

The Global Compact Communications on Progress Lanka Hydraulic Institute Ltd, Sri Lanka 22nd January 2009

"Lanka Hydraulic Institute Ltd pledges continued support for the Global Compact initiatives and pledges to uphold, embrace, support and enact, within our sphere of influence, the core values & principals of the Global compact.

Lanka Hydraulic Institute Ltd will work towards continued improvement in the practice of the ten principles of the global compact and will act to propagate the Global compact in other organizations in the Sri Lanka and abroad. "

- **Malith S. Mendis, Chief Executive/ Director, Lanka Hydraulic Institute Ltd**

Description of Practical Actions

Principle 1: Health and Safety Management System

Lanka Hydraulic Institute (LHI) initiated the 5S program to create a better, orderly work environment to its employees which results in the management of good health among the staff and prevention of accidents. LHI believes in good health of its people, both physically and mentally. The continuous development of the 5S concept not merely gave LHI an orderly place to work at, but motivation to work more productively knowing that utmost care is taken with regard to safety measures, accident prevention methods etc addressed by the practice of 5S.

Measurement of Outcomes

As an effort towards continuous development and as a Safety Management System, LHI initiated and implemented the 1st stage of 5S – Sorting, last year. The Company was able to gain a profit totaling to LKR 1 million through this stage by selling the equipment that the organization found were redundant, through this sorting. LHI has already begun the same process this year as well, and the management and its employees are more than motivated in continuing the stages of 5S to gain such profitability to the Company. All new recruits are trained in the 5S practice as they join the organization and is encouraged to contribute to the sustainable development of the practice.

LHI has so far continued its record for zero accidents this year and has taken steps to providing the workers in the basin with safety helmets, overalls and boots/ shoes. However, in an unfortunate event that an accident should occur, LHI is prepared to face such, through enrolling and registering its entire staff to an Emergency Ambulance and treatment service outsourced to an external service provider as such.

LHI spreads its safety system to beyond its Company and its premises, to the community outside of its organization. Below are pictures of installed sign posts down the road of the Company's location, warning motorists of approaching dangerous bends.



Principle 6: Company policies and procedures which make qualifications, skill and experience the basis for the recruitment, placement, training and advancement of staff at all levels.

This year LHI launched its Grievance Handling Policy. This policy is applicable to all levels of staff and has been released in both the 1st and 2nd languages, so the non-English speaking staff member is also able to read and understand the Policy. LHI adopted this system to address all complaints and grievances of staff to provide a better working environment and to gain higher productivity output from its employees.

LHI continues to support Equal Employment Opportunity practice through making the basis of qualifications, skills and knowledge for placement, training, promotions etc to employees across all levels. Currently LHI is employer to many individuals from different minority races and groups. The Engineering team consists mostly of female employees.

Continuing to this year, LHI's Annual Training and Development plan was formulated taking in to consideration all staff members from all levels of the organization.

Measurement of Outcome

LHI believes in recognition of mere skills and knowledge of an individual when considering for recruitment, advancement etc. In a country where a civil war prevailed for 30 years, LHI is taking the initiative in elimination of discrimination in terms of races and minority groups. The organization has such members of said groups working in the core department of the Company, in higher positions and in other departments as well. These members hold strategic positions in the Company and contribute to important decision making.

LHI has no demarcation in employing members of the fairer sex to its workforce. The percentage of female employees in the core unit is significantly higher than the male gender. Through such practices LHI is able to prove that it makes its basis for employment suitability on qualifications rather than gender.

The Annual Training & Development plan is made after identifying the skills gap through the Company's performance appraisals held yearly. Training needs are identified across all levels, after which a Training plan is formulated, providing training programs to address training needs of each employee, irrespective of skill, knowledge levels. These training programs range from in-house, local to overseas training programs.

Principle 8: Introducing, certifying and continually improving environmental management systems.

LHI was successful in obtaining recertification of its ISO 9001: 2000 certifications in July this year.

In terms of environmental care, the Company initiated to accumulate rain water for usage in its laboratory basin at the Company premises. LHI also implemented a system to reuse the water that is used in the model basin, through purification and storing for reuse.

Measurement of Outcome

The ISO certification is considered as a competitive advantage to LHI's business. This enables to continuously developing its Quality Management System, LHI streamlines and add value to their services. Therefore the organization considers the possession of the ISO certification as a vital component in providing a quality assured service to its invaluable clientele. Thus all operational activities are planned and executed within the framework of the quality system.

The below pictures are of the drains and pipelines leading to a special tank, where all rainwater is accumulated. This water is used for laboratory purposes in LHI's model basin and flume.



Pipes accumulating rain water directed to a tank underground

These pictures show the drains through which the already used water in the model basin, sent through a purifying system and is diverted to a tank for storage.



Drain connected to pipes to a tank outside



The tank in which water is stored for re-use

Principle 4: Business supports elimination of forced or compulsory labor.

The Company encompasses a system of Over Time payment to non executive staff for extra hours they put in after normal working hours, during public holidays or weekends. LHI also has a Flex hours plan for the Engineering staff working for them, to reclaim every extra hour they spend at the work place.

Measurement of Outcome

LHI operations contain an Over Time payment method to non-executive staff members. If the employee engages in work exceeding the stipulated 8 hours duty, on public holidays or during weekends, he/she is paid overtime for the time spent thereafter.

A Flex hour plan covers LHI's engineering team where every hour that is spent for work after the 8 working hours, on public holidays or during weekends, can be accumulated and used on another day as personal leave – 4 hours constitute half day and 8 hours a full day. If an engineer works for an additional 8 hours within a week, he/she can take a day off from work to compensate for the extra hours worked previously.

All employees who render their services to working more than the stipulated working hours or during holidays, are paid subsistence and meal allowances and are shuttled free to their homes.