

BHEL's Commitment In Support Of UN's Global Compact Programme

Bharat Heavy Electrical Limited (BHEL) - a Government of India enterprise, is the largest engineering and manufacturing enterprise of its kind in India and is one of the leading international companies in the field of power equipment manufacture.

BHEL is an environment friendly company in all its activities, products & services beside providing safe and healthy working environment to all its stakeholders. All manufacturing units/regions of the company are accredited to international standards viz. ISO-14001 certification for environmental management systems & OHSAS -18001 certification for occupational health and safety management systems.

The company reiterate its commitment to United Nation's Global Compact Programme and the set of core values enshrined in its ten principles on human rights, labour standards, environment and anti-corruption and intent to advance G.C. principles within the company's sphere of influence and has made it part of the strategy, culture and day-to-day operations.

Company publicly advocates with its employees and other stakeholders & regularly incorporating its commitments towards G.C. programme through BHEL's Annual Report, Press Conferences and other public documents.

BHEL's performance (2005-06) on each principle of Global Compact, is also available on Company's web site (<http://www.bhel.com>) uplinked to UNGC website.

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MAJOR HIGHLIGHTS (2005-06)

1. BHEL's support and respect for the protection of internationally proclaimed human rights. No instance of the company having abused human rights in any manner
2. Strict adherence to laws enacted by the Government of India, to ensure that the interests of the workers are protected
3. Company does not employ forced and compulsory labour
4. Child labour is not employed in BHEL
5. No discrimination in respect of employment and occupation in BHEL
6. During the year, BHEL's efforts continued on environment improvement projects, natural resources conservation, water management & energy saving systems utilizing efficient technologies, energy production utilizing waste and improvement in chemical storage & handling systems. As part of this,
 - additional rain water harvesting systems were installed at all BHEL units & townships
 - several tree plantation drives were organized bringing total number of trees planted so far to 30 lakhs, around all the manufacturing units & townships.
 - installation of systems for reduction in noise & pollution levels
7. In recognition BHEL received Environmental Conservation & Pollution Control Award from Federation of Indian Chambers of Commerce & Industry (FICCI) & one of its employee Mr.R.C. Parakh was conferred the 'National Award for Best Disabled Employee' for the year 2005, for his overall outstanding performance in the face of all adversities

8. Schools for mentally challenged children at four BHEL units cater to the special training requirements of under privileged children.

9.. As part of its Corporate Social Responsibility, BHEL undertook number of welfare projects at the Company's 56 adopted villages located across the country. These included Blood Donation Camps, Health Check-ups Camps & providing street lights, drinking water and infrastructure support to schools, benefiting over 80,000 people of these villages.

10. BHEL & its employees once again rose to the occasion and demonstrated their solidarity with fellow citizens & victims of natural calamities, which rocked the nation & contributed to help mitigate the sufferings of the people devastated by the severe earthquake in north India-Jammu & Kashmir.

11. BHEL has been contributing to the national effort for development of far flung/remote areas on a sustained basis & during the year commissioned three 'Stand-Alone' Solar Photovoltaic (SPV) power plants in eastern India- Sunderbans. BHEL's efforts in harnessing renewable energy for the welfare of people living in remote parts of the country was admired by the President of India & West Bengal Renewable Energy Development Authority

-In addition, India's largest Solar-Diesel Hybrid Power Plant (50 KWp capacity) was commissioned – facilitating availability of uninterrupted & environment friendly power for various applications at the world-famous tourist island of Bangaram in Lakshadweep

- 150 sets of solar powered water pumping systems were commissioned by the company, catering to the power requirement of 2 H.P. pumps for irrigation purpose

12. A host of 'transparency measures' have been initiated company wide, to prevent corruption,

Global Compact & BHEL

As a responsible corporate citizen, BHEL decided to join the Global Compact Programme, initiated by Secretary General, United Nations. The Company has undertaken number of new initiatives on G.C. principles related activities and it has now become an integral part of the company's strategic and operational level activities.

Significantly, in India BHEL along with several Public/Private sector enterprises & Institutions, took lead role in forming the Global Compact Society (GCS), which acts as an apex level nodal agency in the country. BHEL is one of the founder members of GCS & Company's nominee as Secretary to this Society, is coordinating with various Indian Organizations, to advance UN's Global Compact programme.

Through this association, BHEL has got an unique opportunity of networking with other corporates and sharing experiences related to social responsibilities, on a global level.

BHARAT HEAVY ELECTRICALS LIMITED (BHEL)-INDIA

VISION

**A World-Class
Engineering Enterprise Committed To
Enhancing Stakeholder Value**

MISSION

**To Be An Indian Multinational Engineering
Enterprise Providing Total Business
Solutions Through Quality Products, Systems
and Services in the Fields Of Energy,
Industry, Transportation, Infrastructure
And Other Potential Areas**

**Global Compact Principles
Addressed
In BHEL's 'VALUES' Statement**

- ◆ Zeal to Excel and Zest for change
- ◆ Integrity and Fairness in all Matters
- ◆ Respect for Dignity and Potential of individuals
- ◆ Strict Adherence to Commitments
- ◆ Ensure Speed of Response
- ◆ Foster Learning, Creativity and Team-work
- ◆ Loyalty and Pride in the Company

BHEL Performance & Global Compact Principles

Human Rights

1) *Business should support and respect the protection of internationally proclaimed human rights.*

BHEL's policies have been meticulously drafted & followed keeping the principles of human rights, the Constitution of India, labour laws etc., in mind.

2) *Make sure they are not complicit in human rights abuses.*

There has been no instance of the company having abused human rights in any manner.

Labour Standards

3) *Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining*

The Government of India has enacted various laws to adequately protect the interest of the working class. These laws are strictly adhered to in BHEL. All Heads of BHEL Units are required to submit a report about compliance with different laws. This is done to ensure that the interests of the workers are protected.

Apart from this, BHEL has various bi-partite fora for workers, where the issues/problems concerning the workers are discussed and settled. BHEL has also an apex level bipartite forum wherein representatives of all Units of BHEL,

along with the Central Trade Union Organizations, to which the Unions are affiliated, are represented from the workers' side and the Management is represented by Chairman and functional Directors along with the Heads of Units.

4) The elimination of all forms of forced and compulsory labour

The company does not employ forced and compulsory labour.

5) The effective abolition of child labour

As per BHEL's Recruitment Policy, the minimum age for the employment is 18 years. No person below this age can be employed in BHEL, thereby ensuring that child labour is not employed in BHEL.

6) Eliminate discrimination in respect of employment and occupation

There has been a uniform set of rules mentioned in the 'The Personnel Policy' of BHEL, that equally applies to all employees, irrespective of factors such as sex, caste, religion, race etc.

Environment

7) Businesses should support a precautionary approach to environmental challenges;

BHEL's Health, Safety and Environment policy is aligned to international standards on Occupational Health & Safety (OHSAS-18000) and on Environment (ISO-14000) Management Systems. All BHEL units/regions including Industry Sector office complex in New Delhi & a hospital in Bhopal are certified to these standards, after stringent audits by an international certifying agency.

During the year, the first township of BHEL, located near New Delhi (NOIDA), was also certified to Occupational Health & Safety (OHSAS-18000) and to Environment Management Systems (ISO-14000) beside the process of re-certification on these systems were continued for number of BHEL Units/Regions. As part of its efforts for development of new Environment Improvement Projects on sustainable basis, number of initiatives has been taken by the company during the year 2005-06 & significant among these are;

- To improve quality of ground water & preserving every drop of water, additional rain water harvesting systems were installed at all the plants & township of the Company.
- Several tree plantation drives were organized at plants/townships of the company located across the country, involving the employees and surrounding community, bringing a total number of trees planted so far up to 30 lakhs.
- Conservation of natural resources, generation of energy from waste and efficient water management.
- Continuing its tradition of bagging prestigious national /international awards, BHEL received Environmental Conservation & Pollution Control Award from Federation of Indian Chambers of Commerce & Industry (FICCI) & one of its employee Mr. R.C.Parakh was conferred the 'National Award for Best Disabled Employee' for the year 2005, for his overall outstanding performance in the face of all adversities.

Recently, BHEL's international customer –Petroleum Development, Oman commended BHEL for successful completion of 300 days without any Loss Time Injury (LTI) at their Qarn Alam Power Station. Earlier, for the same power station, company received five shields for achieving

different milestones of performance in Health, Safety and Environment, (HSE) area without any LTI.

8) Undertake initiatives to promote greater environmental responsibility

As part of its commitment towards the society and as a responsible corporate citizen, BHEL is involved in a host of community development programmes in various parts of the country.

- BHEL has set up schools for mentally challenged children at its four major units. These schools, run by BHEL in association with members of BHEL Ladies Club, cater to the special training required for these under privileged children.

The first such school called 'Arivalayam' was set up by the management in 1977 at its Trichy Plant with technical support from Christoffel Blinden Mission of Germany. A psychiatrist and psychologist attend to the needs of the children & speech therapists provide guidance to teachers and parents, periodically.

Vocation training like weaving door mat, screen printing, tailoring, electrical coil winding, helps these students in integrating with the community and making a living on their own, besides boosting their self confidence.

- In the area of rural development, BHEL has been playing a proactive role and has adopted 56 villages all over the country in the vicinity of its major manufacturing plants. In these villages welfare activities like medical aid, provision of street lights, drinking water and infrastructure support to schools are undertaken regularly, benefiting over 80,000 people of these villages.

BHEL & its employees once again rose to the occasion and demonstrated their solidarity with fellow citizens & victims of natural calamities, which rocked the nation & contributed to help mitigate the sufferings of the people devastated by the severe earthquake in north India-Jammu & Kashmir.

9) Encourage the development and diffusion of environmentally friendly technologies

The Company has developed and offers products in the area of non-conventional and renewable sources of energy like wind electric generators, solar photovoltaic systems, solar heating systems, solar lanterns and battery powered road vehicles.

BHEL has contributed to the national effort for development of far-flung/remote areas on a sustained basis & during the year commissioned three 'Stand-Alone' Solar Photovoltaic (SPV) power plants in eastern India-Sunderbans. BHEL's efforts in harnessing renewable energy for the welfare of people living in remote parts of the country was admired by the President of India & West Bengal Renewable Energy Development Authority

-In addition, India's largest Solar-Diesel Hybrid Power Plant (50 KWp capacity) was commissioned – facilitating availability of un-interrupted & environment friendly power for various applications at the world-famous tourist island of Bangaram in Lakshadweep

-150 sets of solar powered water pumping systems were commissioned by the company in Punjab-Northern India, catering to the power requirement of 2 H.P. pumps for irrigation purpose.

Anti - Corruption

- 10) ***Business should work against all forms of corruption, including extortion and bribery***

In order to prevent corruption, a host of 'transparency measures' have been initiated company wide. To achieve the objective, training programmes, seminars / conferences & time to time Chief Vigilance Officer's address to employees are a regular feature in the Company.

Main objective of the Company is to curb corruption by focusing more on the preventive and educative aspects, rather than investigative / punitive.

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