



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 Network by organizing case studies/organizational experience sharing & addressing the Global Compact principles in Indian context.

BHEL's performance (2009-10) 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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(Anil Sachdev)

BHEL Performance 2009-10 - 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 called Joint Committee 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.

The wage revision in respect of all categories of employees which was due w.e.f 1.1.2007 was finalized during the year and payments arising due to revision of wages made to all the employees after due consultative process.

Besides, a two day Workshop on "Marching Towards Organizational Excellence - The Role of Supervisors" was also organized. The members of the Supervisory Associations were sensitized about the challenges being faced by the Company as also the role of the Supervisors to overcome these challenges. The Workshop focused on evolving strategies to meet the challenges and customer commitment. The response from the Members was overwhelming. Syndicate Groups comprising supervisors were constituted and the suggestions made by them during the Workshop were circulated to all Units/Divisions of BHEL for sharing at different levels as well as for implementation.

BHEL had organized three special sessions of Joint Committee in Workshop format during the years 2004, 2006 and 2008. The themes of these workshops were

- Enhancing organizational effectiveness
- Roadmap to excellence
- Increasing effectiveness of the employees and Tackling Business challenges.

Syndicate groups were formed on various topics like strengthening of participative fora, percolation of discussions in the Joint Committee to Plant level, multi-skilling, redeployment, effective utilization of critical machines, enhancing the productive time of man and machines, reduction in rejection and rework, maintenance and upkeep of machines, three shift working, enhancing productivity of employees, dissemination of company information, cost cutting measures at workplace and wastage control, improving quality and bringing quality consciousness among employees, reduction in cycle time, and sequential supplies from Units. During the Joint Committee meeting held in August, 2009, a booklet compiling the suggestions/recommendations given by the various syndicate groups during various workshops was released.

At the Unit level, workshops with the theme of "Improving Production and Productivity" were held wherein the participants were from all categories of employees. They gave suggestions on cost reduction, meeting the production targets, sequential deliveries and quality of goods. The involvement of all the cadres in the workshop had a positive impact on the working in the units.

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

The company does not employ forced and compulsory labour nor does it ever ask its employees to deposit their original documents pertaining to educational qualification or Date of Birth.

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 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.

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 the present BHEL CSR Scheme (Corporate Social Responsibility). The projects in these thrust areas are generally in and around our 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**

The projects in the past year included upgradation of schools and providing essential facilities in the schools including providing drinking water facilities, toilets, school furniture, stationary and uniform to students. Villages have been provided with Pucca Roads, Tubewells,. Computer Learning Centre for educational and personality development needs of tribal children from remote tribal areas of Uttar Pradesh, Madhya Pradesh, Chattisgarh, Bihar and Orissa has been established.

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 of eye care camps where free spectacles were distributed and cataract surgeries were performed. Various awareness programme on TB, AIDS and health camps and creation of Blood Storage Facility and Primary Health Centre serving a population of around 10,000 were taken up.

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. For instance, training was provided for unemployed women from downtrodden community in the nearby villages of Trichirapalli in stitching and dressmaking. Sewing Machines were also provided to each woman who attended the training programme.

BHEL is Providing Scholarship to poor students for pursuing professional degree course conducted by Govt. Institutions. Provision of Benches and Desks to Govt. Schools located in various villages is done on a regular basis.

Prompt response is given to the community at the time of calamities like floods etc. Board of Directors has given approval for contribution of Rs. 10 crores (Rs 100 Million) for flood relief in Karnataka and Andhra Pradesh.

The projects are taken up every year based on felt need and for which commitment is given is completed by 31st March of the year.

BHEL CSR Policy is being reviewed to align with the **recent guidelines issued by Ministry of Heavy Industries & Public Enterprises**, Government of India on CSR for Central Public Sector Undertakings.

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

BHEL is an environment friendly company in all its activities, products and services, providing safe and healthy working environment to all stakeholders. Significantly, BHEL has also taken initiatives on Clean Development Mechanism (CDM) projects to reduce greenhouse gas emissions in a more focused way and vigorous efforts are being made to achieve milestones in this area. A broad reference list of CDM activity projects both of in-house implementation and joint claim projects with customers has been generated. CDM is a planned activity for each Unit and carbon credit forms part of budgeted activity.

In conformity with BHEL's concern for society and environment, a more energy efficient single cylinder non- reheat steam turbine for 100-140MW application has been developed, suitable for plants where large amounts of waste heat is available and reheat option is not feasible. This is the largest single cylinder steam turbine engineered so far by BHEL.

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. During the year, as its contribution to the Jawaharlal Nehru National Solar Mission, BHEL is in the process of setting up two eco-friendly Grid-Interactive Solar Photovoltaic (SPV) Power Plants of 2 MW & 1 MW, on turnkey basis, for Karnataka Power Corporation Ltd (KPCL) in Karnataka. This is the first order won by BHEL for megawatt size grid connected Solar Photovoltaic (SPV) power plants.

In recognition of BHEL's contribution to the greening of the Lakshadweep Islands, BHEL was awarded the 'India Power – Jury award 2009'. BHEL has commissioned 1065 kw of solar photo-voltaic grid interactive as well as stand-alone plants at 12 locations contributing to the preservation of the natural habitat of these pristine islands.

CII's National Award for Excellence in Energy Management 2009 was awarded to BHEL's Hyderabad unit. The unit has been winning the prestigious National Award consecutively for the last three years.

For excellent performance on sustainable development, the CII-ITC Sustainability Award 2009 was also conferred on BHEL's Hyderabad unit. The award recognises BHEL-Hyderabad's excellent performance on the three parameters of sustainability i.e. Environment, Social and Economic.

High voltage (70V) space-grade Solar Panels for high power applications jointly developed with Indian Space Research Organisation (ISRO) for deployment in GSAT-4 satellites. Significantly, 12 Satellites launched by ISRO are powered by BHEL manufactured Solar Panels & 7 Satellites with BHEL manufactured Batteries were undertaken.

Two eco-friendly Grid-Interactive SPV Power Plants of 2 MW & 1 MW, being set up on turnkey basis in Karnataka, for KPCL.

SPV Modules manufacturing capacity enhanced from 3 MW to 8 MW per annum.

Continually striving to improve the economies of solar PV systems, BHEL has developed its largest size 220-Watt PV Module using 156-mm Size Multi Crystalline Silicon Solar Cells. The use of 156-mm size solar cells as against the present 125-mm has resulted in increased production throughput by approximately 60%. This will meet customer demand for larger wattage modules, especially for MW Size grid-connected applications, as it will reduce the number of modules required per system thereby improving reliability.

BHEL has made rapid strides in this strategically important area of non-conventional energy, which holds the key to the problem of burgeoning energy needs, on the one hand and rapidly depleting fossil-based energy sources, on the other. Range of Renewable Energy product and systems manufactured and supplied includes a number of solar water heating systems, SPV systems for both Domestic and Industrial application and wind electric generators all over India. BHEL also has the capability to set up Grid-connected and Hybrid SPV Power Plants. BHEL is also supplying small hydro power plants (up to 25 MW station capacity) for distributed power generation.

The company is also engaged in research in futuristic areas like fuel cells for distributed environment-friendly power generation, clean coal technology applications, standardisation of electrode making process, development of process for addition of Nano/Micro particles for improving material characteristics, super conductivity applications in transformers, generators/ motors.

BHEL has signed a MoU with Bharat Electronics Limited (BEL) for formation of a Joint Venture to address Solar Photovoltaic business and for setting up manufacturing facility for silicon wafers, solar cells and modules.

BHEL being alive to conserve a very vital resource “Water”, has developed a compact 2.4 TPD (tons per day) Reverse Osmosis(RO) based desalination plant skid (suitable for sea water).

Reinforcing its commitment to exploit renewable energy resource in order to conserve other natural resources, BHEL had taken up a MoU project with an aim to develop technology for optimum utilisation of non-conventional energy sources in the absence of utility grid. To achieve this goal BHEL has commissioned a 100 KW hybrid system integrating wind, solar photovoltaic (SPV) and diesel as energy sources, at Kadavakallu in Anantapur district of Andhra Pradesh. This technology has been developed for the first time in the country, which shall pave the way for creating stand-alone grids consisting of wind generators, diesel generator sets and SPV systems. Under this project, a master controller has been developed, which will ensure proper operation of the stand-alone grid allowing maximum penetration of the wind and utilisation of solar power with a view to minimise the usage of diesel.

Conservation of Energy

The following Energy Saving Systems, utilizing efficient technologies, were also undertaken:

1. Installation of Turbo Wind ventilators in Production shop
2. Use of renewable sources of energy such as solar water heating system & solar street lighting
3. Installation of Energy savers for welding rectifiers
4. Replacement of old motors with energy efficient motors
5. Replacement of old energy inefficient transformers with energy efficient transformers
6. Measures taken to use VFDs in place of AC motors when procuring new machines
7. Installation of Energy Management System
8. Installation of automatic power factor controller for inductive loads
9. Installation of power savers to lighting feeders

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.

To achieve the objective, training programmes, seminars/conferences and interaction of Chief Vigilance Officer with the employees is 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.

- 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.