THE GLOBAL COMPACT COMMUNICATION ON PROGRESS

As a member of the Global Compact, Hindustan Paper Corporation Ltd is committed to the principles of the Global Compact. The examples detailed below would enumerate the Company's support for protection of internationally proclaimed human rights and elimination of discrimination in respect of employment and occupation. Further, as a responsive and responsible corporate citizen, HPC has laid great accent on countering environmental degradation. HPC has appropriate systems for controlling and monitoring pollutants in the manufacturing units in accordance with the prescribed environmental standards & regulations and the Units are ISO 14001 Certified.

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THE GLOBAL COMPACT COMMUNICATION ON PROGRESS

G C Principle No.1 – Support and protect Human Rights

The support and protection of internationally proclaimed human rights requires efforts to improve quality of life. HPC has undertaken projects to help communities in earning their livelihood. Two villages pre-dominantly inhabited by tribals were selected where handloom weaving centers were set up by the mill. Ten women from each village were identified and selected through village councils to form a cooperative in running the Handloom Weaving Centers. Two buildings were also constructed to house these handlooms. Three full-fledged plant, machinery and equipment for running the Handloom units were provided to each center. The local women who are traditionally expert weavers have started weaving "Gamochas" along with traditional dress materials which have ready market in the North Eastern Region. This scheme has found success and the women cooperatives are running smoothly. With this success, HPC plans to provide them with modern equipments so that the cottage industry set up with the help of the Corporation can go into productive manufacturing of items such as bed covers, table clothes, etc. which are commonly used in all households.

OUTCOME

The above project has generated a lot of confidence in an otherwise unsure community who were not having a steady and assured source of income. It enabled them to have sustainable means of earning. The local community looks upon the Organization as a provider. There are several families amongst the local community whose children have found gainful employment either directly or indirectly in the mills and even in the townships. Such assistance from the Corporation has given a fresh lease of life to the local inhabitants. Many locals have also put up grocery stores, barbershops, electronics shops etc. and they are finding ready customers amongst the employees of the mills.

<u>G C Principle No.3 – Uphold the freedom of association and the effective recognition</u> of the right to collective bargaining

The Joint Bi-Partite Form involving representatives of Management and Employees Unions has been strengthened with more frequent meetings.

OUTCOME

The Bi-Partite Form is a platform for exchanging views, share information and to deliberate on matters related to production and productivity of the Company. The working atmosphere in the Industrial Units is extremely cordial and conducive to hard work.

<u>Principle 6 – Eliminate discrimination in respect of employment and occupation</u> <u>Gender Equality at Every Step</u>

Right from inception, HPC has been a firm supporter of maintaining gender equality amongst its employees. Women and men are given equal opportunities in employment and ample scope on improving upon their talents and skills. The Organization has a full-fledged HRD Cell manned by professionals which ensures equal opportunity for women employees. The Corporation, as a matter of policy sponsors both men and women to various training programmes, professional courses, seminars and even study tours abroad so that the employees may improve upon their knowledge and skills in order to contribute positively to the Organization. In HPC, both men and women work side by side without fear or favour. Women's participation and contribution in all cultural, social and official activities are encouraged. The Corporation has constituted committees to look into any grievance or any sort of harassment the women employee may face in the course of their employment.

OUTCOME

The working atmosphere at HPC is cordial, peaceful and extremely conducive for productivity & work. Corporation provides the best working environment to its employees irrespective of caste, creed or gender which has resulted in good work culture

and the employees are able to contribute immensely for the growth of the Organization. Each worker is viewed as a supportive pillar in this Organization. Basically due to the weightage that has been given for development of its employees, the Corporation today has a professional team of dedicated professional who believe that "Together Everyone Achieves More."

GC Principles 7, 8, 9 Relating to Environment

As a responsible corporate citizen, HPC has been constantly contributing to the preservation and maintenance of the ecological balance.

Towards this end, environmental protection has received topmost priority on the Company's agenda. The Corporation has already embarked on a Modernization & Technological Upgradation Plan (MTUP) to keep abreast of the latest developments in the field of pulp & paper production and also to meet the commitments to the Corporate Responsibility for Environmental Protection (CREP) charter initiated by the Ministry of Environment & Forests, Govt. of India and the Kyoto Protocol Regulations. HPC manufacturers paper from renewable bamboo fibre. With the objective of 'green investment' and also as part of the Company's social development programme, HPC has been actively promoting the Farm Forestry Scheme with the assistance of the local NGOs.

The Forestry Department of the Mills have been educating the local farmers on the benefits to be derived by availing the Company's Farm Forestry Scheme (FFS). The scheme has evoked positive response from the villagers.

OUTCOME

This activity has provided an assured source of income to the local inhabitants who were otherwise shifting from one occupation to other due to vagaries of Nature or would have been otherwise at the mercy of the middleman.

Solid Waste Management

Another area that has been developed is solid waste management.

Paper Mills generate many intermediate products during the various stages of production. These products, if not used, forms a major part of solid waste which require a lot of effort in disposal and occupies precious land for dumping. One such intermediate product is lime sludge which is generated during recovery of sodium hydroxide. With the installation of Lime Sludge Reburning Plant, lime sludge will be recycled back to produce lime for re-use in the production of sodium hydroxide eliminating dumping of the waste sludge.

In pursuance of the Corporate Responsibility for Environmental Protection (CREP) charter, the Company has awarded Work Order for installations of Lime Sludge Reburning Plant (LSRP) at its Mills. The LSRP will be a major step in solid waste management.

A project for Bamboo Gasification has also been taken up. This project will utilize another solid waste, viz. bamboo dust for producing producer gas, which will help conserve furnace oil of equivalent heat value. Besides producing energy from solid waste, this would help in solid waste management.

OUTCOME

By implementing the above measures and keeping high alertness in the activities regarding environment management, the environment has been protected to a great extent. It would also assist in generation of energy and reduction in fossil fuel consumption. This would result in lower emission of greenhouse gas (GHG) also.

GC Principles 10 - Relating to Anti-Corruption

A lot of preemptive and preventive measures to eliminate sources of corruption have been initiated. All Notice Inviting Bids /Tenders are invariably hosted on the website.

All manuals, like the Purchase Procedure, are being recast.

Electronic Cash Transactions (ECS) have been institutionalized.

OUTCOME

There is total transparency in all transactions.