

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

### **Commitment**

Being a Government of India company, NMDC 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. NMDC 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.

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

### **Actions**

#### **Health**

- NMDC gives full and free medical care to its employees and the eligible members of their families.
- Under the NMDC Contributory Scheme for post-retirement medical facilities, the retired employees and their spouses get medical care for a nominal life-time membership.

#### **Safety**

- Being basically a mining organization, NMDC attaches greater importance for safety of the employees. In its mining projects, NMDC has its own Training Centres equipped with the infrastructure as required under the Mines Vocational Training

Rules. These centres cater to the needs of basic training, refresher training, and training for skilled trades and also for those injured on duty.

- Sufficient number of workmen inspectors are nominated/appointed for mining operations, mechanical installations and electrical installations in terms of the statutory requirement
- Occupational Health Centres have been provided in the projects.
- Doctors have been given specialized training in occupational health.
- Periodical medical examinations of employees are done in accordance with the prescribed schedule.
- Safety appliances such as safety shoes, helmets, rain suits, goggles, etc, are provided to employees periodically.
- Every month safety committee meetings are conducted and accident analysis is discussed and remedial measures implemented.

#### Housing

- NMDC provides accommodation for the employees and the members of their families on nominal rents.
- NMDC provides house building advances for its employees to build their own houses at such locations in India as suitable to them.

#### Education

- NMDC trains its employees regularly to update themselves, professionally, managerially and technically.
- NMDC encourages its employees to better their educational and professional qualification by giving suitable incentives, study leave, etc.
- NMDC takes care of the school education of the employees' children in its projects and gives incentives and scholarships for their higher education. As its projects are located in remote areas, NMDC has arranged for quality schooling facilities at the projects itself.
- The schooling facilities available at the project are extended to the children of the surrounding villages as well.

## Performance during the year 2009-10

- NMDC is providing complete health care to its employees and the members of their families.
- The injury frequency rate was 0.47. Mandays lost on account of accidents were 3813.
- Housing has been extended to all its employees. In addition, house building advances were given to 26 employees (cumulatively to 2193 employees).
- Training coverage is 81% of employees. Training mandays as % of working mandays is 1.21.
- Basic education has been extended to 100% of the employees' children.
- Recognizing the meritorious service rendered by the employees on the occasion of this year's Corporation Day, ie, 15 November 2009, NMDC has awarded suitable mementos to (a) 173 employees (cumulatively 6525) who have rendered 20 years' service; (b) 94 employees (cumulatively 5574) who have rendered 25 years' service; (c) 95 employees (cumulatively 4824) who have rendered 30 years' service (d) 99 employees (cumulatively 924) who have rendered 35 years' service by organizing suitable function.
- 275 employees (cumulatively 3287) who retired from service service certificates and suitable mementos during farewell parties, specially arranged in their honour, in appreciation of their service to NMDC. 249 employees (cumulatively 592) who retired after putting in 30 years service in NMDC were awarded special mementos.

## **Principle 2: Business should ensure that they are not complicit in human rights abuses.**

### **Commitment**

Being a Government of India company, NMDC owes allegiance to the Constitution of India, which resolves to secure to all its citizens justice, liberty, equality and fraternity and which also supports the fundamental human rights as envisioned in the Universal Declaration of Human Rights. NMDC stands committed to protecting human rights in its workplaces.

### **Systems**

- NMDC, being a Government company, has come to inherit the Government regulations and, therefore, protecting human rights and ensuring that it is not complicit in human rights abuses, is a natural extension to all its policies and programmes.
- The security arrangement in the mines of the company is given to the Central Industrial Security Force (a Government arm), who owes equal allegiance to the Constitution of India and is duty bound to protect human rights.
- A Grievance Redressal procedure is in vogue.
- A separate Committee for redressal of grievances of women employees in particular has been constituted.
- NMDC has recognized Scheduled Caste/Scheduled Tribe Associations in each of its units and corporate office.

### **Actions & Performance during the year 2009-10**

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

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

**Commitment**

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

**Systems**

NMDC has three layers of employees: workmen, supervisors and executives.

1. Workmen, who are mostly location specific, have their own Unions. More than one Union are functioning in each of the main units. Besides their affiliations to national bodies, cutting across such affiliations to central organizations, majority of the Unions at project level have formed an independent apex body called All-India NMDC Workers' Federation (AINMDCWF) positioned at the corporate office at Hyderabad. All these Unions have been given assistance by the Management as considered necessary for their functioning.

The details of such affiliated Unions, unit-wise, are given below:

- a. Bailadila Iron Ore Mine, Kirandul Complex
  - i. Samyuktha Khadan Mazdoor Sangh (SKMS)  
affiliated to All India Trade Union Congress (AITUC).
  - ii. Metal Mine Works Union (MMWU)  
affiliated to Indian National Trade Union Congress (INTUC)
- b. Bailadila Iron Ore Mine, Bacheli Complex
  - i. Samyuktha Khadan Mazdoor Sangh (SKMS)  
affiliated to AITUC
  - ii. Metal Mine Workers Union (MMWU)  
affiliated to INTUC

- c. Donimalai Iron Ore Mine
    - i. Donimalai Iron Ore Project Employees Association (DIOPEA) affiliated to AITUC
    - ii. Metal Mine Workers Union (MMWU) affiliated to INTUC
  - d. Diamond Mining Project.
    - i. Panna Hira Khadan Mazdoor Sangh (PHKMS) affiliated to BMS
    - ii. Madhya Pradesh Rashtriya Heera Khani Mazdoor Sangh (MPRHKMS) affiliated to INTUC
2. NMDC is totally committed to workers' participation in the management. In pursuit of such commitment, Committees/Councils, both statutory and non-statutory, are functioning at the shop level, project level and at corporate level with equal number of representatives of the management and the Unions.
  3. Supervisors have their own association (NMDC Supervisors' Association) at unit level and at the corporate office.
  4. Executives have their own association (NMDC Officers' Association) at unit level and at the corporate office.

## **Actions**

Decisions affecting each of the Union/Association are taken in consultation with them both at the unit level and at the corporate level giving the status of sole collective bargaining agent to the AINMDCWF. Decisions include wage settlement, incentives, bonus, line of promotions, working conditions, welfare measures, etc.

## Performance during the year 2009-10

- All the workmen are subject to collective bargaining agreements and the supervisors and executives are governed by understanding/consultations.
- The collective bargaining has been so useful to the company that no mandays were lost during the year because of rift or strike by employees.
- The unanimous decisions taken at the Joint Committees are implemented and monitored.

## **Principle 4: Business should support the elimination of all forms of forced and compulsory labour.**

### **Commitment**

NMDC stands committed not to resort to any form of forced and compulsory labour.

### **Systems**

- No employee is required to deposit any sum of money for employment in NMDC.
- A service bond is insisted upon from only such of those employees who have been specifically trained at the cost of the company for managerial positions. The bond period is for three years or a nominal amount of Rs.15,000/- (about US \$ 350/-).
- Any employee joining the company should declare that he or she is not an insolvent.

### **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.
- The workmen in particular are given a copy of the certified Standing Orders precisely containing their general terms and conditions governing service conditions.
- An Executive Handbook containing the rules and regulations of the company has been prepared and distributed widely.
- Employees are given incentives for achieving higher levels of output.
- Workmen have the additional facility of over-time payment for working beyond the prescribed working hours.

### **Performance during the year 2009-10**

No form of forced or compulsory labour was resorted to.



## **Principle 5: Business should support the effective abolition of child labour.**

### **Commitment**

NMDC 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.
- All employees are paid much above the minimum wages prescribed from time to time. Free and complete health care is given to all the employees and the members of their families. Free schooling facilities are provided at projects. Scholarships and hostel accommodation allowance, etc, are given for children's higher education.
- Skill development programme has been launched for training and increasing the employability of local qualified youth of adjoining villages of Bailadila projects by providing monetary and other assistance.

### **Actions**

- All contractors are forbidden to engage child labour.
- Government enforcement agencies like Inspectors from Labour Department inspect the sites of construction to check for employment of child labour. Those found guilty are liable for punitive action by the Government.
- Records of the labourers engaged by the contractors are kept at worksites.

## Performance during the year 2009-10

- No child labour was employed by NMDC.
- No child labour was allowed to be employed by the contractors working for NMDC.
- NMDC does not promote trade with organisations engaging child labour.

## **Principle 6: Business should support the elimination of discrimination in respect of employment and occupation.**

### **Commitment**

NMDC, 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.
- As a Government company, NMDC 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.
- NMDC Recruitment and Promotion Rules provide for qualifications, skill and experience required for candidates for recruitment and promotion at various levels.
- The grievance procedure in the company is designed in a very simple and easy to handle way for the employees to get grievances, if any, to be resolved quickly.
- Unions and Associations representing the various levels of employees have easy access to the management to discuss and resolve discriminations, if any, quickly and effectively.

## **Actions**

- The Industrial Engineering Department of the company periodically assesses and evaluates job contents and job requirements.

## **Performance during 2009-10**

- |                             |         |
|-----------------------------|---------|
| • Total number of employees | 5895    |
| • Scheduled Caste employees | 1072    |
| • Scheduled Tribe employees | 1303    |
| • Backward Class employees  | 761     |
| • Men : Women ratio         | 20.7 :1 |

## **Principle 7: Business should support a pre-cautionary approach to environmental challenges.**

### **Commitment**

As a responsible corporate citizen, NMDC Ltd believes in maintaining ecological balance and NMDC is committed to ensure that its environmental systems and practices are aligned with international best practices, such as the ISO 14001 standard. This standard enables NMDC to manage its environmental impacts while adhering to the requirements not only of the standard itself but also to those of national and international norms, legislation, and regulations. It also forms the foundation for continuous improvement in environmental performance. NMDC's four major production units at Bacheli Complex, Kirandul Complex, Donimalai and Panna are certified with ISO 14001:2004 Environmental Management Systems.

NMDC's Corporate Environmental Policy states, 'We shall therefore endeavour to:

- Adopt safe, scientific and environment friendly methods of mining and allied activities and firmly committing ourselves for total compliance of all applicable environmental laws.
- Maintain the machineries in excellent condition to ensure minimum impact of their operation on environment.
- Install, operate, and monitor facilities for prevention & control of air, water, and land pollution.
- Conserve the natural resources by ensuring minimum wastage of our product "iron ore and diamond", optimum consumption of electricity, fuel oil, lubricant oil, water, and paper.
- Promote environmental awareness amongst employees, local community, and interested parties through pro-active communication and training.
- Remain prepared and respond effectively to all foreseeable emergency situations.'

## Systems

In order to ensure pollution-free environment, NMDC has built the following programmes into the day-to-day working of the mines:

- Environmental norms as laid down by the Ministry of Environment and Forests, and the State and the Central Pollution Control Boards are meticulously followed.
- Regular physical monitoring for all environmental parameters, like micro-meteorology, ambient air quality, surface and ground water quality and ground water levels, work zone and ambient noise levels and soil quality.
- Detailed ecological and socio-economic studies duly supported by processed satellite data.
- Environment up gradation works like massive afforestation, reclamation of waste rock dumps and mined out areas.
- Disaster Management Plans for the tailing dams at the projects.
- Protection measures for explosives' magazines at the projects.

## Actions

- A separate department for environment management, headed by a General Manager has been positioned to extensively monitor and effectively implement environment management programmes.
- Separate Cells for production projects have been set up with qualified and experienced Environment Scientists/Engineers.
- The Research & Development Centre of NMDC is actively engaged in adding value to the waste generated in mining.
- Expert organizations in the area have been engaged to measure and report periodically the various parameters.

### **Pollution control measures cover**

- Judicious and scientific planning of direct excavation, waste rock dumping and sitting infrastructure areas.
- Restricting use of forestlands to the barest minimum level.

- Constructing ameliorative measures like buttress walls, digging contour trenches, biological reclamation of mined out areas and waste rock dumps, etc. to minimize land erosion.
- Construction of check dams, Effluent Treatment Plant, Sewage Treatment Plant for treating effluents from service centers, Auto shops, etc to avoid water pollution.
- Regular water sprinkling and grading of haul roads, scientific and massive afforestation for abating air pollution.
- Create green belts; densify open scrublands, good arboriculture, and follow avenue plantation practices for improving the overall environment as well as aesthetic value.
- Importance of value index of the region is envisaged and also to eradicate effects of visual intrusion by proper land scaping.
- Regular maintenance of Heavy Earth Moving Machineries and OCSL Plant equipments and adopting good house keeping practices there by reducing noise pollution.
- Monitor all environmental parameters such as RPM, SO<sub>2</sub>, NO, CO dust fall rate in air, pH, hardness of water, BOD, COD, SS in respect of oxidation pond, discharge water from auto shops and service centers, quantum of suspended solids in tailing dam discharge water etc., on regular basis following the statutory acts and their amendments of the GOI viz.,
- Preparation and timely submission of six-monthly reports to MOEF, GOI Regional offices and annual environmental audit reports to respective state pollution control boards.
- Creating environment awareness amongst all the employees and their children and the local population through celebration of Mines Environment & Mineral Conservation (MEMC) week under the aegis of Indian Bureau of Mines & World Environment Day celebrations.
- Basic and refresher Training of employees for environmental consciousness by conducting regular classes under mines Vocational Training Rules.
- Undertake of peripheral village community development works like improving roads, constructing school buildings, community halls, distributing books and stationery, extending schooling and medical

facilities available in the project townships to the local people including adivasis as well.

- Providing safe drinking water to the township dwellers and extending drinking water supply to population of neighbouring villages.
- Obtaining consents for establishment and operation of mines / plants from the respective state pollution control boards.
- Obtaining environmental clearances for new / expansion projects from central Govt.
- Obtaining forestland clearances for renewal / fresh grant of mining leases.
- Massive afforestation drive through social forestry division of the local forest department.
- Stabilization of all the passive waste rock dumps and mined out areas.

### **Performance during the year 2009-10**

- Environmental clearance for Capacity Augmentation of Screening Plant at BIOP Dep-14/11c Project Kirandul complex is under progress.
- For Environmental clearance for capacity expansion of Deposit-10/11A mines from 5 to 7 MTPA along with installation of 2 MTPA Pellet Plant, Bacheli lease wise EIA reports are under preparation.
- Obtained Environmental clearance for capacity expansion of Donimalai mine from 4 to 7 MTPA along with installation of 1.8MTPA Beneficiation plant and 1.2 MTPA Pellet plant at Donimalai.
- Obtaining forest clearance in respect of Diamond Mining Project, Panna for 74.018Ha for renewal of Supplementary ML over an area of 162.631 Ha is under process.
- Obtained Environmental clearance for setting up of 3 MTPA Integrated Steel plant at Nagarnar, Jagdalpur, CG.



- Obtained forest clearance for Diversion of 10.763Ha forest land for railway siding from Amaguda railway station to Steel plant, Nagarnar Jagdalpur.
- Successfully completed public hearing process for obtaining Environmental clearance 3 MTPA of Arki lime stone project at Arki, HP.
- Successfully completed public hearing process for obtaining Environmental clearance for 0.124 MTPA Chipprian Magnesite Mine and 0.03MTPA DBM Plant at Panthal.
- Successfully completed public hearing process for obtaining Environmental clearance for Bailadila Dep.— 13

## **Principle 8: Business should undertake initiatives to promote greater environmental responsibility.**

### **Commitment**

NMDC stands committed to promoting greater environmental responsibility in mining and processing of minerals in its mines for sustained development.

NMDC's Environmental Policy states, 'We shall therefore endeavour to:

- Conserve the natural resources by ensuring minimum wastage of our product 'Iron Ore', and 'Diamond', optimum consumption of electricity, fuel oil, lubricant oil and water.
- Promote environmental awareness amongst employees, local communities and interested parties through pro-active communication and training.
- Remain prepared and respond effectively to all foreseeable emergency situations.'

### **Systems**

- Environmental aspects are carefully considered and appropriately incorporated at the planning stage of a project itself.
- Training programmes are arranged for employees on environmental awareness.

### **Actions**

- NMDC is implementing ISO 14001:2004 environment systems management standard in its major production mines.
- The mines of NMDC participate in competitions on environment management.
- Water used for washing of ore is reclaimed for re-use.
- The electricity generated in the downhill conveyors is fed back into the grid, thereby reducing the draw of electricity from the main grid at its projects in Bailadila and Donimalai.

- Distributed/displayed printed copies of the Environmental Policy of the company among its employees and local communities.

### **Performance during the year 2009-10**

- As against the permissible limit of 120 microns per cu m of SO<sub>2</sub> and NO<sub>x</sub> in ambient air, the values actually encountered at NMDC's mines were less than 30 microns per cu m and carbon monoxide was observed to be below the detectable limit of the approved instruments.
- About 25% of the annual consumption of different lubricants in NMDC mines was disposed of to agencies duly authorized for recycling as per HWM Rules and its amendments issued by the Ministry of Environment and Forests, Government of India.

## **Principle 9: Business should encourage the development and diffusion of environmentally friendly technologies.**

### **Commitment**

NMDC stands committed to encouraging the development and diffusion of environment-friendly technologies.

NMDC's Environmental Policy states, 'We shall therefore endeavour to:

- Adopt safe, scientific and environment-friendly methods of mining and allied activities and firmly committing ourselves for total compliance of all applicable environmental laws.
- Maintain the machineries in excellent condition to ensure minimum impact of their operation on environment.'

### **Systems/Actions**

- Dust collectors are provided to the drills to control fugitive emissions at source.
- Wet drilling is adopted to mitigate the effect of dust on the work force.
- Main mine haul roads are regularly graded and water mixed with additives is sprinkled to suppress dust.
- Jet sprinklers are provided at all strategic and transfer points to control dust during crushing and transportation of ore in the plant.
- Closed conveyor belt system is provided to control dust generation and spreading during ore transportation.
- Rubber screens and rubber linings are provided at transfer points and along conveyor system to control noise and dust generation.

### **Performance during the year 2009-10**

- The adoption of environment-friendly technologies is making NMDC 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.

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

**Commitment**

Vigilance Department guides and facilitates for impartial, fair and transparent decision making and gives priority to preventive vigilance, with proactive attitude.

**Systems**

- A full-fledged Vigilance Department is at the Corporate Office headed by Chief Vigilance Officer and assisted by Vigilance Officers at the projects.
- The Chief Vigilance Officer has the equal status of Functional Director of the Company. He is appointed by the Government of India on deputation.
- Vigilance cases are monitored by the Vigilance Officers under the guidance of CVO.
- Surprise, regular checks CTE type inspections and other major vigilance investigations are carried out based on the strength of complaint/source information.
- The executives have to submit Annual Property Returns every year as on 1<sup>st</sup> January.
- Employees are required to furnish the information regarding acquisition / disposal of movable and immovable property. As per CDA Rules of the Company acquisition of movable property exceeding Rs.50,000/- in case of executive and Rs.35,000/- in case of workmen to be intimated to Vigilance Department within 30 days from the date of its acquisition. But in the case of Immovable

property irrespective of its value, prior permission to be obtained before acquisition.

- Foreign travels by employees are also monitored.
- The Chief Vigilance Officer has been nominated as the 'Nodal Authority' to receive complaints and grievances, relating to all activities of the Corporation to determine the vigilance angle or otherwise.

## **Actions**

- Action Plan for the year 2009-10 was finalized wherein various vigilance activities were carried out by the Vigilance Officers. The reports received were discussed in detail and improvements in systems/procedures were suggested.
- Surprise and regular checks were carried out every quarter in the year 2008-09 and the deficiencies and deviations from the procedures wherever noticed brought to the notice of Management for corrective action.
- Pending disciplinary/CTE/CBI cases were reviewed in the quarterly meetings of VOs held at Head Office, and follow-up actions were taken for timely completion of inquiries and awarding penalties.
- Many system improvements such as modification of proprietary certificate, banning of negotiations with L1 party, procurement and awarding of contracts on single tender / nomination basis, implementation of e-payment etc , are taken up as part of preventive vigilance.
- Vigilance Awareness Week was observed in the Corporate Office and all units of NMDC. Various competitions, seminars and lecture programmes were arranged to create awareness of Vigilance amongst the employees.

- Various Training Programmes were conducted for employees/Executives Trainees as preventive Vigilance.
- The progress on vigilance activities and disciplinary cases were appraised through a Note to Board of Directors for review on half yearly basis.
- On-line system has been provided in the Company's website for lodging of complaints and submission of Annual Property Returns by all the executives.

### **Performance during the year 2009-10**

- The number of cases investigated was fifteen and punishment awarded in five cases.
- The number of follow-up investigations done was fifteen cases.
- Grievances received are being promptly attended for redressal.
- The details about the contracts concluded for more than Rs. 20 lakhs are placed on the Company's website every month by 10<sup>th</sup> duly indicating the nature of the work, name of the contractor / supplier, value, scheduled date of completion etc.
- CVC guidelines received were circulated to all Heads of Projects/ Departments for strict implementation and doubts raised or clarifications sought by them were attended promptly.
- Thrust Area for the year 2009-10 was on (a) Contracts concluded on single tender basis, (b) implementation of penalty clause on works / procurement contracts and (c) recruitment in the projects was finalized for study and submission of report by the Vigilance Officers.

- During the year, the Vigilance Officers monitored major procurement and tenders right from the initial stage, to curb irregularities in the beginning itself and reports submitted were discussed in the quarterly meetings. The deviations/violations, wherever noticed informed to Management for remedial actions.
- Regarding adoption of Leveraging Technology, NMDC has already provided the downloadable application forms for Registration of Contractors, Suppliers, Consultants, Vendors etc., and the status of such applications are being updated regularly.

The details of bill-payments to the contractors and the status of such bill-payments are being updated regularly on the company's website.

The details of contracts concluded above Rs.10 lakhs, works awarded on nomination basis and works awarded on STE basis are posted on the website every month regularly.

- (a) **e-payments** : NMDC also provides the details of bill payments to the contractors and status of such bill payments is updated regularly on the Company's website.
  - (b) **e-procurement** : NMDC has gone for e-procurement in 08 cases on A.P. Portal – [www.e-procurement.gov.in](http://www.e-procurement.gov.in) through their service provider for C-1 India for procurement of Conveyor Bits, Rock Roller Bits and Computers with a tune of Rs.20.02 Crores. E-procurement will be extended to other items also gradually.
  - (c) **e-tendering** : Sale of iron ore in the Indian market through e-auction has already commenced by NMDC. As per the scheme, the sale of iron ore will be decided through open tender or e-auction from time to time, as per the market conditions.
- Annual Property Returns submitted through website by the executives were scrutinized and reminded the defaulters of the consequences under CDA Rules of the Corporation.



- Integrity Pact was implemented in 36 Tenders issued by NMDC. The threshold limit for implementation of Integrity Pact has been revised on 09.03.2009 as follows:

	Previous value (in Rs crores)	Revised value (in Rs crores)
1. Civil Works	50	20
2. Contracts	50	20
3. Procurement	15	10

- Vigilance Department suggested a uniform recruitment and promotion policy and the revised policy has been implemented with the approval of the Board.

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