

MMTC's Commitment In Support Of UN Global Compact Programme

MMTC is the largest trading company in India and is a Central Government Public Sector Enterprise under Ministry of Commerce. It has consistently played the role of a good corporate citizen and has shown its commitment towards Corporate Social Responsibility (CSR) and Sustainable Development (SD) practices by conducting its business in an economically, socially and environmentally sustainable manner.

The CSR Policy of the Company is in accordance with the CSR/SD guidelines issued by Department of Public Enterprises, Government of India from time to time. CSR was adopted as an essential element of the company's Corporate Policy during the year 2006-07 with specific focus on education, health care, promotion of art & culture and undertaking community centered activities, besides providing relief in times of natural calamities. The CSR initiatives of the company have been in line with the UN Millennium Development Goals.

MMTC's CSR focus has been on literacy promotion, especially of girl child through creation of educational infrastructure and drinking water & sanitation facilities in Govt. schools; healthcare for persons living in remote areas of India, and towards skill development programmes for employment generation. MMTC also distributed assistive devices to the differently-abled persons and undertook such other measures with a purpose of creating avenues for their self employment and employability. As part of company's SD initiatives, emphasis has been promoting use of solar energy by installing street lights at Baragadia Village in Jajpur, Odisha and has installed Energy efficient lighting at MMTC's Office premises.

MMTC continues to play the role of a constructive partner in the communities in which it has operated since inception. The Company reiterates its commitment towards United Nation Global Compact Programme and the set of core values enshrined in its ten principles on human rights, labour standards, environment and anti-corruption. It is also committed to these principles within the company's sphere of influence, and has made them a part of the business strategy and organizational culture. As part of its future vision, MMTC plans to consolidate its position in the society with an increased emphasis on socially and environmentally responsible practices both at MMTC and in the communities in which it operates.



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COMMITMENT TO GLOBAL COMPACT: COMMUNICATION ON PROGRESS **AT MMTC LIMITED**

CORPORATE MISSION

As the largest trading company of India and a major trading company of Asia, MMTC aims at improving its position further by achieving sustainable and viable growth rate through excellence in all its activities, generating optimum profits through total satisfaction of shareholders, customers, suppliers, employees and society.

CORPORATE OBJECTIVES

- To be a leading International Trading House in India operating in the competitive global trading environment, with focus on “bulk” as core competency and to improve returns on capital employed.
- To retain the position of single largest trader in the country for product lines like minerals, metals and precious metals.
- To promote development of trade-related infrastructure.
- To provide support services to the medium and small scale sectors.
- To render high quality of service to all categories of customers with professionalism and efficiency.
- To streamline system within the Company for settlement of commercial disputes.
- To upgrade employees skills for achieving higher productivity.

CORPORATE CITIZENSHIP

OUR RESPONSIBILITIES EXTEND BEYOND TRADING

MMTC has been a constructive partner in the communities in which it has operated since its inception in 1963, embracing responsibility and encouraging a positive impact on the environment, communities, stakeholders and the society at large. The Sustainable Development initiatives of MMTC had Energy conservation and management as a major focus area. An "energy audit" of corporate office was conducted by Energy Efficiency Services Limited. Implementation of recommendations is underway. The various energy efficiency measures would be introduced in phases. In addition, MMTC underwent a third party assessment for measuring the impact of its CSR activities undertaken during the year. A Prospective Plan outlining the CSR/SD initiatives was also drawn up with external assistance which would guide the CSR/SD activities of MMTC over the next ten years. As per

the recently introduced Clause 55 of the Listing Agreement of the Securities Exchange Board of India [SEBI], the top hundred listed companies in terms of market capitalization have been mandated to issue annual Business Responsibility Report [BRR]. MMTC has prepared its first BRR for the year 2012-13 which was published as part of the Annual Report.

SOCIAL AND WELFARE ACTIVITIES

MMTC's social and welfare activities promote welfare of the employees through various schemes i.e. liberal loan facilities like house building advance, conveyance loan, house hold loan, marriage advance, gold loan, education loan for children of employees pursuing higher education etc. MMTC also provides subsidized canteen facilities, medical treatment, and residential accommodation in some of the major cities for its employees.

MMTC is committed toward supporting green environment through afforestation in the mining areas.

During 2012-13, the major focus was on providing livelihood to the marginalized sections of the society through skill development trainings, and on energy conservation and management.

Energy efficiency measures are being introduced in phases as per the recommendations of the Energy Audit Study conducted in MMTC Corporate Office premises.

MMTC has made various efforts to implement the Global Compact Principals and focused on diverse aspects of Human Rights, Labour, Environment and Anti- Corruption. The scope of our actions included focus on socio-economic, environment, education, health care, natural calamity, infrastructure and cultural upliftment activities other than those statutory and also welfare activities for its employees.

Human Rights

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

Being a Government of India company, MMTC owes allegiance to the Constitution of India, which resolves to secure to all its citizens justice, liberty, equality and fraternity and which also encompasses the fundamental human rights as envisioned in the Universal Declaration of Human Rights. MMTC stands committed to support and respect the protection of internationally proclaimed human rights.

Systems

Though there is no specific provision as such for human rights in the Manual on Personnel Management of the company, the sub-stratum of the Manual ensures that its employees enjoy the fundamental human rights and all welfare measures which are constitutionally guaranteed to the workforce. MMTC has 3 tier grievance redressal systems called “Sahayata” for resolving employees’ grievances.

MMTC has in its management system provisions for health, safety, housing and education. Comprehensively covering all these aspects, MMTC has appropriate systems in place.

Actions

Health

- MMTC provides proper cashless medical facilities to its employees and dependent members of their families through a network of empanelled hospitals throughout India.
- Under the MMTC Medical Scheme, retired employees and their spouses get lifetime medical care for a nominal membership fee.

Safety

- MMTC attaches greater importance for safety of the employees.
- Periodical medical examination of employees and their families are done in accordance with the prescribed schedule at Company office or at Company’s residential colony.
- Safety appliances such as safety shoes, helmets, rain suits, goggles, etc. are provided to employees posted at port offices or in field stations.
- Various safety mock drills are also performed as per schedule.

Housing

- MMTC provides accommodation for the employees and the members of their families.
- MMTC provides house building advances to its employees to build/ purchase their own houses at locations in India suitable to them.

Education

- MMTC trains its employees regularly to update themselves, professionally/ technically and develop desired behavioral traits.
- MMTC encourages its employees to upgrade their education and professional qualification by giving suitable incentives, study leave, etc.
- MMTC also provide loan to employees for higher education of their wards.

PERFORMANCE DURING THE YEAR 2012-13:

- Spent over **Rs.26.79 crores** on health care of its employees and their family members including retired employees and their spouses.
- The Company organizes free health check up programmes at various locations throughout the year.
- House building advance rules for employees were revised.
- Employees were nominated to training programmes both internal and external for which annual training calendar is drawn in advance.
- Number of employees imparted training during the year - **666**
- The employees deputed for training included **127** employees belonging to SC, **50** employees belonging to ST and **149** women employees
- Such training works out to a total of **2102** man-days during the year 2012-13
- The Company recognizes the long service rendered by the employees on completion of 30/15 years of service in the Company. During the period 2013-13, **15** employees received Silver medallions of 100 grams each and **4** employees received Silver medallions of 70 grams each on completion of 30/15 years service respectively.

2) Business should ensure that they are not complicit in human rights abuses.

Being Government of India Company, MMTC owes allegiance to the Constitution of India, which resolves to secure to all its citizens justice, liberty, equality and fraternity and which also encompasses the fundamental human rights as envisioned in the Universal Declaration of Human Rights. MMTC stands committed to support and respect the protection of internationally proclaimed human rights at its work places.

Systems

- MMTC conforms to human rights principles and ensures that no violation of human rights takes place.
- The company has an approved policy for redressal of grievances called “Sahayata” of its Employee, customers, business associates.
- MMTC has recognized Scheduled Caste/Scheduled Tribe Associations in each of its units and corporate office. Nodal Officers have been appointed in each Regional Office and a Chief Liaison Officer and a Liaison Officer appointed at CO.
- It also shares information on different issues under the Right to Information Act with various interested parties and stakeholders through the company website and through responses to specific queries for information under the RTI Act.

MMTC is vigilant on implementation of proclaimed Human Rights of citizens/ employees through various measures and strict monitoring and reporting policies.

ACTIONS & PERFORMANCE DURING THE YEAR 2012-13

No case of human rights violation has been reported during the year.

Labour Standards

3) Business should uphold the freedom of association and the effective recognition of the rights to collective bargaining.

Commitment

MMTC stands committed to the protection of freedom of association among its employees and business partners.

Freedom of association is available to all employees. The organization has established policies and practices for collective bargaining on issues of common interest and signs Long Term Settlements for salaries, wages and perks.

Systems

Associations are formed at Corporate and regional levels. Federation of MMTC Staff Unions is recognized as the sole apex level bargaining body on behalf of employees in workman

cadres, with the Management. Similarly, Officers and SC/ST employees have formed their separate associations i.e. MMTC Officers' Association/SC ST Welfare Associations.

In order to empower the employees and to encourage their involvement in decision- making and achievement of company's business targets, meetings are held at regular intervals under following forums:

- Structured scheme of meetings at Regional/Zonal/Corporate Level
- Joint Consultative Mechanism (JCM) with Federation of Employees/Officers/SC&ST Associations.
- In addition, a structured internal communication scheme has been introduced recently in the company.

Actions

Meetings are held with different bodies of employees on quarterly, bi-annually and yearly basis, at regional, zonal and corporate level under 'structured scheme of meetings'. Besides, regular meetings with employees' representatives are held under Joint Consultative Mechanism (JCM). Issues of mutual interest are discussed and resolved in these meetings. The top management of the Company and principal office bearers of the Federation of employee unions/ Officers Associations/ Scheduled Caste and Scheduled Tribes Welfare Association participate at apex level meetings.

These meetings act as a platform where frank and free views in the area of business as well as employees' welfare are shared between the management and the employees.

PERFORMANCE DURING THE YEAR 2012-13:

- The company has a history of harmonious relationship between the management and employees. During last year not a single man day was lost due to industrial unrest.
- The unanimous decisions taken at the Joint Committees are implemented and monitored.

4) Business should support the elimination of all forms of forced and compulsory labour

Commitment

MMTC stands committed not to resort to any form of forced and compulsory labour. There are in built provisions in the company policy for ensuring payment of minimum wages, Provident Fund and, Workmen's Compensation Act etc.

Systems

- A service bond is insisted upon from employees at the induction level of managerial positions+. The bond period is for 3 years for a nominal amount of Rs.50,000/-.
- Any employee joining the company should declare that he or she is not an insolvent.
- All Regional offices are required to send a certificate that No Workman is paid less than the minimum amount of wages declared by respective State Governments.

Actions

- Appointment orders issued by the company very specifically state the various important conditions of appointment.
- Printed copies of Service Regulations and other rules are distributed to all Units for reference and use by every employee.
- Personnel Manual containing various rules/regulations is hoisted on Company's website : www.mmtclimited.gov.in
- An Executive Handbook containing the rules and regulations of the company has been prepared and distributed widely.
- Workmen have the additional facility of over time payment for working beyond the prescribed working hours

PERFORMANCE DURING THE YEAR 2012-13

- No form of forced or compulsory labour was resorted to.

5) Business should support the effective abolition of Child labour

Commitment

MMTC stands committed not to engage any child labour and do all that it can to abolish it from its surroundings.

Systems

- For appointment in the Company, the minimum age prescribed and scrupulously followed is 18 years.
- Age verification is done with reference to approved documents in accordance with the practices prescribed by the Government of India.

Actions

- MMTC firmly adheres to the Government rule of non- recruitment of children for any official work
- All contractors are forbidden to engage child labour.
- The company ensures effective abolition of child labour through its Conduct, Discipline and Appeal Rules under which engagement of child labour by employees even in their residences is prohibited.

PERFORMANCE DURING THE YEAR 2012-13

- No child labour was employed by MMTC
- No child labour was allowed to be employed by the contractors working for MMTC.

6) Business should support the elimination of discrimination in respect of employment and occupation.

Commitment

MMTC by itself and as a Government company stands committed to follow the policy of non-discrimination in all matters – recruitment, employment opportunity, promotion etc.

Systems

- The Constitution of India, under Article 15, unambiguously prohibits discrimination on grounds of religion, race, caste, sex or place of birth.
- The Company has a scheme in place for prevention of sexual harassment to working woman at their work place. Under the scheme a committee comprises of senior officers is working in each regional office to monitor implementation of the scheme.
- As a Government company, MMTC is bound to follow the Government directives, which are abundantly clear against any discrimination in any matters.
- As a measure of protecting and improving the conditions of the downtrodden, special provisions have been made in terms of the Government directives in respect of candidates belonging to Scheduled Caste, Scheduled Tribe and Backward class, both in recruitment and promotion.
- MMTC Recruitment and Promotion rules provide for qualifications, skill and experience required for candidates for recruitment and promotion at various levels.
- The grievance scheme in the company has been simplified and designed for an easy and effective redressal of grievances.
- Unions and Associations representing the various levels of employees have easy access to the management to discuss and resolve discriminations, if any noticed, quickly and effectively.

Actions

Personnel Department of the company periodically assesses and evaluates job contents and job requirements.

PERFORMANCE DURING 2012-13

Total number of employees	1605
Scheduled caste employees	347
Scheduled Tribe employees	134
Backward class employees	137
Persons with differently-abled	37
Total number of Woman employees	310
Men: Women ratio	5: 1

Environment

7) Business should support a precautionary approach to environmental challenges.

Commitment

MMTC is committed towards environmental upkeep through afforestation in the mining areas, development of tribal areas and infrastructure development through rail links, port facilities, etc.

Systems/Actions:

In addition to statutory requirement, MMTC's precautionary approach to environmental challenges include:-

- The company provides safety equipments such as gum boots, rain coats, helmets, gloves, nose masks, and torch lights, umbrellas to employees posted in field areas and in port offices.
- All employees are covered under group accident insurance schemes which take care of injuries/ accidents at work place.
- Once a year a drill for fire-fighting is conducted in all office premises of the company.
- Tree plantation drives are undertaken in and around Company's residential complexes at various locations.

PERFORMANCE DURING THE YEAR 2012-13

The Company ensures precautionary steps in its various activities to help environmental preservation.

8) Business should undertake initiatives to promote greater environmental responsibility.

Commitment

MMTC has made efforts to imbibe the Global Compact Principals in its business process.

Systems/Actions

- Training programmes are arranged for employees on environmental awareness.
- Diversification into an area like Wind power energy generation, which is a clean and environment friendly source of energy is a fine testimony to the fact that these

principals are well integrated with the business activities of the company. The Company has set up a Wind power based electricity generating facility in Karnataka state, which is first in the series.

- In addition, MMTC continues its unstinted efforts to promote clean environment and develop green cover surrounding its areas of business activities.
- In procurement of iron-ore from the mines, Company undertakes promotion of afforestation and Social Forestry in and around mining areas.
- Wastes generated from MMTC Corporate Office and MMTC Housing Colony (both in New Delhi), collected and recycled.

PERFORMANCE DURING THE YEAR 2012-13:

- Afforestation has been done in MMTC's promoted Iron & Steel Plant namely Neelachal Ispat Nigam Limited at Duburi, in the state of Orissa and also at Bellary and Barbil. Besides tree plantation campaigns are also undertaken in and around Company's residential complexes at various locations in the Country in an organized manner to support green environment. Wastes generated from MMTC Corporate Office and MMTC Housing Colony (both in New Delhi), collected and recycled.

9) Business should encourage the development and diffusion of environmentally friendly technologies.

Commitment

MMTC is primarily a trading organization engaged in International Trade. MMTC stands committed to encouraging the development and diffusion of environment-friendly technologies.

Systems/ Actions

As a part of its diversification plans, the company has set up a Wind power generation plant in the state of Karnataka, which is a non conventional and renewable source of energy.

Neelachal Ispat Nigam Limited an Iron and Steel plant promoted by MMTC is using environment friendly techniques like:-

- Steam and power generation based on full utilization of by product- blast furnace gas and coke oven. No external fuel is used.

- Dust extraction and dust suppression units are installed at dust generation points. The collected dust is recycled in Sinter plant.
- Complete recycle of solid waste generated.
- The liquid slag produced (a by-product) in blast furnace is granulated and sold to cement companies.
- Zero emission of solid, liquid and gaseous wastes.
- Green developed on 200 acres of land inside the plant.

PERFORMANCE DURING THE YEAR 2012-13:

The adoption of environment friendly technologies is making MMTC more efficient in controlling various types of pollution well within the prescribed limits and improving the health of employees and the members of their families.

Anti Corruption

10) Business should work against all forms of corruption, including extortion and bribery.

Commitment

MMTC is committed to eradicate corruption in any form from all its business activities.

Systems

- A full fledged Vigilance Department is functional at the corporate office which is headed by a Chief Vigilance Officer who is appointed by the Government of India on deputation.
- Each Regional Office also has a Vigilance Officer.
- Vigilance cases are monitored by the respective Vigilance Officers.
- At all offices of the Company, name, designation, with telephone number of Vigilance Officer and Chief Vigilance Officer of the Company is prominently displayed for the information of general public who can approach them for redressal of their complaints, if any.
- Employees are required to submit returns of the movable and immovable property they possess.

Actions

Frequent conferences and training sessions are conducted to apprise the employees on different aspects of vigilance.

Timely replies of all queries under RTI Act are given with an aim to make all business activities more transparent.

PERFORMANCE DURING THE YEAR 2012-13:

- Grievances received were promptly attended for redressal.
- Communication system between Regional Offices Vigilance and Head Office Vigilance Departments has been improved through intranet.
- Preventive Vigilance has also been given prime importance in order to plug the loopholes in the system and to eradicate corrupt practices in the organization.
- Suggestions made by Vigilance Department to help eradicate loopholes in systems and rules are implemented from time to time.
- Vigilance Awareness Week was held during 29.10.2012 to 03.11.2012.