Integrated Technology hub in Bangalore on a 52-acre campus. Execution of the project entails working with various contractors and managing a workforce of 3,000 people. The challenge was to ensure a safe project site with uniform practices, across multiple contractors, sub-contractors and a diverse workforce.

**In order to build a culture of safety, we need to remind everyone about safety hazards and risks, to include them all in the safety journey. We want people to know that safety is on the top of our minds, as it should be, so that we can all go home safely, every day!**

### Assessing risks

A large portion of the workforce was young, spoke different languages and for most of them, it was their first job. The Company trained and re-trained the workforce, appreciated safe practices with on-the-spot cash rewards, strictly adhered to safety procedures, and measured safety performance using leading indicators. New methods were introduced to reduce risks in the form of mechanization of processes to reduce manual handling. Zero tolerance towards neglect of safety practices, with a vigilant approach to risk management helped the site improve its standards.

### Committed to safety

Safety measures are incorporated into an activity right at the planning stage. The methodology of execution and equipment used, is carefully assessed for possible hazards. The planning stage addresses a major part of the risks, remaining few are addressed during execution. Projects are planned to make sure that risks are kept to a minimum. For example, 200 mm-wide blocks are used for masonry, and they weigh around 38 kg each. However, the maximum limit that person can manually handle is 20 kg. So, the blocks were altered to 100 mm width, so that they weigh only 17 kg. This decision was made at the planning stage itself, even though it meant investing additional time and material.

### Job-specific training

A robust selection and induction process was put in place, and an animation-based induction training module was developed. An important element of the module was trade-specific training conducted in multiple languages. Demonstrations and simulation of site conditions were used to improve effectiveness of the programmes. New workmen were given extra attention during their first month at the site, and buddy systems were organized to engage them.

A robust training plan was designed as per the competency assessment framework, and need analysis surveys were conducted at regular intervals. Apart from this, engineers and supervisors were trained on work

permit systems, 'safe-to-start work', firefighting and first-aid. In addition, they were provided with specialized training, including customized two-day construction safety programmes.

### Promoting upward communication

Workers and their representatives were actively involved in health and safety committee meetings and food committee meetings. They were encouraged to report near-miss events, and were recognized and lauded for such reporting as well as interventions.

### Committed to deliver - Managing Risk

All the activities carried on the construction site are well planned, and method statements are prepared to define the scope of each activity. Documented safe operation and maintenance procedures were developed for activities involving site engineers, supervisors and workmen. Risk assessments are conducted at least three months prior to the commencement of the activity, and are revised and reviewed before carrying out a job.

Fire is a significant hazard identified in operational areas, as our work involves gas lines to be welded into the laboratory building. To minimize the risk, all the employees are trained on basic firefighting, which includes operation of fire extinguishers. The work supervisors are trained on advanced firefighting techniques. Apart from these, a dedicated team with nine retired army personnel, was deployed. Their primary job was vigilance and firefighting. A well-equipped fire detection and alarm system with manual call-points and smoke detectors were set up in the Labour Colony.

Working at heights is yet another key area of concern. To manage this, the site decided not to use an external scaffold for façade works. Various other control measures were included at the bidding stage itself. Some of them are extensive use of boom lifts and scissor lifts with integrated and built-in safe working platforms and powered access platforms. They considerably reduce the risks involved.

### Results

The project received a five-star rating and an 'Excellent' safety score of 98.65 from the British Safety Council (BSC). The project won the prestigious Sword of Honour Award.



## Safe Practices Recognition

### Buildings & Factories business

Two projects were awarded the prestigious 'British Safety - Sword of Honor' from the British Safety Council, UK  
 Nine projects received the Gold Awards from The Royal Society for Prevention of Accidents (RoSPA)

### Transportation Infrastructure business

Received 12 international safety awards and 4 prestigious safety awards from National Safety Council (NSC), India.

### PT&D business

Received the 'Best Safety Practice Award' from PGCIL for 800KV HVDC Champa - Kurukshetra TL project.

Two substation projects in Oman secured ASSE GCC HSE Excellence Awards

Prestigious National Safety Council of India award received for R-APDRP Varanasi project

RoSPA Awards for safety performance won by 11 project sites

Three project sites won British Safety Council awards for safety

### Power Business

National Safety Council Award for ongoing Rajasthan Rajya Vidyut Utpadan Nigam Limited's (RRVUNL) project at Chhabra.  
 The Bheramara Project in Bangladesh was awarded the prestigious 5-Star and British Sword of Honor from British Safety Council, UK.

NPCIL-RAPP Kota, NTPC Kudgi and NTPC Lara project received a Gold category award from The Royal Society for Prevention of Accidents (RoSPA).

RAPP, Kota site won the Sarvashreshtha Suraksha Puraskar (Golden Trophy and a Certificate) of National Safety Council, India.

## Barring accidents with barriers



Fabricated safety barriers are essential to avoid risks, and provide safety fencing. Construction barriers are installed at working areas located at heights and other critical areas at construction sites to restrict the entry of unauthorized personnel. The barriers serve multiple purposes, including keeping workmen away from a crane's moving radius or excavated area, blocking access to a specific area or diverting movement around a hazardous zone. The visibility of the barriers is enhanced by painting them in bright colours (red and white) and wrapping them with high-visibility nets.

