

MMTC's Commitment in Support of UN Global Compact Programme

MMTC has consistently played the role of a good corporate citizen and has shown its deep commitment towards Corporate Social Responsibility practices by conducting its business in an economically, socially and environmentally sustainable manner.

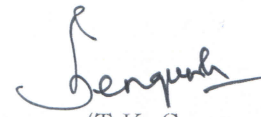
Even in the absence of an official mandate regarding CSR activities, MMTC adopted CSR as a policy initiative long ago in Sept. 2006, effective from 2007-08, and allocated 1% of retainable profit of previous year for undertaking CSR activities. Special emphasis was given on education, health care, promotion of art & culture and undertaking community related activities, besides providing relief in times of natural calamities.

In 2010, The Department of Public Enterprises (DPE) issued detailed guidelines on CSR for adoption by CPSEs. MMTC adopted these guidelines and realigned its CSR policy accordingly. These were followed by DPE guidelines of November 2011 and April 2013 which were again duly adopted by MMTC. The CSR initiatives of the company have been in line with the UN Sustainable Development Goals also.

MMTC's CSR policy has now been re-casted in line with Section 135 of the Companies Act and the CSR Rules as notified by the Ministry of Corporate Affairs. The CSR projects are now being undertaken in terms of Section 135 of the Companies Act. The New CSR Policy is hosted on MMTC's website.

During the year 2016-17, the Board of Directors allocated Rs. 81.41 lakhs for undertaking CSR activities. The funds allocated for CSR were majorly related to the Swachh Bharat Abhiyan, Clean Ganga Mission, Skill India Mission, Promotion of healthcare and Yoga and Promotion of sports/ para-sports. Besides this, MMTC supported distribution of artificial limbs and assistive devices to the differently abled.

The initiatives undertaken by MMTC reflect our commitment to make business decisions with due consideration to the long-term impact on the communities in which we operate. The dynamic workforce of MMTC is equally committed towards imbining this conscientiousness in their work and their lives, thus upholding the CSR spirit of the Company.


(T.K. Sengupta)
Director (Personnel)

Dated: 10th July, 2018

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

Contributing to the welfare of communities in which it operates is at once a studied consideration and a natural carryover of MMTC's activities. The Company's activities are aligned to the “Sustainable Development Goals” laid down by the UN towards eradication of extreme hunger and poverty, ensuring good health and well being, ensuring inclusive and equitable quality education, promotion of gender equality and empowerment of women, ensuring environmental sustainability, developing a global partnership for development, etc. Accordingly, MMTC continues its unstinted efforts to promote a clean and sustainable environment, education – especially of the girl child - and primary healthcare resources, sports development, as well as boosting the government's relief measures during natural calamities.

The Company, with steadfast support from its employees, lives up to its responsibilities that extend beyond trading and has been playing the role of a good Corporate Citizen by

conducting its business in an economically, socially and environmentally sustainable manner.

In 2010, The Department of Public Enterprises (DPE) issued detailed guidelines on CSR for adoption by CPSEs.

MMTC adopted these guidelines and realigned its CSR policy accordingly. These were followed by DPE guidelines of November 2011 and April 2013, which were again duly adopted by MMTC. The CSR initiatives of the Company have been in line with the UN Sustainable Development Goals also.

With effect from April 1, 2014, MMTC's CSR activities are being conducted in accordance with Section 135 of the Companies Act 2013 and the Company will be undertaking activities specified in Schedule VII of the Act.

Its CSR policy has been re-casted according to Section 135 of the Act and the CSR Rules as notified by Ministry of Corporate Affairs. MMTC's New CSR Policy has been hosted on its website.

SOCIAL AND WELFARE ACTIVITIES

MMTC's social and welfare initiatives for its employees are implemented through various welfare schemes, eg. liberal loan facilities like house building advance, conveyance loan, household loan, marriage advance, gold loan, etc. The Company also provides medical treatment, and residential accommodation in some of the major cities for its employees.

During 2016-17, a sum of Rs. 81.41 lakhs was allocated for undertaking the CSR activities which was equivalent to 2% of the average net profit of preceding three years.

The funds allocated were utilized for Creation of sanitation/ drinking water facilities in primary/co-ed high schools located in tribal dominated areas of Keonjhar district of Odisha. Besides, 5 hand-pumps were installed in Shrawasti district of Uttar Pradesh. Also, Skill Development Programme was undertaken for 25 girls and women in the area of cutting and tailoring. A low cost building comprising of two / three rooms with necessary basic amenities to function as Primary Health Centre was constructed in Odisha as well as a Yoga Centre was set up for the benefit of the communities around. A contribution was also made towards National Sports Development Fund established by the Government of India for the development of Sports.

MMTC has made various successful efforts to implement the Global Compact, with focus on diverse aspects of Human Rights, Labour, Environment, and Anti- Corruption. The scope of its actions include socio-economic, environment, education, healthcare, natural calamity, infrastructure and cultural promotion activities other than statutory ones, as well as welfare activities for its employees.

Human Rights

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

Being a Govt. of India enterprise, MMTC owes allegiance to the Constitution of India, which resolves to secure to all its citizens justice, liberty, equality and fraternity, and 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

Although the Company's Manual on Personnel Management does not explicitly state any specific provision as such for human rights, 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 a three - tier grievance redressal systems called "Sahayata" for resolving employees' grievances. It also 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 can avail lifetime medical care for a nominal membership fee.

Safety

- MMTC attaches great importance for safety of the employees.
- Periodical medical examination of employees and their families are done in accordance with the prescribed schedule either at the Company's office or at its 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 performed as per schedule.

Housing

- MMTC provides accommodation for its employees and 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 regularly conducts trainings for its employees to update them professionally/ technically and to develop desired behavioral skills.
- MMTC encourages its employees to upgrade their education and professional qualifications by offering suitable incentives, study leave, etc.

PERFORMANCE DURING THE YEAR 2016-17:

- Spent **Rs. 23.39 crores** on healthcare of its employees and their family members, including retired employees and their spouses.
- The Company organized free health checkup programmes at various locations throughout the year.
- 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 - **556**
- The employees deputed for training included **71** employees belonging to SC, **33** employees belonging to ST and **162** women employees
- Such trainings work out to a total of **745** man-days during the year 2016-17

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

Being a Govt. 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 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 office spaces.

Systems

- MMTC conforms to human rights principles and ensures that no violation of human rights takes place within its purview.
- The Company has an approved policy for redressal of grievances for its employees, customers, business associates.

- MMTC has recognized Scheduled Caste/Scheduled Tribe Associations in each of its units and at its corporate office. Liaison Officers have been appointed in each Regional Office as well as CO and a Chief Liaison Officer has been appointed at CO.
- MMTC 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 requests for information under the RTI Act.
- MMTC is vigilant on the implementation of proclaimed Human Rights of citizens/ employees through various measures and strict monitoring and reporting policies.

ACTIONS & PERFORMANCE DURING THE YEAR 2016-17:

No case of human rights violation was 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

Freedom of association is available to all employees at MMTC. 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.

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

Systems

Associations are formed at Corporate and Regional levels. Federation of MMTC Staff Unions is recognized as the sole apex level body for bargaining with the Management on behalf of employees in workman cadres. 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 realization of the Company's business targets, meetings are held at regular intervals under following forums:

- Structured scheme of meetings at Regional/ Zonal/ Corporate Level
- Joint Consultative Machinery (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 at regular intervals at regional, zonal and corporate levels under 'structured scheme of meetings'. Besides, regular meetings with employees' representatives are held under Joint Consultative Machinery (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/ SC&ST Welfare Association participates at apex level meetings.

These meetings act as a platform where frank and free opinions and ideas in the area of business as well as employee welfare are shared between the management and the workforce.

PERFORMANCE DURING THE YEAR 2016-17:

- The Company has a history of cultivating harmonious relationship between the management and the employees. During 2016-17, 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 to not resorting to any form of forced and compulsory labour. There are inbuilt provisions in the company policy for ensuring payment of minimum wages, Provident Fund, 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 three 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 certify periodically that No Workman is paid less than the minimum wages declared by respective State Governments.

Actions

- Appointment orders issued by the Company 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 each employee.
- Personnel Manual containing various rules/regulations is hoisted on the Company's website: www.mmtclimited.com
- Workmen have the additional facility of overtime payment for working beyond the prescribed working hours.

PERFORMANCE DURING THE YEAR 2016-17:

No form of forced or compulsory labour was resorted to.

5) Business should support the effective abolition of child labour.

Commitment

MMTC stands committed to not engaging any child labour and to do what 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 Govt. of India.

Actions

- MMTC firmly adheres to the Govt.'s rule of non- recruitment of children for any official work.
- All contractors are forbidden to engage or employ 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 2016-17:

- 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 Govt. of India enterprise, stands committed to follow the policy of non-discrimination in all matters such as 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 of women employees at the workplace. A committee comprising of senior officers is working in each regional office to monitor the implementation of the scheme.
- As a Govt. company, MMTC is bound to follow the Govt.'s directives, which are abundantly clear against discrimination in any matter.
- As a measure of protecting and improving the conditions of the disadvantaged, special provisions have been made in terms of Govt. directives in respect of candidates belonging to Scheduled Caste, Scheduled Tribe and other backward classes, both in recruitment and promotion.
- MMTC Recruitment and Promotion Rules provide for qualifications, skills and experience required of candidates for recruitment and promotion at various levels to streamline these processes.
- The grievance scheme in the company has been simplified and redesigned for easy and effective redressal of grievances.
- Through Unions and Associations, the various levels of employees have easy access to the management to discuss and resolve discriminations, if any is noticed, quickly and effectively.

Actions

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

PERFORMANCE DURING 2016-17:

Total Number of Employees	1225
Scheduled Caste Employees	256
Scheduled Tribe Employees	112
Backward Class Employees	115
Differently-Abled Employees	24
Total Number of Woman Employees	258
Men: Women Employee Ratio	3.7: 1

Environment

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

Commitment

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

Systems/Actions:

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

- The Company provides safety equipment 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 the workplace.
- Annual fire-fighting drills are conducted in all offices of the Company.
- Tree plantation drives are undertaken in and around the Company's residential complexes at various locations.

PERFORMANCE DURING THE YEAR 2016-17:

The Company implements precautionary steps in its various activities to ensure environmental preservation.

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

Commitment

MMTC has made sincere efforts to imbibe the Global Compact Principles in its business processes. It strives to conduct its business in an economically, socially and environmentally sustainable manner, thereby encouraging a positive impact on the planet and its people at large.

Systems/Actions

- Training programmes are arranged for employees on environmental awareness.
- The Company has diversified into the area of wind energy generation, a clean and environment-friendly source of energy, which is a fine testimony to the fact that the Global

Company Principles are well integrated with the business activities of the Company. MMTC has set up a wind power based electricity generating facility in Karnataka, which is first in the series.

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

PERFORMANCE DURING THE YEAR 2016-17:

- Extensive afforestation has been done in the area of MMTC's promoted Iron & Steel Plant, the Neelachal Ispat Nigam Limited at Duburi in Odisha, and also in Bellary and Barbil. Besides tree plantation, organized campaigns are also undertaken in and around the Company's residential complexes at various locations in the country to promote a clean and green environment.
- Waste generated from MMTC's Corporate Office and Housing Colony (in New Delhi) is 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. The Company stands committed to encouraging the development and diffusion of environment-friendly technologies by adopting such technologies in its existing areas of business or diversifying into new areas that will give an impetus to the environment.

Systems/ Actions

- As part of its diversification strategy, the Company has set up a 15 MW windmill project in Karnataka, an environment-friendly project for the generation of a non-conventional and renewable source of energy.
- Neelachal Ispat Nigam Ltd., an Iron and Steel plant promoted by MMTC in Odisha, 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 cover developed on 200 acres of land inside the plant premises.

PERFORMANCE DURING THE YEAR 2016-17:

The adoption of environment- friendly technologies has helped make MMTC more efficient in controlling pollution levels and keeping them well within prescribed limits while improving the health of its employees and their families. The Company's windmill project in Karnataka continues to give steady returns besides meeting a portion of energy needs of the state with environment-friendly clean energy.

Anti-Corruption

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

Commitment

MMTC is committed to upholding the highest standards of corporate governance and eradication of all forms of corruption from its business activities.

Systems/ Actions:

- A full-fledged Vigilance Department is functional at the Corporate Office, headed by a Chief Vigilance Officer who is appointed by the Govt. 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, the name, designation, and telephone number of the concerned Vigilance Officer and of the Chief Vigilance Officer are prominently displayed for the information of the general public who can approach them for redressal of their complaints, if any.
- The preventive vigilance mechanism has been further strengthened by introducing the three-tier system of audit.
- Initiatives have been taken to strengthen transparency in business practices by implementing the Integrity Pact and appointing Independent External Monitor for the purpose.
- A Risk Management Policy has been put in place insulate against business risks.
- Employees are required to submit returns of the movable and immovable property they possess.

- Frequent conferences/ lectures/ training sessions are conducted to apprise the employees on different aspects of vigilance and corporate governance.
- Timely replies of all requests for information under the RTI Act are given with an aim to make the Company's activities more transparent.

PERFORMANCE DURING THE YEAR 2016-17:

- Grievances received were promptly addressed for redressal.
- Quarterly compliance reports reg. implementation of the Integrity Pact are regularly sent to the administrative ministry as well as Stock Exchanges as per applicable guidelines.
- Requests for information under the RTI Act were timely addressed and backlog was avoided as far as feasible.
- Communication system between Regional Offices' Vigilance and Head Office Vigilance Departments has been improved through intranet.
- Preventive Vigilance has been given prime importance in order to plug the loopholes in the system and to eradicate possibility of corrupt practices in the organization.
- Suggestions made by Vigilance Department to help eradicate loopholes in systems and rules were implemented from time to time.
- Vigilance Awareness Week was held during from 31.10.2016 to 5.11.2016 with enthusiastic participation from the employees.
