



**THE MADRAS ALUMINIUM COMPANY LIMITED  
UNITED NATIONS GLOBAL COMPACT PRINCIPLES  
COMMUNICATION OF PROGRESS 2011-12**

**... AT MALCO**

**JOURNEY FOR EXCELLENCE CONTINUES.....**

## FOREWORD



A decade from its date of inception United Nations Global Compact has become one of the largest corporate citizenship alliances in the world. It gives me great pleasure to present before you the report on Communication of Progress for the Financial year 2011-12 , in line with the ten principles of UN Global Compact.

The year forgone witnessed a series of social upheaval and civil unrest around the world, reflecting the intolerance and dissatisfaction of existing economic models in the society at large. While there is little doubt that in the last two decades, the world at large with special reference to India amassed a massive amount of money through its economic reforms, but the increasing disparities in the distribution of wealth year after year leaves us ponder as to has there been real growth. The UNDP Human Development Report published every year stands testimony for this fact.

Growth of business in future may be limited by social inequities, environmental degradation, and climate change than by any other economic factor. Therefore, sustainable development is the slogan of the Hour.

Increasing shortages of resources, compounded with growth in population makes India's developmental story even more complex. The Challenges that businesses therefore faces is not only to use the resources more efficiently and effectively and act as growth engines of the society but also to frame innovative ways to structure its objectives which not only creates profitable institutions but contributes to society in a meaningful manner.

At MALCO we firmly believe that, businesses can bring about transformational change to create a more sustainable future by living up to its commitment to the society and life of the people it touches upon. Over the years we are gradually interweaving societal value creation with our overall strategy for the growth of business.

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.

MALCO, as a part of its corporate responsibility mainly focuses on five areas namely health, education, livelihood, women empowerment and infrastructure development of the communities around us.

At MALCO , we understand the risk profile of our business by constantly engaging ourselves with the stakeholders in the areas where we operate. We seek to resolve the concern of our stakeholders through dialogue process by making them understand the nature and volume of risk involved and the extent to which protection measures are undertaken to minimize it to the utmost extent.

We place particular emphasis on contributing our most valuable resource, our people, to help communities thrive. We support our people in their individual/collective efforts to do this through formal program and by creating the right culture. We strive not to create followers who can continue with the system, but leaders who can innovate and pave the way to improve and change communities.

**- C. Murugeswaran,  
Whole Time Director**

## GLOBAL COMPACT PRINCIPLES – COMMUNICATION OF PROGRESS

### Introduction

United Nations Global Compact, with ten principles serves to integrate and create an alliance of responsible corporate citizens along the world. A decade since its inception, the Global Compact alliance has become one of 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.

The biggest impediment to the growth of any nation is Corruption. India, in the past few years has seen corruption and scams ranging to figures beyond imagination. This clearly acts as one of the greatest obstacles to economic and social development globally, hindering the development of fair market structures and distorting competition. Participation in the Global Compact is a way of demonstrating our commitment to advancing the business agenda as an active corporate citizen.

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

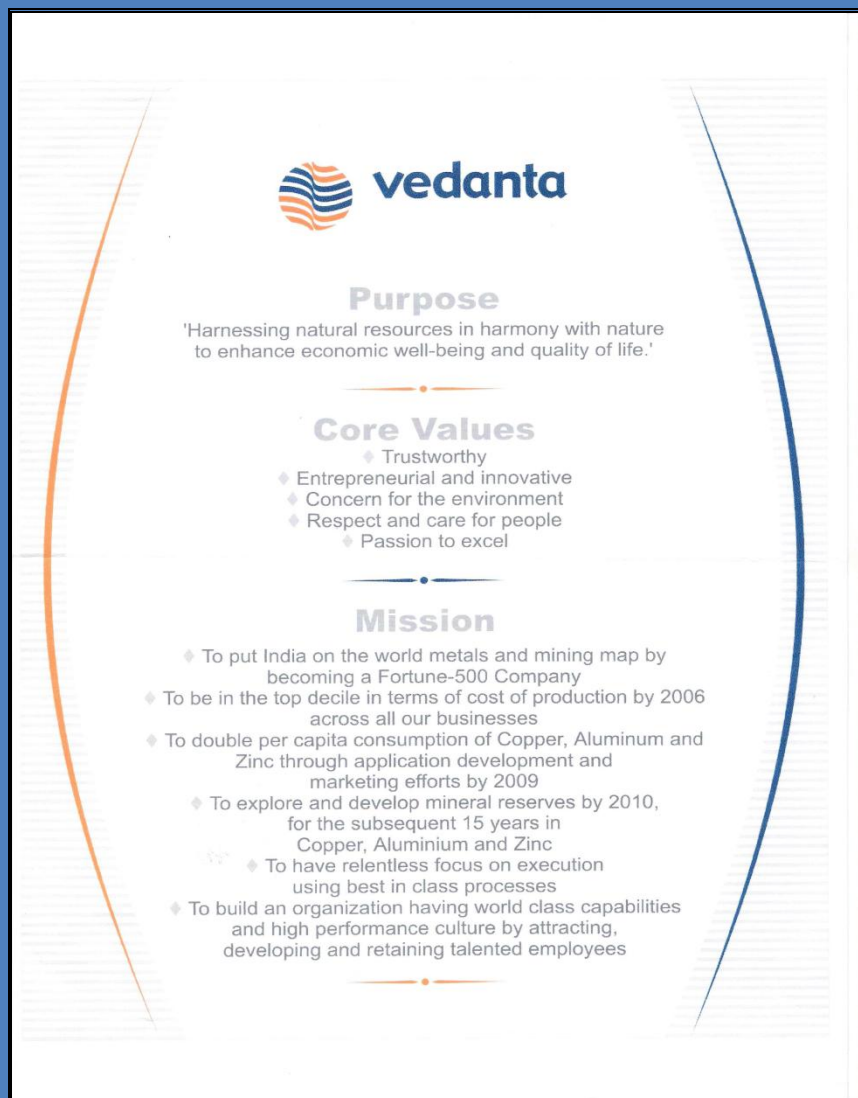
MALCO as a part of Vedanta Resources Plc., London Stock Exchange listed FTSE100 metal and mining major, is an equal opportunity employer.

MALCO has committed itself to the ten principles of UN Global Compact on human rights, labour, environment and anti-corruption. The ten principles are closely aligned with our commitment to responsible business and our shared values of integrity, commitment and strength from cultural diversity.




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.



The graphic is a white page with a blue border, containing the Vedanta logo at the top. Below the logo, the text is organized into three sections: Purpose, Core Values, and Mission. The Purpose section includes a quote about harnessing natural resources. The Core Values section lists five values: Trustworthy, Entrepreneurial and innovative, Concern for the environment, Respect and care for people, and Passion to excel. The Mission section lists six strategic goals, including becoming a Fortune-500 company, reducing production costs, doubling per capita consumption of metals, exploring mineral reserves, focusing on execution, and building a high-performance organization.

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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 mentioned hereunder

The key areas which are MALCO focuses upon as a part of its social responsibility includes health, education, livelihood, women empowerment, infrastructure development.

Amount of investment in the respective areas of focus are tabled hereunder:



#### Key CSR statistics 2011-12

Key area of focus	Investment (Rs. in lacs)
Health	4.87
Education	6.42
Livelihood	0.04
Woman Empowerment	2.77
Infrastructure Development	4.23
<b>Total</b>	<b>18.33</b>

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

**HEALTHCARE**

**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 3183 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 2011 – 12, three patients were under treatment for tuberculosis under the DOTS (Directly Observed Treatment Short Course).

**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 2011-12, some 4644 individuals were benefited (including 2933 women and 604 children).

**Beneficiaries 2011-12**

Male	Female	Children	Total
1107	2933	604	4644

### Pulse Polio Vaccinating Camp

In association with local primary health centre all children, from the vicinity villages, below 5 years were vaccinated on 19<sup>th</sup> Feb 2012. More than 3000 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 10<sup>th</sup> & 12<sup>th</sup> STD public examination. The same was distributed for the year ended 2011-12.

### Vedanta Scholarship

We instituted the Vedanta Scholarship for deserving students pursuing higher education in engineering and medicine. In 2011-12, Rs. 4.1 lakhs was distributed across 35 students.

### Assistance to Government Schools

MALCO has supported government schools in plant vicinity for distributing study materials. Education kit was distributed for 40 children and scholarship was given for 8 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 308 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 2011 – 12, 22 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	62
Total no of Women covered	818
Empowered Women Entrepreneurs	188

MALCO engaged REEEDS (NGO from Salem) as its project partner for initiating the women empowerment project. The project formed 62 self-help groups covering 818 rural marginalised women. Around 188 women were empowered to become entrepreneurs.

### International Women’s Day Celebration:

Malco celebrated International Women’s Day 2012 on 06.03.2012. More than 400 women participated in this program, various games were conducted for Self help Group members and prizes were distributed to the winners of the games.



## LIVELIHOOD

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

### Beautician Training:



Malco partnered with IED (Institute of Entrepreneurial Development Agency, Dharmapuri) and conducted one month beautician training program for the rural

women. Around 30 women were participated in this training program and get benefitted.

## INFRASTRUCTURE DEVELOPMENT

### Self Sufficiency Scheme (Public Private Partnership Program):

This program is initiated by Govt. of Tamilnadu. Under the program Local panchayat can initiate any 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 Ramamoorthinagar village. MALCO is playing its part as a part of its corporate responsibility by partnering government to develop rural infrastructure in surrounding villages.



The project includes the development of village infrastructure, community buildings, anganwadi and drainage system, among others. MALCO will bear a one third of the project investment. During 2011-12, Rs. 1.5 lakhs was contributed to P N Patty Panchayat for construction of ration shop in Ramamoorthinagar model village.

### Tree Plantation Drive:



As a responsible corporate citizen, Malco is conscious of its commitment towards environment. Company is engaged in various environmental activities for promoting a greener tomorrow.

Every year Company plants tree saplings in and around Malco as a part of birthday celebration of our employees. In addition to the same, we have also conducted tree plantation drive at Ramamoorthinagar, model village in the month of October in the forgone fiscal.

## TEN PRINCIPLES OF UNITED NATIONS GLOBAL COMPACT

### HUMAN RIGHTS

#### 1. Protection of human rights

The human rights principles of the Global Compact arise out of the Universal Declaration of Human Rights adopted by the UN General Assembly in 1948.

One of the core values of MALCO is '**Respect and Care for People**'. We address human rights in firm policy by embedding it in the core values and culture of our organization, thus infusing a common respect for each other in our approach. 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.

We stand for authentic change, substance over form, long-term strategy over short-term expediency. We as a Company recognize that, we all are multi-faceted human beings with families, friends and interests which all are an integral part of who we are.

#### 2. No human right abuse

There is no human right violation at MALCO. Every employee has the right to freedom of thought, conscience, religion, opinion and expression. We as an organization believe every human is unique with his/her own opinions, and encourage them to express themselves.

### 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 Factories Act and Industrial Disputes Act. No one is employed forcefully or compulsorily at MALCO. In the year 2011-12, no violations or complaints have been reported.



#### 5. Abolition of child labour

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 entered into by the company has 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



MALCO has been successful from day one of commissioning of our Power Plant, in supplying the entire generation of Fly Ash 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. MALCO is also continuously researching on effectively disposing the waste generated for fruitful purposes.

## 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. MALCO through its efforts had developed customers for the solid waste Red Mud.



## 10. Anti-corruption and bribery

We believe that it is imperative to maintain high standards of integrity in the areas we operate upon. As a responsible employer, we encourage our people to apply their workplace skills to create positive change in communities. The present state of affairs where choices are many, it requires strong ethical leadership to select the right alternative and develop a trust in the system. MALCO has a model Business Ethics and Code of Conduct which has been established in the Company and it is provided to every employee and supplier, defining our commitment and ethical behaviour.

## AWARDS AND ACCOLADES

From the very date of our inception, till date, MALCO has been constantly setting benchmarks for performance in the sector. The contribution and performance of MALCO has been recognized across a plethora of forums over the years and we have been a front runner for nomination of awards across categories. Following the rich tradition, financial year 2011-12 also witnessed performance of MALCO being recognized in various forums.

Among the feathers that were added to MALCO's coveted crown of awards, we are proud to have received the award for 'Fastest Cargo Evacuation Performance- Coal' from karaikkal Port, in Connect, Chennai 2011.

There will be no argument when we say speed is the essence in today's business, the award received in Connect, Chennai 2011 on August 17<sup>th</sup> 2011, underlines the efficiency of Malco Logistics team.



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** – 1<sup>st</sup> 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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