



MIDHANI renews commitment to UN Global Compact

MIDHANI, as a member of UN Global Compact, reiterates its commitment to the ten principles of UN GC Program. Midhani continues its support to the UN initiative on protection of human rights and environmental standards.

Midhani recognizes that business strategies and effective HR systems are the key elements for sustained growth of business in the emerging competitive scenario and is therefore fully focused on development of its human resource in order to building strategic capabilities and developing core competencies. Retention of talent also posed a challenge and to meet this challenge, remuneration of employees were hiked. In order to infuse young blood and to meet the succession needs of the Organization, recruiting talent from various University campuses was undertaken.

Efforts are directed to spread Midhani sphere of influence, which at the moment is focused on the most important stake holder, the human resource, progressively moving towards the other stake holders – the customer, the owner, the environment, the surrounding society. Engagement with other relevant business partners like Suppliers, Contractors, Vendors is constantly taking place through face-to-face dialogue.

Customer Meet was organized on October 13, 2008 as an innovative and effective method of associating with Customers to know their immediate long and short-term programs. On October 9, 2009 customer meet for Government and Public Sector Unit Customers was organized exclusively with a theme "Partnering for National Growth ' since Midhani and its customers are all aiming for National Growth ' in their respective strategic sectors for the industrial, technological and economic development of the Country. Ninety delegates representing a galaxy of our customers from different Government organizations and Public Sector Units participated in sharing of information for consolidating relationships. Similarly another customer meet for Private sectors is planned on January 9, 2010.

A vendor meet is planned on January 8, 2010 to understand and appreciate the concerns of vendors and to impress upon them the needs of Midhani

Focus is placed on procuring techno-economically viable and environmentally friendly equipments for modernization program of Midhani, several new facilities have been installed and are in use .

M. Narayana Rao
Chairman & Managing Director

In order to promote corporate citizenship and social responsibility to meet the challenges of globalization, UN Global Compact was launched at UN Headquarters in New York on 26.7.2000. Global Compact had been successfully engaging the business leaders in this direction through annual disclosure to their stakeholders on implementation actions related to the 10 principles in the areas of human rights, labor standards, environmental stewardship and anti-corruption. More information on United Nations Global Compact can be had through their website <http://www.ungc.org>.

Participation by MIDHANI

In a letter addressed to UNGC, C&MD MIDHANI committed support to these universally accepted principles on 16th November 2001. MIDHANI reiterates its support and commitment to the UNGC principles every year.



UNGC – Communication on Progress (2008-09)

MIDHANI posted a brief on Global Compact and its commitment to the principles of GC on its website www.midhani.com. This Communication of progress (COP) also forms part of the 35th Annual Report.

Principle 1&2 Human Rights

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

MIDHANI, a model employer and 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.

Fire-fighting Manual and Disaster Management Manual are in place and regular mock drills are carried out to expose employees to familiarize with the fire fighting system.

Principles 3,4,5 & 6: Labor

Freedom of association & right to collective bargaining

a) 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



Prohibition of forced and child labour

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

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

Environment

Principles 7,8 & 9:

Precautionary approach to environmental challenges:

MIDHANI stands committed to prevention and control of environmental pollution due to its activities in a sustained manner. Midhani endeavor had been and will continue to be:

Ensuring at every level of operations a clean and healthy environment free from pollution

- To ensure upkeep of equipment and machinery at all times in fit condition so as not to affect environment.
- Remain prepared and alert to respond effectively to all foreseeable emergency situations.
- 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.
- Plan for construction of check dams in Midhani to arrest and store rainwater to increase the Ground water level.

MIDHANI operations are environmentally friendly and do not release any pollutants in the atmosphere. A thick canopy of greenery with thousands of trees of over 50 different species constituting the green belt has been developed to promote and maintain ecological balance in and around the Company and within factory premises.

Promote Greater environmental responsibility

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

Development and diffusion of environmentally friendly technologies

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.

The modernization and up-gradation of certain facilities is in progress and state-of-the-art equipments are being installed.

A new high capacity VIM furnace has been commissioned during the year thereby increasing production capacity and decreasing operating cost and time.

A heavy duty Lathe Machine was added to machine capacity extensively used for turning large size barrels.

Promotion , reduction and recycling of waste

Principle 10

Work against corruption

Ensuring at all levels of decision making an atmosphere free from corruption by adopting a code of business ethics and conduct to uphold values and morals.

- Implementation of ERP is underway and once completed a standard, transparent, effective & efficient system will be in place in all the functional and operational areas of the Company.
- Continuing the disposal of unserviceable items, scrap is done through a transparent reverse auction method electronically.

Actions taken in the direction of Corporate Social Responsibility:

Midhani as a corporate citizen has been discharging its social responsibilities by undertaking various welfare measures like community growth, pollution control and eco-friendly measures etc.

MIDHANI continued to supply custom-made bio medical implants made of stainless, titanium to needy patients at a reasonable price.

As welfare measures to employees monetary awards were given to meritorious students and children of weaker sections of society. The Company run Brahm Prakash DAV school continued to excel in its performance. Students from nearby villages are given admission into the school, thus contributing to better education facilities.



Communication of Progress for 2008-09