

[02] – Description of practical actions and snapshot of policies

Communication on Progress (COP) Report – 2008-09

This Report on Communication of Progress (COP) represents our assessment on how the principles of Global Compact have been taken forward in our organisation through various initiatives. The accompanying statements attempt to capture very shortly the achievements vis-à-vis the principles pursuant to the actions taken during the past, including the year under report. For more details, please contact the **Corporate HR Development & Communications** Department at the Company's Head Office or by E-Mail: **chrhc@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 strive to further the cause human rights in all aspects of its business and ensure 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 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 lot of the socially and economically downtrodden and the weaker sections of the society. ([Please click here for further details](#))
- All legal and statutory obligations towards employees, shareholders, clients, customers, associates and the society at large are complied with.

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 condition, pays competitive wages much above the minimum level, and has provision for health care and other welfare measures. 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 their quality of work-life. To be more specific, the present status, including the actions taken, is as under:

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 six Unions and 2 Associations representing different sections of employees in the Company.
- Settlements on terms and conditions of service are arrived at through the process of collective bargaining. All the commitments made to the collective are implemented in letter and spirit. Negotiations to conclude long term settlements, where due, have already commenced in the year 2008-09 and it is our expectation that the new wage settlements would be signed before the end of current next year.
- 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 a 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 incumbent 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 an incumbent employee is verified at the time of recruitment.

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 and Persons with Disability.
- The Company has over period of time introduced policies in relation to its non-regular personnel also thereby ensuring just and fair treatment to all associates of the Company.

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.

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 Grease plants at Kolkata and Silvassa have received ISO 14001-2004 certification. The Leather Chemicals Division at Chennai has been certified

under OSHAS. The certification process under OSHAS for our Grease plant at Chennai has been completed successfully and we are awaiting the certificate at any time now.

Principle # 9 : Development and diffusion of environmental friendly technologies

- The Company has continued its efforts at technological upgradations 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. We provide a safe and healthy working environment to our employees and communities around us.
- In 2008 the Company has embarked in a journey to tap wind-energy with an objective to enhance usage of clean technology at all critical levels.

Principle 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.
- 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.
- To ensure and drive transparency the Company has introduced the practice of E-Procurement, as regards the tendering process.

[01] - [Statement of continued support for the Global Compact]

Message of Continued Support To Global Compact

Balmer Lawrie firmly believes in and supports the principles of Global Compact. The Company rededicates its commitment to not only pursue the principles but also advance the cause as enunciated in the charter. Even during this period of economic downturn, we have upheld our commitment to the society at large, and continued with our efforts, ensuring that the spirit glows while we move on.

The Company, as hitherto before, pledges to uphold human rights, adhere to the rights and dignity of labour, promote and encourage greater environmental responsibility. It also places a very high premium on promoting ethical values of integrity and transparency in all its business dealings. As a mark of our commitment to the society at large, on an annual basis, the Company invests around 0.5 % of the Net Profit, in facilitating changes, upholding the principles of the Global Compact.

The entire Balmer Lawrie fraternity is involved in pursuit of the sustainable development initiatives. During the earlier years the Leather Chemical Division had been re-certified under the Integrated Management System Certificate (ISO 9001:2000, ISO 14000:2004 and OHSAS 18001:1999) by Certification body of TUV SUD Management Services GMBH, Germany, also the Grease Division Plant in Kolkata and Silvassa have been accorded ISO 14001 certification. During the period April '08 and March '09 we had assumed the objective of getting the Chennai Factory of the Greases Division certified as ISO 14001 compliant.

The Company has also initiated endeavors to tap eco-friendly energy sources for its Plants using Wind-Energy route. Company's plan to use eco-friendly energy, will be executed over a period of time, however, we are confident as an Organisation of our success.

All of us in Balmer Lawrie reiterate our commitment to pursue a policy rooted in social and environmental responsibility. We once again reaffirm our resolve to support the principles of Global Compact.

(Swapan Kumar Mukherjee)

Managing Director

24th April 2009

[03] - [Reporting on Outcomes]

([Please click here for further details](#))

In its efforts to further the cause of Corporate Social Responsibility and fulfill its commitment towards the principles of Global Compact, the Company over the years has undertaken several community development projects, partnering with NGOs. The focus has been to trigger development at micro-community level, generating high impact therefore. The broad areas for this purpose have been health, shelter, education, and economic rehabilitation. Initiatives however are not restricted to community development projects only; several initiatives are under pursuance in the areas of

- a. Sponsoring generation and usage of Clean Technology/ Energy
 - b. Invest in process that are Environment Friendly
- During the financial year, '08 - '09; part of the profit earned during FY '07 - '08 was focused towards community development programs, wherein it was decided to further and consolidate the activities undertaken during the pervious financial year.
 - As part of our commitment to enhance quality of life of the poor in the country, we have provided 12 houses for deserted women in Vahe Valva Taluk, Satara in Maharashtra, during FY '07 - '08. During '08 - '09, an amount of Rs. 1.08 lacs was spent on those houses to enhance the quality of life of the occupants of those houses.
 - In the eastern region the total spends during the financial year amounted to Rs. 2.51 Lacs.
 - The spent has been in the area of projects for renovation and building of toilet blocks at a rural school, Dara Adarsha Bidyamandir, West Bengal, and for providing critical resources for effective functioning of the of the Health Center and Vocational Training Centers for Women at Ramnagar Abad, Patharpratima Block - West Bengal. These centers were identified during '07 - '08, for being supported, the focus being economic rehabilitation of rural women, with an objective of facilitating sustainable community development through economic empowerment.
 - Further, the Company's commitment to get all its manufacturing facilities in the Greases Division accredited to ISO 14001, was completed during the April '08 - March '09 period when the Chennai facility was certified as an ISO 14001 compliant manufacturing facility.
 - The most notable and far reaching of all initiatives undertaken during the period under reporting was the Company's initiative to start a shift towards usage of clean energy. As part of the process the Company completed the due diligence process and identified the consulting partner who would be entrusted to guide and facilitate the process of the Company's sponsoring generation of Power using wind energy and used the wheeled over output at its production facility at Chennai - Manali Complex.

A Snap Shot of the various initiatives undertaken by Balmer Lawrie & Co. Ltd. during the period under reporting and their alignment to Global Compact Principle are captured hereunder in

Table - 1

Sl. No.	Activity/ Investments made	Corporate Objective	In pursuance to Global Compact Principle
1.	Renovation of Houses built for Women	Enhance quality of life of underprivileged in the society	Principle - 1 & 2
2.	Renovation and Up-gradation of Schools in rural India	Upheld childrens' right to education creating opportunities to explore their potential and prevent child labour	Principle - 1, 2 & 5
3.	Aid functioning of Health Centers and Vocational Training Centers for Women	Uphold and protect basic human rights as regards health and right to earn living through supporting empowerment at the grass root level	Principle - 1 & 2
4.	ISO 14001 certification of all Greases & Lubricants manufacturing facilities	Ensure that the Company is functioning effectively and responsibly from the environment perspective	Principle - 7 & 8
5.	Use of Wind Energy generated Electricity for manufacturing facilities	Facilitate and pioneer the usage of clean and green technology/ energy	Principle - 7, 8 & 9