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THE MADRAS ALUMINIUM COMPANY LIMITED

(MALCO)

**UNITED NATIONS GLOBAL COMPACT
PRINCIPLES**

COMMUNICATION OF PROGRESS

2010-11



GLOBAL COMPACT PRINCIPLES – COMMUNICATION OF PROGRESS

Introduction

The Global Compact principles are the largest and most important alliance for responsible management in the world. Voluntary orientation towards the 10 principles of the Global Compact is of fundamental importance in terms of achieving specific progress through upholding human rights, implementing international working standards, protecting the environment and preventing corruption. Participation in the Global Compact is a way of demonstrating our commitment to advancing the business agenda as an active corporate citizen. Corruption is one of the greatest obstacles to economic and social development globally, hindering the development of fair market structures and distorting competition.



The Madras Aluminium Company Limited as a signatory to the United Nations Global Compact, are committed to the ten principles of the Compact which foster better corporate responsibility in the areas of human rights, labour, environment and anti-corruption. This report of Communication on Progress (COP) to United Nations Global Compact resonates with the values and culture that we follow at MALCO and our commitment to highest standards of professional and personal conduct.

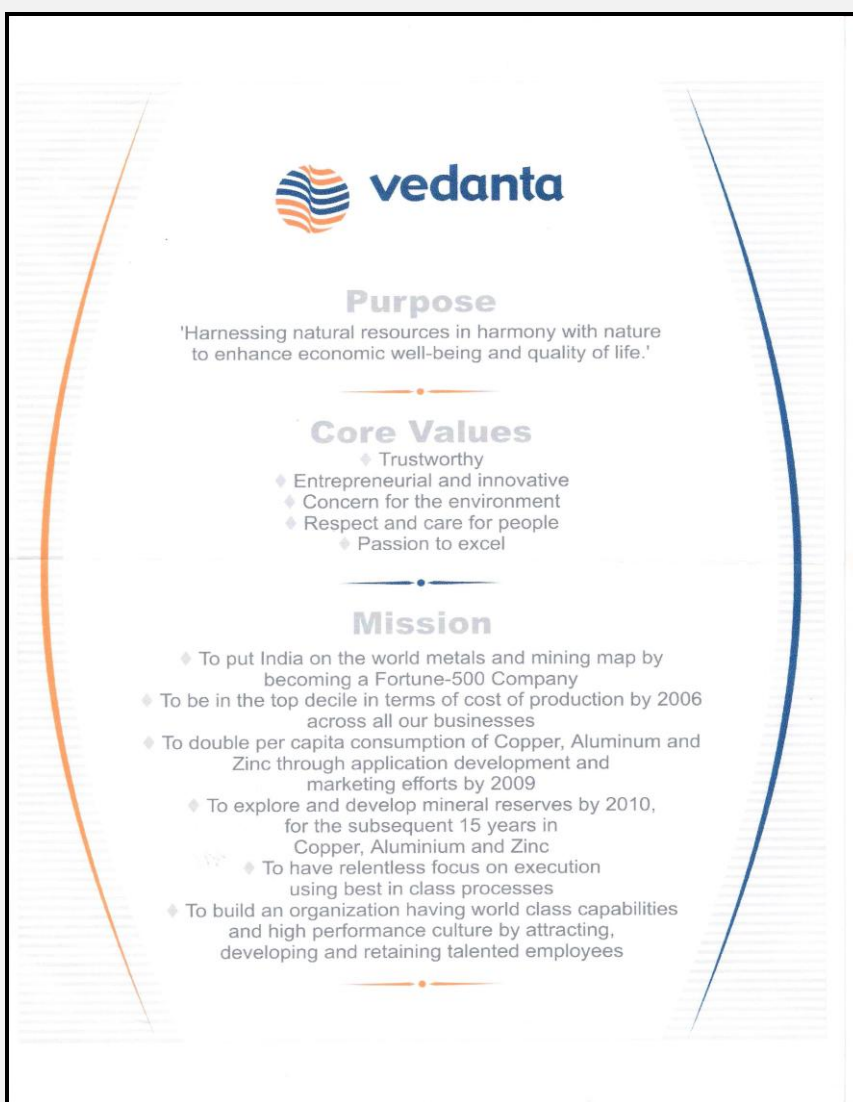
Statement of Support


MALCO as a part of Vedanta Resources Plc., London Stock Exchange listed FTSE100 metal and mining major, is an equal opportunity employer. MALCO is among the few companies in India registered with United Nations (UN) and is committed to comply with Global Compact Principles.

As a member of the Vedanta Group we follow the principles of corporate governance and a code of ethics, referred as Vedanta Code of Conduct, very similar to the Global Compact. This code of conduct is signed by all our officers and our employees and has been shared with our suppliers and customers too.

“Commitment to our communities is one of the core values and a cornerstone of the culture of MALCO. At MALCO we follow the principles of Global Compact in its true letter and spirit. The ten principles of Global Compact resonate with the values and culture that we follow at MALCO and our commitment to highest standards of professional and personal conduct. We at MALCO strive to create Leaders who improve and change communities. In our mission to be a responsible corporate citizen we are continuously partnering the growth and social well-being of communities where we operate.”

- V. Krishnan, Head Operations



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Purpose
'Harnessing natural resources in harmony with nature to enhance economic well-being and quality of life.'

Core Values

- ◆ Trustworthy
- ◆ Entrepreneurial and innovative
- ◆ Concern for the environment
- ◆ Respect and care for people
- ◆ Passion to excel

Mission

- ◆ To put India on the world metals and mining map by becoming a Fortune-500 Company
- ◆ To be in the top decile in terms of cost of production by 2006 across all our businesses
- ◆ To double per capita consumption of Copper, Aluminum and Zinc through application development and marketing efforts by 2009
 - ◆ To explore and develop mineral reserves by 2010, for the subsequent 15 years in Copper, Aluminium and Zinc
 - ◆ To have relentless focus on execution using best in class processes
- ◆ To build an organization having world class capabilities and high performance culture by attracting, developing and retaining talented employees

MALCO supports the Ten Global Compact Principles of United Nations Global Compact and the Communication of Progress (COP) of these principles is as under:

An update on the compliance is given below.

The Key areas of focus are as follows:



Key CSR statistics 2010 – 11

Key area of focus	Investment (Rs. in lacs)
Health	6.96
Education	7.07
Livelihood	3.75
Woman empowerment	5.60
Integrated village development program	16.30
Total	39.68

Few of such initiatives to serve the community around and meet their basic needs are listed below

HEALTHCARE

Multi Specialty Camps

An eye camp organised in association with Aravind Eye Hospital (Madurai), 85 patients were operated upon and fitted with intra ocular lenses. The Company also distributed spectacles to 100 people.

Cardiology camp was organised in association with Fortis Malar hospital Chennai. 750 people got screened through the camp and 50 people were identified with heart diseases were referred for further treatment.



MALCO Clinic

MALCO as a part of its Healthcare initiative has established MALCO Clinic in the year 2005 to provide quality healthcare access to the underprivileged. The MALCO Clinic provides free treatment referral services. During the year under review, around 2675 patients were benefited through this initiative.



MALCO DOTS Centre

The MALCO DOTS Centre promotes tuberculosis care and control through its participation in the government's Revised National Tuberculosis Programme. During 2010 – 11, 15 patients were treated for tuberculosis under the DOTS (Directly Observed Treatment Short Course), of which 36 were completely cured, 11 were under treatment and three defaulted. Among the patients, three were HIV positive and are being treated at Government Hospital, Mettur Dam.

VEDA Blood Bank - Blood Donors' Club

VEDA Blood Bank - Blood Donors' Club is organized for providing support to the District Blood Bank during emergency periods by sending employees for blood donation. A donor list is maintained and employees are sent when needed.

Rural Health Camps:

This special program was initiated to reach underprivileged villagers across Mettur. Under this innovative approach, intensive health camps are being organized, covering preventive, curative and referral services. This program covers neglected rural health needs.

Three camps were organized a month, covering eight villages. During 2010-11, some 6023 individuals were benefited (including 3446 women and 1257 children).

Beneficiaries 2010- 11

Male	Female	Children	Total
1320	3446	1257	6023

Pulse Polio Vaccinating Camp

In association with local primary health center all children, from the vicinity villages, below 5 years were vaccinated on 23rd Jan and 27th Feb2011. More than 3500 children were benefitted through this initiative.

EDUCATION

MALCO Scholastic Excellence Awards

MALCO instituted Scholastic Excellence Awards for the District Toppers from Salem District every year in 10th & 12th STD public examination.





Vedanta Scholarship

We instituted the Vedanta Scholarship for deserving students pursuing higher engineering and medicine education.

Assistance to Government Schools

MALCO supported Government schools in plant vicinity with study materials, desks and benches. Education kit was distributed for 100 children and scholarship was given for 9 children.

Evening Study Centers

We run eight evening study centres at Mettur to reinforce the cause of continuous education and reduce school drop outs. We provided quality education to 298 rural children.

Child friendly village

To ensure that all school age children are in school, all children are covered under immunization, all children possess a valid birth certificate, no child labour in the village, and nutritional security of all the household we have initiated this program in one village. As part of this initiative during 2010 – 11, 27 birthdays were celebrated at village level.

WOMEN EMPOWERMENT

The MALCO Women Empowerment Project was initiated to empower rural women. It was launched on April 5th 2009. More than 15 groups have taken up profitable income generation activities. MALCO focused on microfinance as a means of women empowerment.



PARITCULARS	Nos
No of Self Help Groups formed	46
Total no of Women covered	683
Empowered Women Entrepreneurs	281

MALCO engaged REEEDS (NGO from Salem) as its project partner for initiating the women empowerment project. The project formed 46 self-help groups covering 683 rural marginalised women. Around 281 women were empowered to become entrepreneurs.



LIVELIHOOD

MALCO's livelihood activities addressed deprived sections, covering the following initiatives:



Tailoring Training Center

Under the initiative of MALCO training was provided to women on tailoring through its training camps, around 110 women completed a six month training program.



Mushroom cultivation

Under Women Development initiative, MALCO Conducted Mushroom cultivation Training Program.

The program benefitted around 35 women, enabling them to start their own production unit.

Computer Training Initiative



Under Computer Training Initiative the youth are trained to develop their skills in Computer Applications & Financial Accounting. Around 175 youths were trained in both computer hardware and software training program.

INTEGRATED VILLAGE DEVELOPMENT PROGRAM

Namuku Naame Thitam: (Public Private Partnership Program)

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This program was initiated by Govt. of Tamilnadu, covers Infrastructure Development. Local panchayat can initiate infrastructure development activities by contributing one third of total budget and government will contribute the remaining.

MALCO contributes the amount on behalf of the panchayat to initiate the required infrastructure facilities to the village.

MALCO partnered the government to develop rural infrastructure in surrounding villages. The project includes the development of village toilets, school, anganwadis and drainage system, among others. MALCO will bear a third of the project investment.

During 2010-11, Rs. 5 lakhs was contributed to Thangamapuripattinam village for infrastructure development.



TEN PRINCIPLES OF UNITED NATIONS GLOBAL COMPACT**HUMAN RIGHTS****1. Protection of human rights**

One of the core values of MALCO is ‘**Respect and Care for People**’, MALCO is committed to protect human rights and ensure every human being is treated equally in all aspects, which underlines our commitment to human rights. MALCO takes care of, not only the basic human rights of its employees but also that of the community around.

2. No human right abuse

There is no human right violation at MALCO. Every employee has the right to freedom of thought, conscience, religion, freedom of opinion and expression. No one is held in slavery or servitude.

LABOUR LAWS**3. Freedom of association and collective bargaining**

No restriction is imposed by MALCO against formation of association or any representation by the employees. The Whistle-blower policy of the Company is also available to the employees to escalate any issues related to them.

4. Elimination of forced and compulsory labour

The Company abides by the Indian Government laws, under Abolition of Bonded labour Act 1976, Contract labour Abolition and Regulation Act-1970. The Company also adheres to the provisions of Factory Act and Industrial Disputes Act. No one is employed forcefully or compulsorily at MALCO. In the reporting period no violations or complaints have been reported.

5. Abolition of child labor

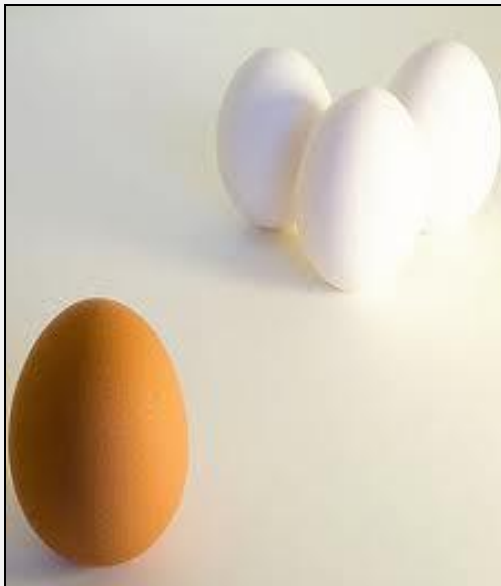
Indian Labour laws prevent the recruitment of child for labour at industrial premises. The recruitment process of the Company and its policies is in alignment with the labour laws of the country.

The company stipulates in the general condition on all its agreements and contracts on compliance on all the labour laws including non-engagement of child labour.



All supply contracts, include a clause emphasizing on non engagement of child labour, directly or indirectly. It is ensured that no one below the age of 18 is engaged for carrying out any work at MALCO.

6. Elimination of discrimination (employment and occupation)



At MALCO without any discrimination across race, colour, sex, language, religion, political or other opinion, national or social origin, any one can hold any position.

MALCO is having employees from various parts of the country and also from the minority and backward communities which reflects our commitment to treat all equally with dignity.

ENVIRONMENTAL PERFORMANCE

7. Precautionary approach to environmental challenges

Corporate policy on environment, health and safety, Corporate Sustainability and climate change provides all direction to deploy best environmental practices which is leading towards conservation of resources and addressing future environmental challenges including climate change and other global environmental threats.



Reverse Osmosis Plant

Precautionary measures have been taken by MALCO to protect the Environment. The Company has commissioned an Evaporator plant wherein the waste discharge from Reverse Osmosis Plant will be converted to salt enabling to achieve zero liquid discharge.

8. Initiatives to promote greater environmental responsibilities

Company's vision, mission and policies are the principle guiding directives and help to promote environmental responsibility.

From day one of commissioning of our Power Plant, the entire generation of Fly Ash is supplied to Cement Industries. MALCO is also successful in identifying users for the Bottom Ash, which was earlier used for developing vegetation on the waste called Red Mud from Alumina Plant.



9. Development and diffusion of environment-friendly technologies

At MALCO, we continuously strive to improve our environmental performance. It is our objective to minimize the quantity of waste generation and energy consumption from the process by using new and eco-friendly technology.

Company also tries to conduct or support research on the health, Safety and Environmental effects of our products, process and waste materials. We also try to convert & utilize waste generated during the process; MALCO is the only organization which could develop customers for the solid waste Red Mud.



Few of the environment friendly practices of MALCO are

- Dustless loading spout to arrest fugitive emission while loading fly ash into bulkers.
- Ultra-filtration to improve quality of Boiler Feed Water and reduce Boiler Blow Dow.
- Movement of coal through closed conveyor system from railway yard to coal yard instead of using trucks.

10. Anti-corruption and bribery

Strong, ethical leadership is essential to restore trust and confidence which, more than anything else, should provide sustainability in the markets and drive recovery. MALCO has a model Business Ethics and Code of Conduct which has been established in the Company defining our commitment and ethical behaviour.



AWARDS AND ACCOLADES

The efforts of MALCO have been recognized by various forums:

- Winner of **TERI Award** for leadership efforts towards Environmental Management and innovative initiatives for the year 2004-05.
- Best **Social Work Award** received from the Minister of Social Work, Government of Tamilnadu for the Social activities carried at Yercaud Lake.
- Accolades from the **Deputy Director – Rural Health services, Salem**, expressing that, MALCO Clinic as the only private authorised DOTS centre in Salem District.
- Memento from **Namakkal District Collector for social activities** carried out in Kolli.
- Winner of **Golden Peacock Award for Innovation 2006**
- **Golden Peacock Finalist Award for Excellence in Environment Management-2006.**
- Member in good standing by **Shristi - Good Green Governance Award 2006.**
- **State Safety Award** in **September 2006**
- **CII Commendation Award** for strong commitment towards Sustainable Development.
- **CII Leadership & Excellence in SHE (Safety Health & Environment)-2005, Southern Region.**

- **ICWAI National Award for Cost Excellence-2006** – 1st Prize in Private Sector-Manufacturing Unit Category.
- **Tamil Nadu State Safety Award** in **March 2010**
- **Won 1st prize in Reclamation and Rehabilitation** in the Mines Environment and Mineral Conservation week convened by Indian Bureau of Mines, Chennai Region and Mines Environment and Mineral Conservation Council, Tamilnadu Region.



At MALCO the Journey towards Excellence Continues

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