



BHEL's Commitment In Support Of U.N.G.C. 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, besides providing safe and healthy working environment to all its stakeholders. All manufacturing units/regions of the company are accredited to latest international standards viz. ISO-14001 certification for Environmental Management and OHSAS-18001 certification for Occupational Health and Safety Management Systems.

The company reiterates its commitment to United Nation's Global Compact(GC) Programme and intent to advance GC 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 by regularly incorporating its commitments towards GC programme through Annual Report, Press Conferences and other public documents.

BHEL has also taken a lead role in promoting GC principles in other Indian organizations through Global Compact Society (GCS) by organizing case studies/organizational experience sharing, addressing the Global Compact principles in Indian context.

BHEL's performance (2008-09) on each principle of Global Compact is also available on Company's web site (www.bhel.com) uplinked to UNGC website.

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BHEL Performance 2008-09 - Global Compact Principles

Human Rights

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

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

BHEL has a special provisions for ensuring safeguard of Women employees at workplace.

Principles of Natural Justice are enshrined in " BHEL Conduct, Discipline and Appeal Rules" applicable to its employees.

Principle 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

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

The Government of India has enacted various labour 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 Organization, 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.

Principle 4): **The elimination of all forms of forced and compulsory labour.**

The company does not employ forced and compulsory labour.

Principle 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. In fact, BHEL is "Zero Tolerance" company regarding employing of child labour

Principle 6): **Eliminate discrimination in respect of employment and occupation**

Uniform set of rules are mentioned in the 'The Personnel Policy' of BHEL, that apply equally to all employees, irrespective of factors such as sex, caste, religion, race etc. All recruitments are conducted in transparent manner, giving equal opportunity to all citizens of India without any discrimination whatsoever

Environment

Principle 7) : **Business 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 18001-2007) and on Environment (ISO-14001-2004). All BHEL units/regions including Industry Sector office & a township, located near New Delhi (NOIDA), besides a hospital in Bhopal unit are certified to these standards, after stringent audit by an international certifying agency.

Company's commitment towards environment conservation continued with the completion of several Environment Improvement Projects. These projects helped in creating a pollution -free environment, conservation of precious resources like energy, water, fuel oil coolant, lubricant beside installation of proper system for storage/handling of chemical waste, utilizing state of art technologies. Major Environment Improvement Projects executed during the year included:

-additional rain water harvesting systems were installed at all the plants and township of the company, to improve quality of ground water & preserving every drop of water.

-Several tree plantation drives were organized at plants/township of the company located across the country, involving the employees and surrounding community, bringing a total number of trees planted so far to over 3 millions.

-Conservation of natural resources, generation of energy from waste and efficient water management.

Continuing its tradition of bagging prestigious awards, during the year BHEL's Electro-porcelains Pant at Bangalore received the "Greentech Environment Excellence Silver Award 2008".

Principle 8: **Undertake initiatives to promote greater environmental responsibility**

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

There are eight thrust areas under BHEL CSR (Corporate Social Responsibility) Scheme. The projects in these thrust areas are generally in and around the Manufacturing Units, Sites and in locations where BHEL has a presence.

- 1 Self-employment generation**
- 2 Environment Protection**
- 3 Community Development**
- 4 Education**
- 5 Health Management and Medical Aids**
- 6 Orphanages & Old-age Homes**
- 7 Infrastructural development**
- 8 Disaster / Calamity Management**

In the past year emphasis has been on projects for creation of infrastructure. These projects included upgradation and providing essential facilities in the schools based on the needs ascertained. Compound walls have been constructed for safety of the children in addition to providing drinking water facilities, toilets, school furniture, stationary and uniform to students.

Apart from these, the needs of the community have also been taken care of through construction of community halls and infrastructure for drinking water facility by laying pipelines and providing overhead tanks.

In the area of health management and medical aids, medical camps have been conducted especially in the villages/communities in and around the project sites. Apart from free health check-up, free medicines have also been distributed. Special mention is to be made on eye camps conducted and facilitating procedures for vision to the poor and elderly.

Projects related to self employment generation are also taken up every year where women and youth are given training in certain trades to become self employable and in some places certain equipments have also been distributed.

An home for the elderly has been set up at Bhopal

BHEL is providing infrastructure facilities like school building, furniture, grant-in-aid etc. for running special care schools and vocational training centres for differently able children. The schools totally supported by BHEL at four locations are

Arivalayam at Tiruchirapalli
Sapna at Bhopal,
Abhilasha at Hyderabad and
Akanksha at Hardwar.

The children from these schools are given vocational training and have participated and brought laurels to the company in the special Olympiad.

Prompt response is given to the community at the time of calamities like floods etc. During this period, distribution of food packets is taken up as immediate relief and there after all assistance for rehabilitation either directly or through other reputed agencies. is a basic component of this. Last year communities affected by unprecedented rains in Southern Tamil Nadu & Assam were rendered assistance.

BHEL has joined hands with Damodar Valley Corporation(DVC) and Coal India to set up an Industrial Training Institute(ITI) at Kabiguru Industrial Training Centre - Bolpur, West Bengal to provide learning experience and fulfil manpower needs of Power Sector

Principle 9): Encourage the development and diffusion of environmentally friendly technologies.

BHEL is one of the few companies worldwide, involved in the development of Integrated Gasification Combined Cycle(IGCC) technology, which would usher in clean coal technology. As part of this the company has set up Asia's first IGCC power plant (6.2 MW) with an indigenously designed pressurized fluidized bed gasifier. The company also signed a Memorandum of Understanding (MOU) with Andhra Pradesh Generation Company (APGENCO) for setting up company's largest 182 MW IGCC plant.

The Company has been manufacturing and supplying a range of Renewable Energy Products and Systems which includes Photo Voltaic modules & Systems. BHEL has supplied stand alone Power Plants of rating up to 150 KW peak, usually used as ditributed Power Generation Plants .

The Company is actively associated with development & adoption of Wind Power and Concentrated Solar Power(CSP) projects in India & abroad.

In conformity with its concern for the environment, BHEL has been contributing to the national effort for developing and promoting renewable energy based products on a sustained basis which include 47 sets Solar PV powered systems (5.94 kWp each) for dispensing petrol at retail outlets.

The company is also engaged in research in areas like fuel cells for distributed environment friendly power generations, clean coal technology super-conductivity applications in transformers and Motors, thin film solar cells and nanotechnology for various applications

Clean Development Mechanism (CDM) is an additional catalyst in this direction in the company. A broad reference list of CDM activity projects both in-house implementation and joint claims projects with customers has been generated.

In BHEL, CDM is a planned activity and carbon credits forms part of budget exercise.

BHEL has also enunciated its Energy Management Policy to make it concurrent with the present day concerns of the comapny.

ANTI-CORRUPTION

Principle 10 : **Business should work against all forms of corruption, including extortion and bribery.**

-With a view to contain corruption Government of India has enacted "Right to Information Act" giving right to all citizens of India to seek information besides other rights of inspection etc. BHEL has taken lead role in implementing all provisions of the act in letter and spirit.

- In order to prevent corruption, a host of 'transparency measures' have been initiated company wide. Some of them are:

- **The organization has signed the 'Integrity Pact' with Transparency International. Three Independent External Monitors (IEM) have since been appointed. The intention is to make public procurement and contracting more transparent by binding both the parties to ethical conduct. This would enable a monitoring role for civil society - the ultimate beneficiary.**
- All payments are now made through the electronic mode.
- Vendor Registration applications, vendor registration process and status of vendor registration process is available on the company web site.
- All tenders are hosted on the Company's web site
- All details of purchase orders and contracts concluded are available on the Company's web site.
- 'Bill payment status' of all vendor bills is constantly updated on the web.

As part of company's endeavour to set high standards of conduct for its employees, a Code of Business Conduct and Ethics has been laid down for all Board members of Senior Management Personnel. The Code encompasses General Moral Imperatives, Specific Professional Responsibilities, Additional duties/imperatives for Board members and Senior Management Personnel.