



MIDHANI reaffirms commitment UN Global Compact

MIDHANI, as a signatory to 'UN Global Compact' initiative, reiterates its firm commitment to implementation of the UN Global Compact's ten principles in the areas Human Rights Protection, Labor, Environment and Anti -Corruption measures. The Company does implement the spirit of the guiding principles of UN Global impact in its business strategies and operations.

Committed and duty bound, MIDHANI a Central Public Sector Company under Ministry of Defence, Government of India, had incorporated the issues of Corporate Governance, Corporate Social Responsibility (CSR), Safety, Energy Consumption, Human Resource Development and customer satisfaction with measurable yardsticks in the Memorandum of Understanding (MoU) for the year 2011-12 with Government of India; Sustainable Development (SD) has been added in current year 2012-13 MoU.

Assessment of Carbon Footprint of the Company has been carried out and scope areas as per Green gas (GHG) protocol have been identified ; remedial measures are being taken. As an anti -corruption measure and for smooth functioning of Purchase department all procurements have been initiated through e-procurement route. The prevention and redressal mechanism for sexual harassment in work place has also been introduced.

As a responsible business organization, MIDHANI has always been striving hard to create and maintain clean environment, uphold dignity of human beings , prevent corruption, exploitation of labor and follow the concept of " Triple Bottom-line"- Planet, People and Profit for corporate sustainability.

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Chairman & Managing Director

UNGC – Communication on Progress

MIDHANI posted a brief on Global Compact and its commitment to the principles of GC on its website www.midhani.gov.in.

Principle 1&2 Human Rights

[Principle 1](#): Businesses should support and respect the protection of internationally proclaimed human rights; and

[Principle 2](#): make sure that they are not complicit in human rights abuses.

Ensuring zero cases of human right violations, non occurrence of any fatal accidents during the year

MIDHANI, a company owned by the Government of India, owing allegiance to the Constitution of India, supports and respects the protection of human rights. The Constitution of India not only supports the Universal Declaration of Human Rights but also guarantees to all its citizens fundamental human rights. The Constitution of India is known throughout the world to be a document based on democratic principles of justice, liberty, equality and fraternity. All the stakeholders of MIDHANI receive support and protection whenever dealing with the Company. Every citizen of India has a right to information under the Right to Information Act and majority of the stakeholders are first citizens and then stakeholders in the form of employees, suppliers, contractors, vendors, customers.

Relations with employees are regulated through various laws of the land such as Factories Act, Industrial Disputes Act, and Minimum Wages Act. Employees' code of conduct is regulated through MIDHANI Conduct, Discipline and Appeal Rules and MIDHANI Certified Standing Orders. These are made available to all the employees of the Company. Personnel Manual of the Company is available on the Intranet of the Company and can be easily accessed by employees. Certain relevant features are reiterated through circulars time and again.

MIDHANI supervisory staff monitors payment of wages, Medicare, provident fund to contract employees whenever engaged on non-core activities in the capacity as Principal Employer.

Principles 3, 4, 5 & 6: Labor

- [Principle 3](#): Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- [Principle 4](#): the elimination of all forms of forced and compulsory labour;
- [Principle 5](#): the effective abolition of child labour; and
- [Principle 6](#): the elimination of discrimination in respect of employment and occupation

Freedom of association & right to collective bargaining

Due recognition for employee associations and strive to promote their legitimate right to collective bargaining by encouraging participatory forums such as Joint Council, Shop Council, Welfare Committee, and Safety Committee, Canteen Managing Committee etc. where issues concerning the employees are discussed and decided upon in a transparent manner

The Performance Related Pay and payment of perks has been implemented in the Company in line with the revised pay scales to motivate the executives and MoU was signed with the recognized union to implement the new scales with respect to the non executives.

The revised Annual Performance incentive scheme agreement was signed with the Recognized Union to motivate the workmen to increase productivity and quality of work during the year.

Prohibiting discrimination on grounds of religion, race, caste, creed, sex etc.

Putting in place a well-documented procedure to redress the grievances of all stake holders.



Environment

Principles 7, 8 & 9:

- [Principle 7](#): Businesses should support a precautionary approach to environmental challenges;
- [Principle 8](#): undertake initiatives to promote greater environmental responsibility; and
- [Principle 9](#): encourage the development and diffusion of environmentally friendly technologies.

Precautionary approach to environmental challenges:

MIDHANI since its inception has been committed to prevention and control of environmental pollution due to its activities in a sustained manner. Midhani endeavor had been and continues to be:

Ensuring at every level the operations are environment friendly.

- Meeting all the norms stipulated by the State and Central Pollution Control Boards.
- Constantly monitor parameters like ambient air quality, water quality and ambient noise levels.
- To ensure upkeep of equipment and machinery at all times in fit condition .
- Remain prepared and alert to respond effectively to all foreseeable emergency situations.
- Harness the use of Renewable energy resources.
- Sustain ecological balance around the premise.

During the year three check dams were constructed to arrest and store rainwater there by increasing the ground water level around the premises. The treatment of water before it is drained into the environment.

Renewable energy utilization - solar energy is being used for street lighting of the Company and the canteen facilities are run on solar energy.

Energy conservation measures were taken to bring improvements in specific energy consumption of LPG. This was implemented by revamping and calibration of furnaces, periodical maintenance of refractory and burner blocks, prompt repairs to re-heating furnaces and installation of flow meters, its measurement and monitoring , use of oxygen during melting, reduction of heat cycle time, compact charging, use of proper scrap mix.



Afforestation measures are taken by the company on a regular basis so as to maintain greenery in and around the Company area through extensive plantation.

Promote Greater environmental responsibility

- Company does not generate or store hazardous solid waste.
- Zero emission.

Development and diffusion of environmentally friendly technologies

The up-gradation of facilities has been completed and modernization is still in progress and currently state-of-the-art equipments are being used at Midhani. This increased the capacity of production thereby reducing cost of production & overall energy consumption.

The vacuum in Vacuum Induction Refining (VIR) furnace was created by steam injector. Producing of steam was carried out by using a boiler (coal fired/ oil fired) which emits CO/CO₂ gas; with the provision of four pumps the use of boiler has been done away thereby avoiding emission of CO/CO₂ gas emission.

MIDHANI endeavor has been to adapt safe, scientific and environmentally friendly methods of melting, rolling, forging operations, complying with all applicable environmental laws. Maintain the furnaces, rolling, machinery and equipment in excellent conditions to ensure minimum impact of their operation on environment.

Recycled scrap to an extent of 29% obviating the purchase of virgin raw material.

Principle 10

- [Principle 10](#): Businesses should work against corruption in all its forms, including extortion and bribery.

Anti corruption

The Vigilance Department, headed by the Chief Vigilance Officer (CVO), appointed by the Government of India on deputation, is the nodal department that ensures an atmosphere free from corruption by abiding to the guidelines issued by the Central Vigilance Commission (CVC) in functioning of the Company.

The CVC appointed an Independent External Monitor (IEMs) to oversee the procurement cases. The contact information of the CVO is hosted on the website of the company and at the company entrance gate for easy access and transparent reporting on any issues pertaining to corruption by the employees or public.

As an anti -corruption measure and for smooth functioning of Purchase department all procurements have been initiated through e- procurement route. The focus of Vigilance Department was mainly on preventive and detective vigilance rather than punitive vigilance. The same was reiterated during the Vigilance Awareness week observed every year. Eminent persons from the vigilance & enforcement wing were invited to educate and guide the employees on vigilance related issues, so as to ensure a corruption free and ethical organisation.

Sustainable Development (SD):

Midhani confirming to the guidelines issued by Department of Public Enterprises during September 23, 2011 on effective implementation of Sustainable Development have been taken as thrust area during the year. The guidelines envisage commitment on part of the PSU to endure a balanced approach to economic activity, social progress and environmental responsibility. Midhani has been suggested to account minimum 0.5 % of Profit after Tax as expenditure towards Sustainable Development activities.

The Sustainable Development Committee and policy is being framed and Sustainable Development activities to be envisaged during the year have been finalized.

Actions taken in the direction of Corporate Social Responsibility (CSR):

Midhani has been conforming to the guidelines issued by Department of Public Enterprises during April, 2010 on effective implementation of Corporate Social Responsibility by Public Sector Enterprises. Midhani has allotted a corpus fund of 3 to 5 % of net profit towards these activities. The CSR committee has been formed during the year to oversee the CSR activities.

MIDHANI continued to supply custom-made bio medical implants made of stainless, titanium to needy patients at a reasonable price the total cost contributed towards this effort was approx. Rs 20 lakhs as part of CSR.



Communication of Progress

As part of CSR activity Midhani incurred an expenditure of Rs 18 lakhs towards running the BPD AV School. The school is in the premise of the company & imparts education to children of surrounding area. This is Midhani's contribution towards education sector and nurturing the future citizens of the society. .

As welfare measures to employees monetary awards were given to meritorious students and children of weaker sections of society.
