

MALCO

COMMUNICATION OF PROGRESS

- 2012-13



FOREWORD



We, at MALCO, firmly believe that business exists because of society and therefore have always strived to improve the living standards of communities surrounding us. Environmental objectives and societal well-being are entwined with the core objectives of MALCO. We, at Vedanta as a Group, not only follow a rich culture of excelling industrial performance but also that of 'creating happiness' around us.

We feel that, business can not only offer effective solutions to the market demands but also can play a key role in upliftment of society as a whole and its socio-economic parameters. It is heartening to see many business enterprises embarking this role of a proactive corporate citizen aiming to bring transformational changes in the society.

Empowerment of women is one of the focus areas under our CSR interventions. We have conducted various programs for empowerment of rural women, by imparting training and engaging them in livelihood activities and developing the entrepreneurial quality among them to be more financially independent. We have formed 71 self-help groups covering 923 rural marginalised women, with 146 women empowered to become entrepreneurs through various initiatives which were undertaken in this front. These women have already started a small business of their own. Astute Entrepreneurs can bring about innovative changes within the society and can uplift the society as a whole. We strive to develop this shrewdness, leadership and entrepreneurial quality through our initiatives in each and every individual.

I would like to take this opportunity to congratulate all employees who volunteered and worked to bring a visible difference in the lives of communities around us.

C. Murugeswaran
Whole Time Director

UNITED NATIONS GLOBAL COMPACT PRINCIPLES COMMUNICATION OF PROGRESS – 2012-13

Introduction

Last financial year, India witnessed mass protests by its citizens against rampant corruption, annihilation of human rights and abuse against women in the Country. The voice was loud and clear, it echoed and urged for better and safer India- tomorrow. It is admitted that true and inclusive growth shall only be possible by adopting transparent practices, imparting education to all citizens and empowerment of women in the society.

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 Madras Aluminium Company Limited as a signatory to the United Nations Global Compact, is 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 follows the ten principles of UN Global Compact on human rights, labour, environment and anti-corruption in true letter and spirit. The ten principles are closely aligned with our commitment to responsible business and our shared values of integrity, commitment and strength from cultural diversity.



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

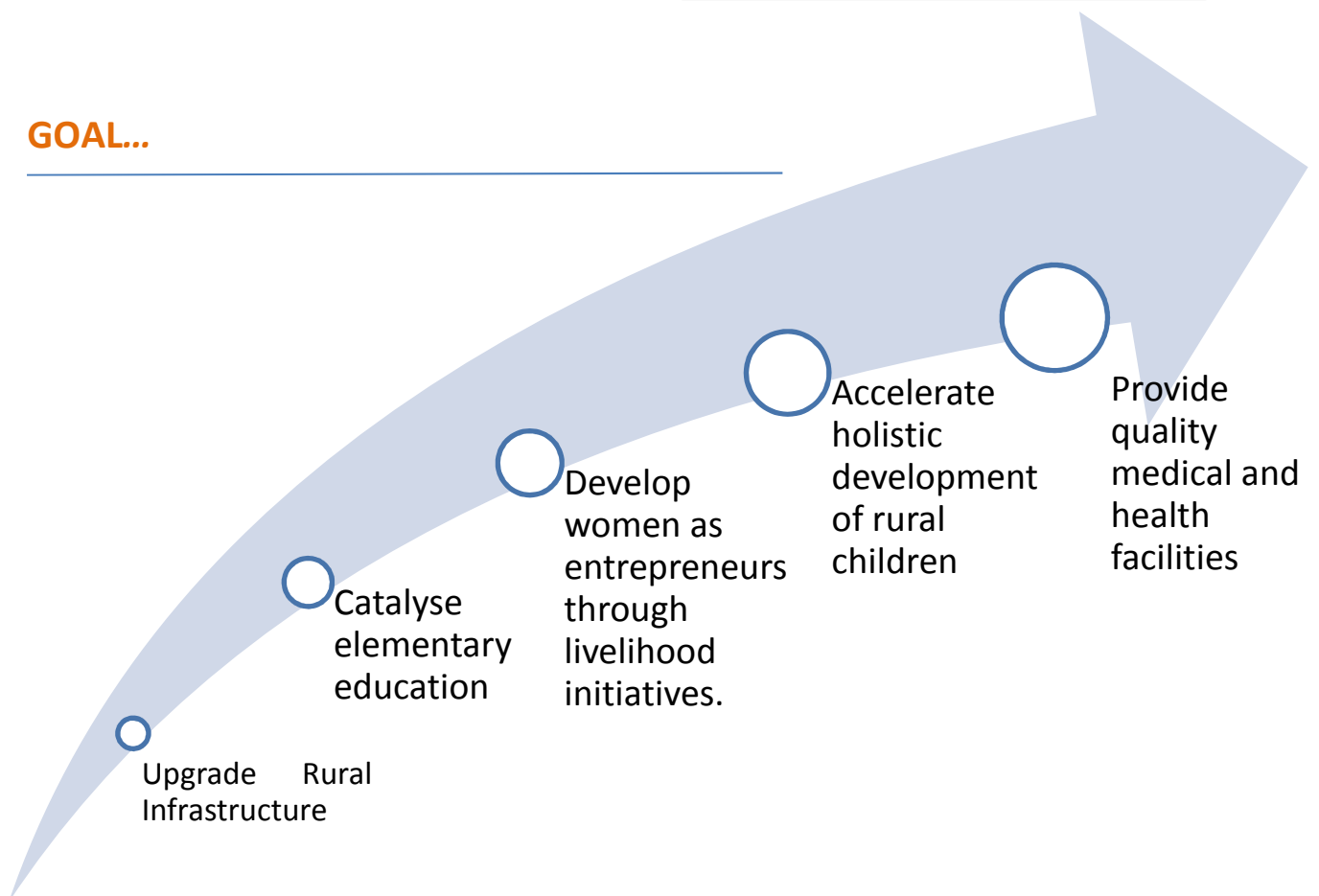
MALCO CSR ACTIVITIES

CREATING LOCAL PROSPERITY

At MALCO, we strongly believe that business exists because of society and we constantly strive for the upliftment of communities in and around the operations facility. We aim to improve the quality of life of communities by providing quality education and healthcare facilities. Training programs are also arranged by the company in livelihood activities for betterment of communities



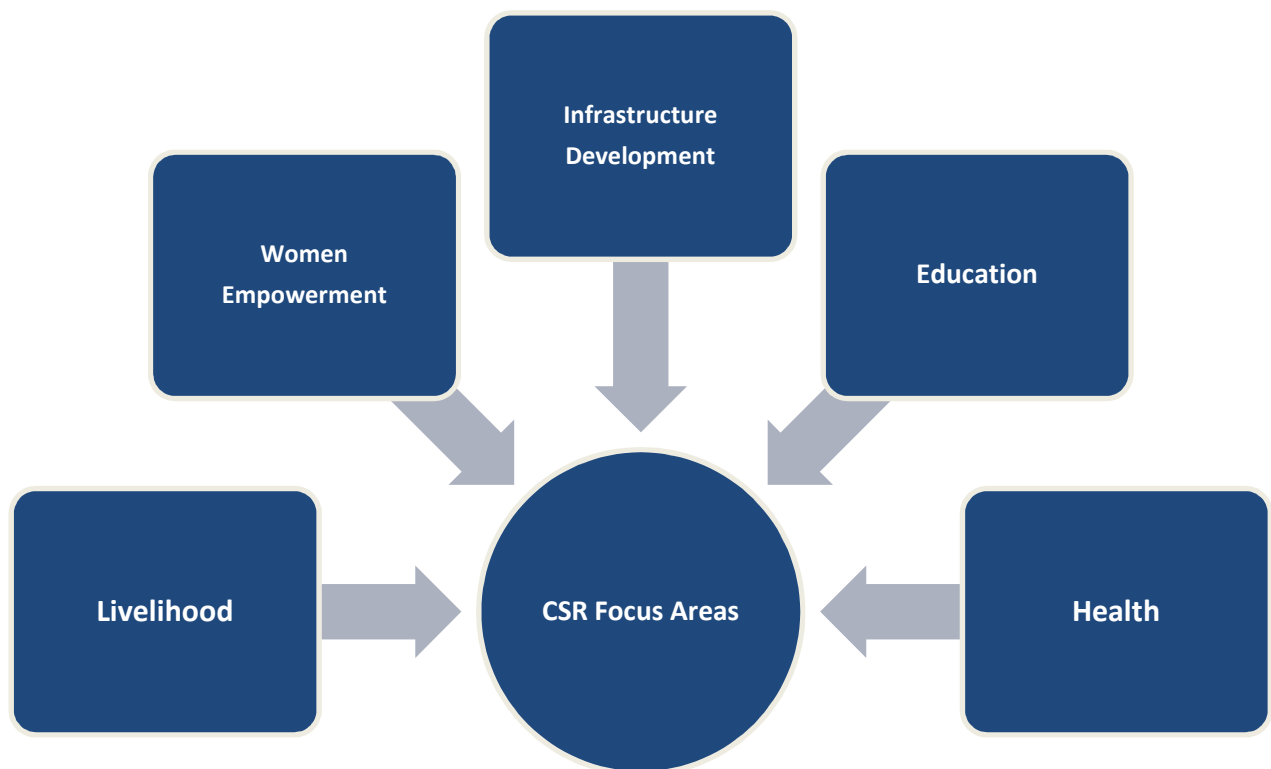
GOAL...



MALCO partners with Government/NGOs in the infrastructure development activities of nearby villages for its effective implementation. A host of activities are carried out by the Company for the empowerment of women and development of women entrepreneurs in and around the operations facility.

As a responsible corporate citizen, MALCO is not only pro-actively partnering with the community, Government, NGOs and other agencies for effective implementation of programs but is also initiating various developmental activities to improve the quality of life, thereby benefitting society at large. Our local infrastructure projects range from providing essential utilities like drinking water facility to providing healthcare access to under privileged. The Company's sustainable development initiatives are focused in the three Panchayats (PN Patty, VK Pudur and Gonur) of Mettur.

MALCO CSR - FOCUS AREAS



I) HEALTH

MALCO has carried out several health campaigns to improve community health. These campaigns are also a great way to create employee interest in health programs and bring staff together to support each other along the way.



Eye Camp: MALCO in association with Aravind Eye Hospital, Madurai, has conducted an eye camp wherein 305 individuals were examined. Out of 305 individuals, eyesight of around 75 individuals were corrected by spectacles and 59 individuals with cataract were operated at Aravind Eye Hospital, Madurai

MALCO Clinic: The MALCO Clinic, established in 2005, provides quality healthcare access to the underprivileged. The MALCO Clinic provides free treatment and referral services. During the year 2012-13, around 3,129 patients were benefited by this initiative of the Company

MALCO DOTS Centre: The MALCO DOTS Centre promotes tuberculosis care and control through its participation in the government's Revised National Tuberculosis Programme. During 2012-13, nine patients were under treatment for tuberculosis under the DOTS (Directly Observed Treatment Short Course).



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. Three camps were organized a month, covering eight villages. During the year 2012-13 around 4406 individuals were benefited by this program

Pulse Polio Vaccinating Camp: In association with local primary health centre, all children from the vicinity villages below 5 years were vaccinated on 20th Jan 2013. More than 3000 children were vaccinated under this initiative.

Drinking water Supply: During the year 2012-13 MALCO has supplied seven lakh litres of water/day to communities surrounding the plant facility, benefiting 1200 families in and around our operations area.

II) EDUCATION



Vedanta Scholarship:

Vedanta Scholarship is awarded to students with good academic records for pursuing higher education every year.

In 2012-13, Rs. 4.55 lakhs was distributed across 41 students under this initiative.



Evening Study Centres: MALCO runs eight evening study centres at Mettur, to meet the need for continuous education and reduce school drop outs. MALCO provided quality education to 296 rural children.



Supporting Government Schools: MALCO has supported government schools in plant vicinity by distributing study materials. Education kit was distributed to 32 children and scholarship was given to 6 children



Child Friendly Village Project:

To ensure that all school age children are in school, all children are covered under immunization, no child labour is there in the village and nutritional security of all the household, we have initiated this program in one village. As part of this initiative during 2012-13, 14 birthdays were celebrated at village level.

WOMEN EMPOWERMENT

Self Help Group Activities

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 focussed on micro-finance as a means of women empowerment.



MALCO engaged REEDS (NGO from Salem) as its project partner for initiating the women empowerment project. The project formed 71 self-help groups covering 923 rural marginalised women. Around 146 women were empowered to become entrepreneurs.

Particulars	Nos
No. of Self Help Groups	71
Total No. of women covered	923
Empowered Women Entrepreneurs	146

International Women’s Day Celebration: MALCO celebrated International Women’s Day 2013 on March 8, 2013. More than 400 women participated in this program and took part in various games that were conducted for Self Help Group (SHG) members. Prizes were distributed to the winners of the games.

LIVELIHOOD



Computer Software Training Program:

MALCO partnered with IED (Institute of Entrepreneurial Development Agency, Dharmapuri) and started two months computer software training program for the rural youth. Around 42 youngsters were benefitted by this program.

Tailoring Training Program:

MALCO has conducted free tailoring course for the rural women in our targeted villages. Around 63 women were benefitted by participating in this training program.



INFRASTRUCTURE DEVELOPMENT



Self Sufficiency Scheme (Public Private Partnership Program):

MALCO in association with the Government is participating in the Public Private Partnership Program for development of rural infrastructure in surrounding villages. This project includes the development of village infrastructure, community buildings, anganwadi and drainage system. MALCO provides one third of the project investment. During 2012- 13, Rs. 5 lakhs was contributed to PN Patty Panchayat for construction of water tanks & community toilets and Rs. 1 lakh was contributed to Manjakuttai village at Yercaud Panchayat for construction of drinking water pipeline project.

Tree Plantation Drive:

MALCO stands by its commitment towards environmental causes and has undertaken a host of measures for promoting a greener tomorrow.

Birthday of each and every employee at MALCO is celebrated by planting a sapling within its premises.

During 2012-13, in addition to the above measures 120 tree saplings were planted by the Company near to RS Coal Yard and around 335 saplings were planted by the Company within its premises.



TEN PRINCIPLES OF GLOBAL COMPACT

1. PROTECTION OF HUMAN RIGHTS:

We are committed to the protection of human rights and ensure that every human being is treated equally in all aspects. MALCO takes care of, not only the basic human rights of its employees but also that of the community around.

2. NO HUMAN RIGHT ABUSES:

All employees are treated with dignity. There is no discrimination on the basis of race, colour, sex, language, religion, political opinion and national or social origin.

3. FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING:

The Company has recognized the principle of collective bargaining and organizes monthly communication meet with all employees which provide a forum for dialogue.

4. ELIMINATION OF FORCED AND COMPULSORY LABOUR:

MALCO is totally against all kinds of forced labour or compulsory labour and ensures strict compliance.

5. ABOLITION OF CHILD LABOUR:

No one under the age of 18 is employed at MALCO and insists that even the business partners do not employ any child labour. The Company stipulates in all its contracts not to employ any child labour directly or indirectly.

6. ELIMINATION OF DISCRIMINATION (EMPLOYMENT AND OCCUPATION):

We provide equal opportunity without discrimination. 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.

7. PRECAUTIONARY APPROACH TO ENVIRONMENTAL CHALLENGES:

Precautionary measures have been taken by MALCO to protect the environment. As a part of environment initiative three hundred and thirty five saplings were planted in plant premises during the FY 2012-13.

8. INITIATIVES TO PROMOTE GREATER ENVIRONMENTAL RESPONSIBILITIES:

During the year, the major portion of waste involving red mud, fly ash and bottom ash was successfully disposed by identifying new customers. As a responsible corporate which ensures transparency in its operations, we have integrated Stack Emission data with Care Air Centre, Tamil Nadu Pollution Control Board.

9. DEVELOPMENT AND DIFFUSION OF ENVIRONMENT-FRIENDLY TECHNOLOGIES:

We have taken up enviro-friendly initiatives like RO evaporator plant, installation of dustless loading spout to arrest fugitive emission while loading fly ash into bulkers, ultra-filtration for demineralization plant feed water, dry mud stalking, coal movement through closed conveyor system from railway yard to coal yard instead of using trucks and installation of back pressure turbine to utilise the potential energy of steam meant for process consumption. We have invested in replacement of air preheater in Unit #1 & Unit #2 and coal feeders in Unit #4 which has resulted in lesser coal consumption and lower emission.

10. BUSINESSES SHOULD WORK AGAINST CORRUPTION IN ALL ITS FORMS, INCLUDING EXTORTION AND BRIBERY:

We have a formal policy of zero tolerance for corruption, which supports our commitment to work against corruption in all its forms, including bribery and extortion. The Whistle-blower policy of the Company enables our employees, partners, various stakeholders or well-wishers to escalate any issues related to corruption, extortion and bribery.

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.

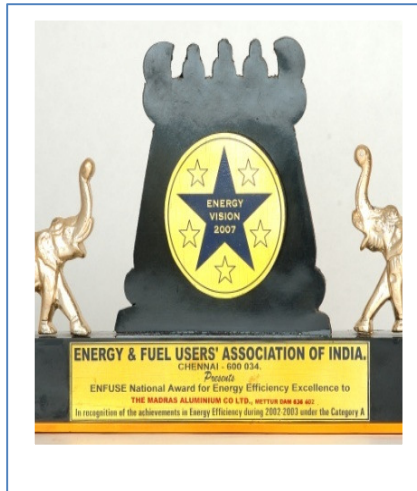
Among the feathers that were added to MALCO's coveted crown of awards, we are proud to have received State Safety Award from Chief Inspector of Factories, Tamil Nadu (State Safety Awards Committee) for the year 2008 and 2009 , which was pronounced during 2012-13.



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, Tamil Nadu Region.
- **Award for 'Fastest Cargo Evacuation Performance- Coal'** from karaikkal Port, in Connect, Chennai 2011 on August 17th 2011.

AWARD GALLERY :



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