

A photograph of three workers in high-visibility vests. A woman on the left is smiling and looking towards a man in the center. The man is also smiling and looking towards a woman on the right. They are all wearing dark blue work clothes with bright yellow-green safety vests. The background is blurred, suggesting an industrial or warehouse setting.

ENSURING PROFITABILITY AND CREATING COMPETITIVE ADVANTAGE THROUGH THE PERSONNEL MANAGEMENT

Kirsi Matero, HR Director

Capital Markets Day 30 September 2014



HR IN BRIEF

PERSONNEL IN BRIEF

There are about
8,000 of us

Number of employees
in March 2014

84% blue collar



16% white collar



Our employees
represent almost

80
different nationalities.



Personnel by division



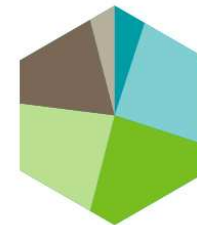
Facility services	74%
Environmental services	14%
Industrial services	6%
Renewable energy sources	1%
Administration and other	5%

Staff costs



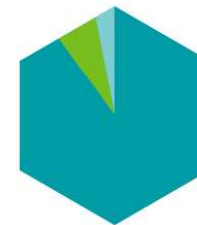
Employee expenses	46%
Other variable and fixed expenses	54%

Employee age distribution



< 20	5%	41-50	23%
21-30	25%	51-60	19%
31-40	24%	> 61	4%

Personnel by country



Finland	90%
Sweden	7%
Russia	3%

We operate in

>100
locations in Finland,
Sweden and Russia



ENSURING PROFITABILITY

WE ACHIEVE DIRECT COST SAVINGS THROUGH EFFECTIVE HR MANAGEMENT

Our average retirement age in Finland was

63.3

years.

> 2005: 59.4 years

It is significantly higher than the average retirement age in Finland, which is 60.9 years.

Absences due to sickness fell to

5.3

percent.

> 2005: 7.5%

It is a great achievement in the industry which requires good physical condition and hard work.

Our accident frequency was

18

The number of accidents per million working hours

at 2013.

> 2011: 35

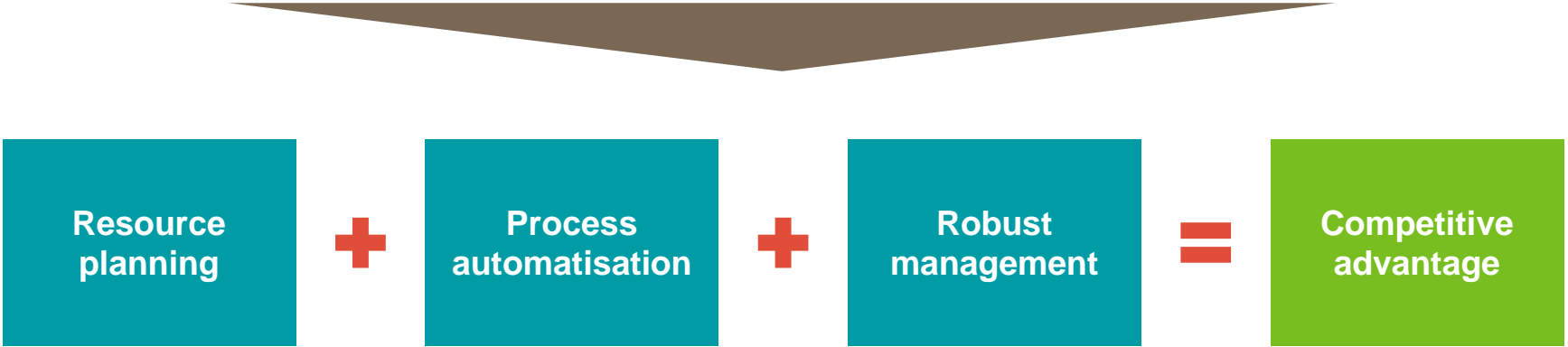
We have managed to almost halve our accident frequency.



CREATING COMPETITIVE ADVANTAGE THROUGH WORKFORCE MANAGEMENT

WORKFORCE MANAGEMENT IS A PROCESS ON WHICH WE BUILD COMPETITIVE ADVANTAGE

The WFM process as a source of competitive advantage



THE RIGHT AMOUNT OF SKILLED WORKFORCE IN THE RIGHT PLACE AT THE RIGHT TIME AND COST

The objectives of L&T's workforce management

L&T workforce management

- Duration 4 years
- Several M€ investment
- Several M€ benefits in cost efficiency, realisation during and after the programme

Variable and fixed cost efficiency

Group level, centrally managed workforce management operating model

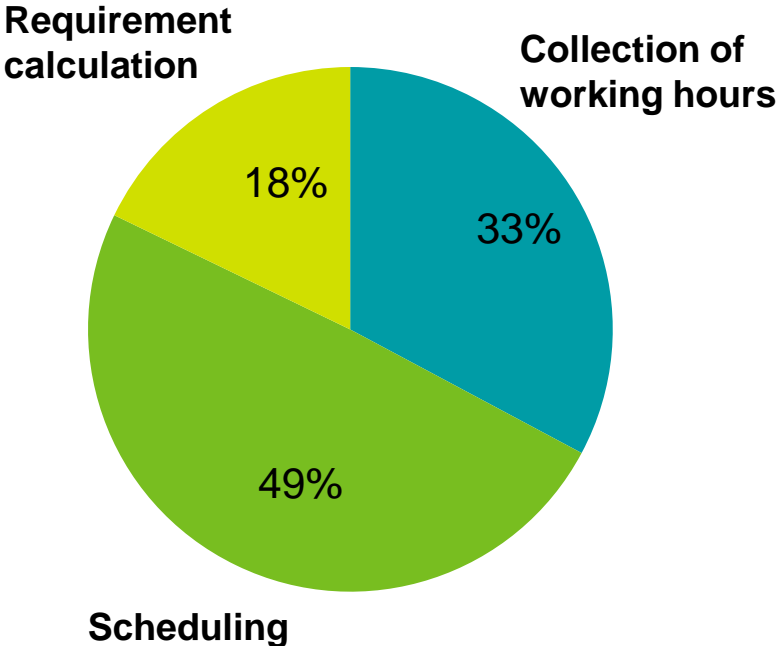
Matched skills requirements and skills in every job

Improved service quality and increased customer satisfaction

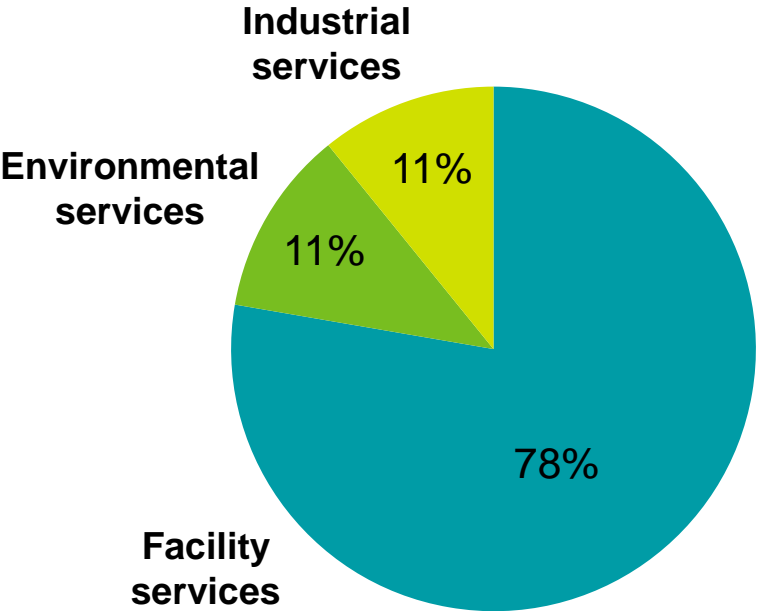
WE TARGET SUBSTANTIAL VARIABLE PERSONNEL COST SAVINGS IN ALL BUSINESSES

Variable personnel cost savings allocation

Cost savings allocation by activity



Cost savings allocation by business



WE ENHANCE OPERATIONAL EFFICIENCY WITH DIGITAL SOLUTIONS

Examples of digital solutions

L&T INTO Kojelauta Viestit 1 Työvuorot Työaika 1

Tiistai 26.8.
 Päivän ajolista
418 Tuusula, Järvenpää
 Huomicitavaa
 Lorem ipsum dclor sit
 Auto
108 KVR-123
 Aloitusaika **7:05** Lopetusaika **13:15**
 Työaika **7:45** Työaikasaldo (28.4.-4.5.) **+1:25 (-0:15)**
 Kommentit

MUISTA JUODA.

Nesteytys on kesähetkeellä tärkeää. Näin työnteko sujuu turvallisemmin ja väitettään turhat tapaturmat.

OTA JUOTAVAA MUKAASI

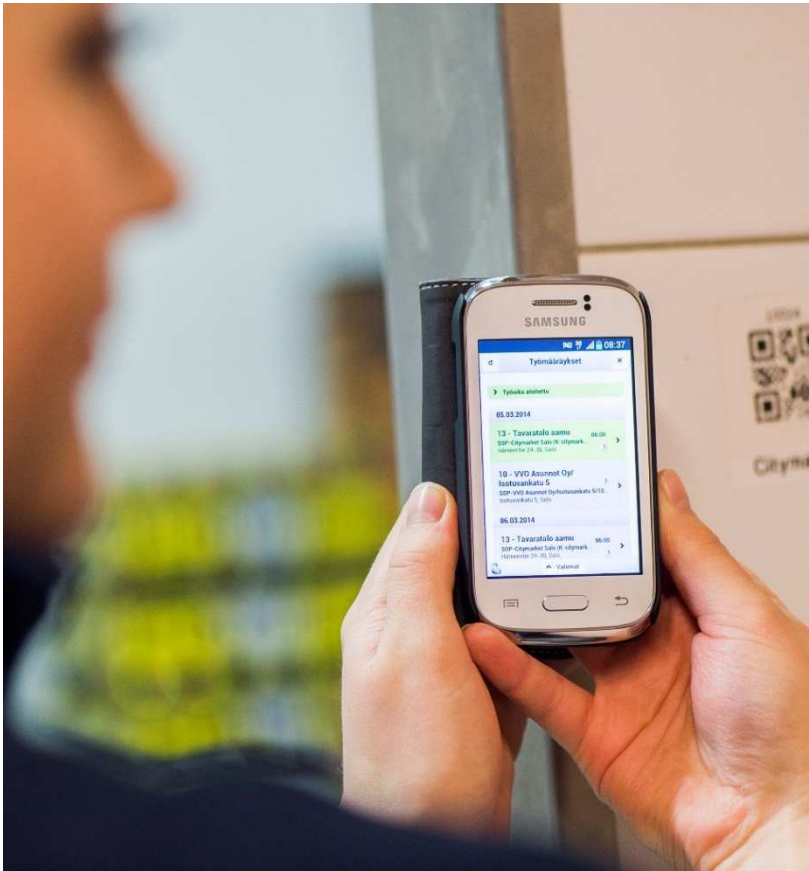
L&T LUOTSI Reitit Kulljetajat Kalusto Viestit

Hyppää päivään Tiistai 12.8.2014 14:00 Keskiviikko 13.8.2014

Tulosta huomisien vuorolistat Muutosilokki Lisää reitti Kaikki Poikkeukset Haku

KPL/Etuauto

261-265	882 Hartman Juha Tapani	882 Hartman Juha Tapani
361-365	648 Rantala Osmo Olavi	648 Rantala Osmo Olavi
Etuauto	307 Luomala Hannu Ta...	307 Mänttinen Esa Ilkka
Vapaat kulljetajat	Mäkinen Jenna Tuulikki Elisabet	Mäkinen Jenna Tuulikki Elisabet
Laitos		
Laittoystyö 1	Karppinen Jarkko Mark...	Karppinen Jarkko Mark...
Laittoystyö 2	Pasanen Aulis Tapio	Pasanen Aulis Tapio



SUMMARY

ENSURING PROFITABILITY AND CREATING COMPETITIVE ADVANTAGE THROUGH THE PERSONNEL MANAGEMENT

We achieve direct cost savings through effective HR management

We create competitive advantage through workforce management

We target substantial cost savings by workforce management development



**IT'S EASY TO TRANSFORM A
KETCHUP BOTTLE INTO FUEL
OR A TUNA CAN INTO A FORK.
IT'S MUCH HARDER TO CHANGE**

HOW PEOPLE THINK.



WORKING SUSTAINABLY

