

Message of Continued Support to Global Compact

Balmer Lawrie is a founding member of Global Compact in India and it has unstintingly pursued Global Compact's principles & agenda over the years. Our leadership team and employees are deeply committed to the principles of Global Compact and take ownership at every juncture of its implementation across the Company. Our association with the UN Global Compact has reinforced our endeavor to be a responsible Corporate Citizen. We have been constantly working towards adopting fair & equitable practices at the workplace, implementing focused Corporate Social Responsibility (CSR) projects, adopting environment friendly processes and technologies and advancing sustainability efforts to champion the Principles of the Global Compact.

The Communication of Progress for the year 2011-12 captures the efforts put in during the year by the Company to ensure fair & non-discriminative employment practices, drive CSR and adopt green technologies.

We are convinced that Social Responsibility is an important factor for long term success of the company and believe that it is indispensable for any value-based company like ours. Our commitment and support for the principles of Global Compact is here to stay, and I firmly believe that we can work with the UN and other organizations to help present the humane face of business.

Viren Sinha
Chairman & Managing Director

Communication on Progress (CoP) Report – 2011-12

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: chrdc@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 periodically 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 problems 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 to the Board of the Company. Action Taken Reports (ATR) against Non-Compliance Reports (NCRs) are also reported to and reviewed by 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 conditions, 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.



A Long Term Settlement with the Balmer Lawrie Employees Union of SBU-G&L Sewree and Mumbai Office was signed on 25th August, 2011 at Mumbai.



The Company signed a Memorandum of Settlement with the Kolkata (other than IP) Workmen's Union on 26th September, 2011 reviewing wages and other benefit perquisites for a period of 5 years with effect from 1st January 2009. The settlement covers 339 employees of various establishments/units at Kolkata excluding IP Kolkata.

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
- In all recruitments where there are candidates from SC/ST/Minority communities, the Selection Committee has a member from the said community to ensure that the interest of these communities are safeguarded

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 was certified under ISO 14001 (2004) and OHSAS (ISO 18001 [2007]) in the previous year. SBU: Tea became an ISO 9001, OHSAS 18001 and ISO 22000 accredited unit from 29th October, 2011. Greases & Lubricants also obtained OHSAS-18001:2007 certification for its plants located at Kolkata, Silvassa and Chennai.



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.



The Merry-Go-Round service in CFS, Kolkata

- Container Freight Station in Kolkata built an Integrated Railway Siding and procured 15 flat wagons to set up a "Merry-Go-Round" service between KDS and Balmer Lawrie CFS, in July, 2011. The Merry-Go-Round Facility is now fully operational. This is helping in the "green cause" as evacuation of containers from the port to CFS is being done using Balmer Lawrie's Rail Flat Wagons.
- Towards reducing carbon footprints, Energy audits were carried out in 3 manufacturing Units in Chennai and recommendations for energy savings were implemented.

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.

Principles 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). While 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 -2011-12.

i. Education

1. In pursuance of the right to education Balmer Lawrie provided scholarship given to 76 SC/ST/Physically Challenged students for pursuing Engineering Degree/Diploma Courses across the country. An amount of Rs. 40,000 was given to each of the 51 students pursuing degree courses and an amount of Rs. 30,000 was given to each of the 25 students pursuing diploma courses.



Beneficiaries of IIT Kharagpur

2. Fund for renovation and infrastructure development of Adarsha Bidyamandir at village Dara, South-24 Parganas District, West Bengal, where the Company had already constructed of 3-storey extended building block for Higher Secondary Classes and setting up laboratory and other facilities. This will benefit around 2300 students mostly belonging to deprived/disadvantaged sections of the society.



The school building sponsored by Balmer Lawrie

ii. Health

1. Sponsored Weekly Thursday Clinic for mothers & children (upto 5 yrs) at Pailan, South 24-Parganas District, West Bengal towards pre & post natal counseling, regular check-up, medication, providing nutritious food and improvement of their health; on an average 200+ patients attend the clinic per week.



Balmer Lawrie Officials at the Child in Need Institute at Pailan, Kolkata

2. Continued support for running a Mobile Medical Unit along with outdoor treatment facilities for old aged immobilized persons in and around Manali, Chennai.



Balmer Lawrie won the Silver Plate Award from Helpeage India on 1st October, 2011 for sponsoring the Mobile Medical Units and other initiatives for the elderly people.

3. Installed Reverse Osmosis Plants for providing drinking water to the children in primary schools and Anganwadis at Silvassa.
4. Completed construction of Primary Health Centre at Bhendekhal Village Dronagiri, Navi Mumbai and provided other necessary infrastructure and equipment.



Shri Viren Sinha, C&MD hands over the key of the Primary Health Centre to the Mrs. Priyatam Bhagat, Sarpanch of Bhendekhal village.

iii. Sanitation

1. Constructed toilets in primary schools at Silvassa besides the Single-pit individual toilets which were constructed for BPL families in Khadoli village earlier.

iv. Employment Generation

1. Balmer Lawrie in collaboration with IATA Training & Development Institute and Trade-Wings Institute of Management launched a noteworthy CSR initiative across the country in November and December 2011. Balmer Lawrie imparted three-month training in travel & tourism to 104 girls (Kolkata-23, Pune-8, Mumbai-24 and Delhi-24) from economically weaker sections across India, during the year 2011-12. The objective was to uphold the right to employment and improve employability of the girl students. This is the first time that IATA is associating with a PSU in such a CSR initiative. The training programme was conducted at the IATA approved training centres of Tradewings in the respective cities. After completion of the course, successful candidates received a Diploma in Travel & Tourism Management. The entire training cost amounting to Rs.25 lakh was borne by Balmer Lawrie. Additionally, each of the trainees were also given a stipend of Rs.3,000 per month for 3 months.



Girl trainees in Kolkata take their exam

2. Construction of Community Hall for imparting vocational training to women at Khadoli village, Silvassa.



Khadoli Community Hall under construction

3. Sponsored vocational training programme for youths in Welder/Fitter/Electrician trades, Motor driving, tailoring/embroidery at Khadoli village, Silvassa.



A group of youth trained in motor driving

4. Sponsored Soft Skill Training Programme for youths at Mandiya Village, Karnataka in Sales & Marketing, F&B Service and ISMO Operation.
5. Sponsored soft skill development programme in Basic Computer to 20 girls from SC/ST/Backward Categories in Delhi.



The students are seen during the inauguration of the program in January, 2012

6. Sponsored income generation programme for 100 disadvantaged women at Saharanpur, UP through Self Help Group in Agriculture, Animal Husbandry and Handicrafts.



Women folk of the Self Help Groups at Saharanpur

v. Quality of Life

1. Sponsored 3 Family Homes [Kolkata-2 & Vishakhapatnam-1] of SOS Children's Villages in India comprising 52 destitute orphaned children for their upbringing and rehabilitation.



BL CSR Committee members visited the children of SOS Village & SOS Youth House in Vishakhapatnam in March 2012.

2. Sponsored 2 classes comprising 31 physically challenged (cerebral palsy) students at Indian Institute of Cerebral Palsy (IICP), Kolkata for their education, development & rehabilitation.
3. Sponsored 25 children of the Institute for the Backward & Handicapped People, Behala, Kolkata for their education, development and rehabilitation. These children suffer from various types of disability and belong to marginalized/disadvantaged sections.
4. Sponsored 100 marginalized children from the slums of Kalighat, Tollygunge and New Alipore Areas in Kolkata, for their education and development.

vi. Environmental Protection

1. More than 1,000 tree plantations were carried out in and around factories/units of the Company located all over India.
2. A center for developing environment awareness on the safety of natural resources / wildlife set up at Silvassa.
3. Maintenance of Garden at Wadala, Mumbai for mentally/physically challenged children was done.

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 [Rs./lakh]	In Pursuance to Global Compact Principle
	Upheld children's right to education and right to living with dignity creating opportunities to explore their potential, and prevent child labour.	Scholarship to 76 SC/ST/PC Students for pursuing Undergraduate Engineering Degree/Diploma Courses.	30.00	
1		Sponsored 2 classes comprising 31 physically challenged (cerebral palsy) students at Indian Institute of Cerebral Palsy (IICP), Kolkata for their education & rehabilitation.	14.48	Principle 1, 2 & 5
2		Renovation of existing school building and provisions for infrastructure and equipment in Dara Adarsha Bidyamandir at Village Dara, Dist. South-24 Parganas, West Bengal.	12.00	
3		Sponsored 25 children of the Institute for the Backward & Handicapped People, Behala, Kolkata, who are suffering from various types of disability from marginalized/disadvantaged sections, towards their education and rehabilitation.	5.25	
4		3 Family Homes comprising 52 destitute orphaned children sponsored in the SOS Children Village at Kolkata and Vishakhapatnam for their upbringing, education and rehabilitation.	16.20	
6		Sponsored 100 marginalized children from the slums of Kalighat, Tollygunge and New Alipore Areas in Kolkata, for their education and development	3.50	
5	Enhance quality of life of the less privileged in the society by providing basic infrastructure facilities and better civic amenities.	Income Generation Programme for Livelihood of 100 women at Saharanpur, UP	6.00	Principle 1 & 2
7		Construction of Compound Wall and Toilets in the primarily school for girls & boys at Khadoli Village, Silvassa.	10.00	
8	As also, upheld and protect basic human rights as regards health and right to earn living through supporting	Sponsored training programme in Travel & Tourism Operations for 104 girl students at Kolkata, Chennai, Mumbai, Pune and Delhi, in collaboration with International Air Transporters' Association (IATA) and the Tradewings Institute of Management.	40.00	Principle 1, 2, 4 & 6

	empowerment at the grass root level.			
9		Vocational training programme for youths in Welder/Fitter/ Electrician trades, Motor driving tailoring/embroidery at Khadoli village, Silvassa,	6.00	
10		Further Development of Community Hall and provisions of necessary infrastructure for imparting vocational training to women constructed at Khadoli village, Silvassa.	5.00	
11		Sponsored Basic Computer Training for 20 girls from SC/ST/Backward Categories in Delhi as part of soft skill development programme.	0.60	
12		Completed construction of Primary Health Centre at Bhendekhal Village, Dronagiri, Navi Mumbai	7.20	
13	Ensuring that the company is functioning as a responsible corporate citizen by bringing more and better healthcare facilities.	Weekly Thursday Clinic for mothers & children (upto 5 yrs) at Pailan, South 24-Parganas, West Bengal.	10.00	Principle 1 & 2
14		Continued support for running of a Mobile Medical Unit along with outdoor treatment facilities for old aged immobilized persons in and around Manali, Chennai.	17.91	
15	Ensure that the company is functioning effectively and responsibly from the environment perspective.	Further development of Center for creating environment awareness on the safety of natural resources / wildlife set up at Silvassa.	10.00	Principle 7 & 8
		Maintenance of Garden at Wadala, Mumbai for mentally/physically challenged children.	2.35	