



Communication on Progress (COP) Report – 2010-11

This Report on Communication of Progress (COP) represents our assessment and perspective on the manner in which the principles of Global Compact have been taken forward in our organisation through various initiatives. The accompanying statements attempt to capture the achievements vis-à-vis the principles pursuant to the actions taken during the past, including the year under report, in brief. For more details, please contact the **Corporate Human Resource Development & Communications** Department at the Company's Head Office or by EMail: chrhc@balmerlawrie.com.

Principles Relating to Human Rights

Principle # 1 & 2: Support and respect the protection of internationally proclaimed human rights / Not be complicit in human right abuses

Balmer Lawrie remains committed to uphold and strives to further the cause of human rights in all aspects of its business and ensures that neither the Company nor any of its business partners indulge in any human rights violation or are complicit in any human rights abuse in any manner. The various actions taken and the status are as under:

- The Company has constituted Committees at Corporate and Regional levels to prevent any possible Sexual Harassment of Women at Workplace and to ensure that the employees are able to work in a positive atmosphere free from physical or psychological threat, abuse or sexual harassment. The committee meets at periodic interval to identify and address issues, if any, that are of concern.
- The Company does not, as a matter of principle; deal with any party with history of human rights abuse.
- The Company consciously works towards the development of the society at large and provides financial support for community development projects. These include programmes aimed at ameliorating the lot of the socially and economically downtrodden and the weaker sections of the society and improve their social & economic status.
- All legal and statutory obligations towards employees, shareholders, clients, customers, associates and the society at large are complied with. Periodic audits are undertaken and reports on compliance are submitted with the Board of the Company. Action Taken Reports (ATR) against Non-Compliance Reports (NCRs) are also reported to and reviewed at the Board.

Principles Relating to Labour

As reported in the previous COPs, Balmer Lawrie recognizes and respects the dignity of labour and strives to ensure that there is total freedom of association and no discrimination whatsoever in matters of employment. The company provides safe and healthy working condition, pays competitive wages much above the minimum levels and at times best in the industry/region that it operates in, and provides the best of health care and other welfare facilities to its employees. In all matters pertaining to labour, it follows conventions adopted by the International Labour Organisation. Further, it abides by all regulatory provisions governing the employment in the organisation and strives to enhance the quality of work-life of its employees. To be more specific, the present status, including the actions taken, is detailed in the ensuing paragraphs.

Principle # 3: Uphold the freedom of association and effective recognition of the right to collective bargaining

- The Company strongly believes in and supports the employees' right to association. As of now, there are 6 Unions and 2 Associations representing different sections of employees in the Company.
- Settlements on terms and conditions of service of unionized employees are arrived at through the process of collective bargaining. All the commitments made to the collective are implemented in letter and spirit. Negotiations to conclude long term settlements, where due, are progressing satisfactorily and it is our expectation that the new wage settlements would be signed shortly.
- The Company continues to follow the policy of non-discrimination of bargaining agents based on political affiliation or any other extraneous considerations.

Principle # 4: Elimination of all forms of forced or compulsory labour

- Employment in the Company is on free volition of the employees. No form of forced or bonded labour exists or is allowed.
- Employees are free to terminate the contract of employment by giving notice as stipulated in their appointment letters.
- All forms of employment are governed by Letters of Appointment / Engagement and are subject to acceptance by the prospective employees.

Principle # 5: Abolition of Child Labour

- The Company policy does not permit employment of any person below the age of 18, directly or through contractor, in any of its businesses. To ensure this, the age of all candidates for employment is verified at the time of recruitment and recruitment rules ban employment of persons below 18 years.

Principle #6: No Discrimination in respect of employment and occupation

- The Company does not practice any form of discrimination or bias in matters related to hiring of employees, their career planning, training and development, promotion, transfers, or on remuneration and perquisites. All sections of employees, including women, are given equal opportunities and the Human Resource Policy is to advance the cause of meritocracy and foster development of employees.

- The Company does not practice any discrimination, in matters relating to recruitment, compensation, promotion, training on the basis of religion, caste, region, political affiliation or sex, excepting positive discrimination in hiring of employees to give effect to constitutional guarantees for socially backward / underprivileged groups like SC / ST / OBC / Minorities / Persons with Disability.

Principles Relating to Environment

Principle # 7: Environmental Protection

- The Company gives highest priority to protect the environment. Towards this end, precautionary measures have been put in place with regard to treatment/discharge of effluents conforming to the standards laid down by the regulatory authorities in all its Plants and Manufacturing Facilities. Our Industrial Packaging plant at Asaoti has been certified under ISO 14001 (2004) and OHSAS (ISO 18001 [2007]) during the year..

Principle # 8: Promoting greater environmental responsibility

- The company has initiated action to reduce power consumption and reduction in generation of waste in all its Manufacturing Units. The power & fuel consumption at each of its manufacturing plants are monitored and it is ensured that quantity of usage per unit of output is continuously reduced.

Principle # 9: Development and diffusion of environmental friendly technologies

- The Company has continued its efforts at technological up-gradations in its manufacturing processes to ensure that adverse impact of our operations in the environment are minimized.
- Our R&D team continuously works to identify raw materials, processes and technologies, which will have minimum impact on the environment. The Application Research Laboratory of the Company has made significant progress in developing a number of biodegradable lubricants like hydraulic fluids, gear oils for high temperature applications for enclosed and open gear boxes, engine oils for 4 stroke gasoline engines etc.

Principle Relating to Ethics & Transparency

Principle # 10: Elimination of corruption in all its forms, including extortion and bribery

- Transparent policies and systems have been put in place to ensure ethical behaviour of Balmer Lawrie employees, and we expect our employees to behave in conformity with these principles. As a matter of policy, the Company regularly interacts with clients, customers and associates to get their views/suggestions.
- Issues relating to corruption, dishonesty or unethical behaviour are looked down upon and any instance of such nature is dealt with expeditiously for corrective and preventive action, including disciplinary action against erring employees. There is a vigilance department in the company to deal with such matters in an organized & systematic manner.

- Balmer Lawrie has institutionalized its "Fraud Prevention Policy". The policy provides for detection, reporting and prevention of fraud, whether committed or suspected. This has been done in pursuance of the Company's motto to nurture a culture of zero tolerance for fraud or fraudulent conduct.
- Balmer Lawrie has also institutionalised the "Whistle Blower Policy" to develop a culture where it is safe for all employees to raise concerns about any irregular, undesirable or unacceptable practice and any event or incident of misconduct.
- In order to ensure greater transparency in respect of all procurement actions of reasonable high value (Rs. 5 lacs & above) tenders are now hosted on Company's web site. Further, in respect of all procurements of Rs. 20 lacs & above, e-procurement is mandated.

Corporate Social Responsibility

The Company sincerely believes that one way of furthering the principles of global compact and thus ensure sustainability is through the route of implementing effective Corporate Social Responsibility projects. Towards this end, the Company has instituted two flagship schemes, viz, BLISS (Balmer Lawrie Initiative for Self Sustenance) & SAMBAL (Samaj mein Balmer Lawrie). Whereas the first scheme is directed at providing & improving the long term economic sustenance of the underprivileged, the second scheme aims at improving the living standards of populations in and around the Company's work-centers. In pursuance of this the Company has undertaken several community development projects, partnering with NGOs. The focus is to trigger development at micro-community level and thereby generate the desired impact. The focus areas for the schemes have been education, health, sanitation, shelter, vocational training, employment generation, integrated village development, rehabilitation of underprivileged and disaster relief.

The following activities / initiatives were undertaken during the year under report, i.e. FY -2010-11.

- i. Education
 - a. The education & rehabilitation of 2 classes, comprising of 30 physically challenged students were sponsored at IICP, Kolkata.
 - b. A new wing of class rooms were constructed for the secondary section of the school at village Dara, in 24 Parganas, West Bengal.
 - c. A new block of class rooms were constructed for the Calcutta Immanuel School, a school for street children (from BPL families) at Kolkata.
 - d. Adult Education drive at Khadoli village at Silvassa was funded
- ii. Health
 - a. Weekly clinic for mothers & children sponsored at Joka, Diamond Harbour, West Bengal.
 - b. A Mobile Medical Unit, along with outdoor treatment facility was started in Manali, Chennai
 - c. Primary Health Centre constructed at Bhendekhal, Dronagiri, Mumbai
- iii. Sanitation

- a. Single-pit individual toilets were constructed for BPL families in Khadoli village, Silvassa
- iv. Employment Generation
 - a. Community Hall for imparting vocational training to women constructed at Khadoli village, Silvassa.
 - b. Motor driving training imparted to youths of Khadoli village at Silvassa,
- v. Quality of Life
 - a. 2 Families comprising of 25 destitute children sponsored in the SOS village, Kolkata
 - b. Livelihood of 25 destitute elderly women sponsored in Manali, Chennai.
 - c. Old woolen cloths collected & distributed among the street dwellers.
- vi. Environmental Protection
 - a. Tree plantation carried out in the Bangalore University campus.
 - b. A center for developing environment awareness on the safety of natural resources / wildlife set up at Silvassa.

A snap shot of the various activities sponsored or initiatives undertaken by the Company, investments made there on, during the period under report and their alignment to Global Compact Principles are captured hereunder in Table – 1.

Table – 1

Sl. No.	Corporate Objective	Activity	Investments Made [₹./lakh]	In Pursuance to Global Compact Principle
1	Upheld children's right to education and right to living with dignity creating opportunities to explore their potential, and prevent child labour.	The education & rehabilitation of 2 classes, comprising of 30 physically challenged students were sponsored at IICP, Kolkata.	13.16	Principle 1, 2 & 5
2		A new wing of class rooms were constructed for the secondary section of the school at village Dara, in 24 Parganas, West Bengal.	9.00	
3		A new block of class rooms were construction for the Calcutta Immanuel School, a school for street children (from BPL families) at Kolkata.	10.30	
		2 Families comprising of 25 destitute children sponsored in the SOS village, Kolkata	11.80	
4	Enhance quality of life of the less privileged in the society by providing basic infrastructure facilities and better civic amenities.	Livelihood of 25 destitute elderly women sponsored in Manali, Chennai.	1.80	Principle 1 & 2
5		Old woolen cloths collected & distributed among the street dwellers.	5.00	
		Single-pit individual toilets were constructed for BPL families in Khadoli village, Silvassa	10.00	
6	As also, upheld and protect basic	Motor driving training imparted to youths of Khadoli village at Silvassa	0.60	Principle 1, 2, 4 & 6

7	human rights as regards health and right to earn living through supporting empowerment at the grass root level.	Community Hall for imparting vocational training to women constructed at Khadoli village, Silvassa.	10.00	
8		Adult Education drive at Khadoli viilage at Silvassa was funded	0.60	
9	Ensuring that the company is functioning as a responsible corporate citizen by bringing more and better healthcare facilities.	Primary Health Centre constructed at Bhendekhal, Dronagiri, Mumbai	7.20	Principle 1 & 2
10		Weekly clinic for mothers & children sponsored at Joka, Diamond Harbour, West Bengal.	10.00	
11		A Mobile Medical Unit, along with outdoor treatment facility was started in Manali, Chennai	28.09	
12	Ensure that the company is functioning effectively and responsibly from the environment perspective.	Tree plantation carried out in the Bangalore University campus.	0.85	Principle 7 & 8
13		A center for developing environment awareness on the safety of natural resources / wildlife set up at Silvassa.	10.00	