

**Hindustan Copper Limited**  
**Business Responsibility Report for Financial Year 2012-13**

## Section A: General Information about the Company

1. Corporate Identity Number (CIN) of the Company: L27201WB1967GOI028825
2. Name of the Company: Hindustan Copper Limited
3. Registered Address:  
 "Tamra Bhavan"  
 1 Ashutosh Chowdhury Avenue  
 Kolkata 700019  
 Tel. No.: 033-2283 2226/2529  
 Fax no.: 033-2283 2478/2640
4. Website: [www.hindustancopper.com](http://www.hindustancopper.com)
5. E-mail: [hcl\\_ho@hindustancopper.com](mailto:hcl_ho@hindustancopper.com), [singhi\\_cs@hindustancopper.com](mailto:singhi_cs@hindustancopper.com)
6. Financial Year Period: 2012-2013
7. Sector(s) that company is engaged in (industrial activity code-wise):

Industrial Group	Description
07291	Mining of copper ore
24201	Manufacture of Copper from ore, and other copper products and alloys
24320	Casting of non-ferrous metals

As per National Industrial Classification – Ministry of Statistics and Programme Implementation

8. List three key products/services that the Company manufactures/ provides (as in balance sheet):

Hindustan Copper Limited (HCL) is the only vertically integrated copper mining company in India having its own captive mines. Following are the key products manufactured by the Company:

- Copper Cathode
- Continuous Cast Copper Wire Rod
- Metal in Concentrate

9. Total number of locations where business activity is undertaken by the Company:

a) Number of International locations: None

b) Number of National locations: 14

Offices
Corporate and Eastern Regional Sales Office, Kolkata
Plants
Indian Copper Complex (ICC), Ghatsila, Jharkhand
Khetri Copper Complex (KCC), Khetrinagar, Rajasthan
Malanjkhand Copper Project (MCP), Malanjkhand, Madhya Pradesh
Taloja Copper Project (TCP), Taloja, Maharashtra
Western Regional Sales Office, Mumbai
Southern Regional Sales Office, Bangalore
Northern Regional Sales Office, Delhi

Godowns
Jaipur, Rajasthan
Sahibabad, Uttar Pradesh
Faridabad, Haryana
Bangalore, Karnataka
Kolkata, West Bengal
Hyderabad, Andhra Pradesh

10. Markets served by the Company (Local / State / National / International): **National**

## Section B: Financial Details of the Company

1. Paid up Capital: **Rs.462.609crore**
2. Total Turnover: **Rs.1475.27crore**
3. Total Profit after Taxes: **Rs.355.64crore**
4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%): **1.44%**
5. List of activities in which expenditure in 4 above has been incurred:
  - a. **Livelihood Promotion programs**
  - b. **Women's Empowerment programs**
  - c. **Water conservation, ground water recharge, improved water supply projects**
  - d. **Health and Sanitation programs**
  - e. **Plantation / Agriculture / Animal Husbandry programs**
  - f. **Skill / Vocational Training & Education programs**
  - g. **Village Infrastructure Construction & Rural Energy supply programs**

## Section C: Other Details

1. Does the Company have any Subsidiary Company / Companies?

The Company does not have any Subsidiary Company.

2. Do the Subsidiary Company / Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary company(s).

Not Applicable

3. Do any other entity / entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity / entities? [Less than 30%, 30-60%, More than 60%]

Yes. The Company promotes BR initiatives in its value chain. At present, less than 30% of its suppliers/customers participate in BR initiatives.

## Section D: BR Information

### 1. Details of Director / Directors responsible for BR:

a) Details of the Director / Directors responsible for implementation of the BR policy / policies:

<b>DIN</b>	02752767
<b>Name</b>	Anupam Anand
<b>Designation</b>	Director(Personnel)
<b>Phone</b>	033-2281 6221
<b>Mail Id</b>	<a href="mailto:anupamanand@hindustancopper.com">anupamanand@hindustancopper.com</a>
<b>DIN</b>	03101511
<b>Name</b>	Avijit Ghosh
<b>Designation</b>	Director (Mining)
<b>Phone</b>	033-2281 7138
<b>Mail Id</b>	<a href="mailto:avijit_ghosh@hindustancopper.com">avijit_ghosh@hindustancopper.com</a>
<b>DIN</b>	06608867
<b>Name</b>	Subhendra Nanda
<b>Designation</b>	Director (Operations)
<b>Phone</b>	033-2283 2432
<b>Mail Id</b>	<a href="mailto:snanda@hindustancopper.com">snanda@hindustancopper.com</a>

b) Detail of the BR head

<b>DIN</b>	01829545
<b>Name</b>	Kailash Dhar Diwan
<b>Designation</b>	Chairman –cum-Managing Director
<b>Phone</b>	033-2283 2725
<b>Mail Id</b>	<a href="mailto:diwan_kd@hindustancopper.com">diwan_kd@hindustancopper.com</a>

### 2. Principle-wise (as per NVGs) BR Policy / policies (Reply in Y / N)

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as under:

P1 – Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

P2 – Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

P3 – Businesses should promote the well-being of all employees.

P4 – Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

P5 – Businesses should respect and promote human rights.

P6 – Businesses should respect, protect, and make efforts to restore the environment.

P7 – Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

P8 – Businesses should support inclusive growth and equitable development.

P9 – Businesses should engage with and provide value to their customers and consumers in a responsible manner.

Sr. No.	Questions	Business Ethics	Product Responsibility	Welfare of Employees	Stakeholder Engagement	Human Rights	Environment	Public Policy	CSR	Value to customers
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy / policies for...	Y*	Y*	Y*	Y*	Y*	Y*	Y*	Y*	Y*
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify?	Y	Y	Y	N	Y	Y	N	Y	N
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/owner/CEO/appropriate Board Director?	Y	N	N	N	N	Y	N	Y	N
5	Does the company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	Y	Y	Y	N	Y	N	N	Y	N
6	Indicate the link for the policy to be viewed online?	Y**	Y**	N	N	N	N	N	Y**	Y**
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Communicated to key internal stakeholders of HCL. The communication is an on-going process to cover all internal and external stakeholders.								
8	Does the Company have in-house structure to implement the policy/policies?	Y#	Y#	Y#	Y#	Y#	Y#	Y#	Y#	Y#
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	N	Y	Y
10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	Y	N	Y	N

\*The Company follows DPE, other applicable Government guidelines/ laws and the policies approved by the Board.

\*\*Company's Website: [www.hindustancopper.com](http://www.hindustancopper.com)

#Implementation of the policies is monitored by the concerned department.

2a. If answer to Sr. No 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

Sr. No.	Questions	Business Ethics	Product Responsibility	Welfare of Employees	Stakeholder Engagement	Human Rights	Environment	Public Policy	CSR	Value to customers
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the Principles	Not Applicable								
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The Company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

### 3. Governance related to BR:

- Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

The BR performance of the Company is assessed on a need basis and in accordance with statutory requirements.

The Company is committed to implementing sustainable business practices and sound system of corporate governance to protect the interest of all stakeholders.

The Board of Directors have approved a comprehensive Corporate Plan 2020 which has been formulated with the objective of outlining a detailed road map with key milestone indicators for translating the Company's corporate vision into reality on a sustainable basis. The plan envisages developing a long term strategy for the Company in an environment which is continuously evolving and becoming competitive, so that it could successfully re-align its business focus on the operations where value addition is the maximum. HCL has begun the process of implementing this roadmap. The Company's sustainable development framework is guided by the principles laid down by International Council on Mining & Minerals.

- Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Company has prepared its first BR Report as per SEBI mandated guidelines. The Report will be published annually. The report can be viewed at the Company's website: [www.hindustancopper.com](http://www.hindustancopper.com).

## Section E: Section Wise Performance

### Principle 1: Ethics, Transparency and Accountability

***Businesses should conduct and govern themselves with Ethics, Transparency and Accountability***

#### 1. Does the policy relating to ethics, bribery and corruption cover only the Company?

Yes, the policy covers all individuals working with the Company at all levels and grades including Directors, Senior Executives, Officers and Workmen.

HCL being a public sector undertaking (PSU), its policies pertaining to anti-corruption or anti-bribery are governed by the Government of India (GoI) guidelines including Central Vigilance Commission (CVC) manual and Special Chapter on vigilance management in PSUs. These policies are reviewed by the GoI and relevant circulars to this effect are hoisted on the CVC website. The monitoring / reporting process for the same are controlled by statutory bodies, such as the CVC, CBI and the Administrative Ministry (Ministry of Mines) and the required statutory reports are furnished to the authorities as per schedule.

The Board of Directors of HCL has also laid down a "Code of Conduct for Directors and Senior Executives" as per Clause 49 of the listing agreement for promoting ethical conduct and practices throughout the organization. The Code requires every Board member and senior management personnel to exhibit the highest standards of professionalism, honesty and integrity along with impartiality, fairness and equity.

The Board of Directors has also formulated an internal "Code of ethics and business conduct for the employees of HCL" as per DPE guidelines. The HR department of the Company under Director (Personnel) oversees implementation of the Code. The Code covers workplace responsibility, conflict of interest, protection of assets and confidentiality of information among others. The Company is committed to continuously reviewing and updating its policies and procedures as per guidelines laid down by different statutory authorities.

The Code supplements the various laws and regulations applicable as also the Company's internal policies, guidelines and the Conduct, Discipline and Appeal (CDA) Rules 1979, compliance with which is mandatory and violations punishable as prescribed.

#### **Transparency:**

The Company is making continuous efforts in improving the systems and procedures which is transparent and in conformity with the extant rules & procedures, thereby ensuring working atmosphere relatively free from corruption. As a part of preventive vigilance effort, the Company is taking initiatives towards strengthening systems through adherence to set procedure and guidelines, due diligence, analysis of audit reports and its incorporation in corporate decision making. Focus is on preventive vigilance and leveraging of information technology with a view to minimize scope for corruption.

In-house training programs on vigilance related matters are also organized by inviting prominent guest faculties including officials from Police Department, Central Bureau of Investigation, Banking

Security and Fraud Cell. External trainings were organised in the reporting period wherein executives from Vigilance Department were invited to attend.

2. Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

Yes, the Company has internal guidelines for evaluation of suppliers/ contractors. The Company is a signatory of Integrity Pact with Transparency International India wherein the Integrity Pact is signed between the bidders and the Company for all service contracts valuing Rs. 20 crore and above and for all purchase contracts valuing Rs. 10 crore and above. Prominent personalities from PSUs / GoI are nominated as Independent External Monitors to oversee all contracts covered under the Pact. There is a well-structured process to review independently and objectively whether and to what extent parties have complied with their obligation under the Integrity Pact.

The Company has introduced E-payment system to have transparency in payments made to suppliers / contractors and shorten the time involved in the payment process.

3. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

Investor Grievances: During 2012-13, HCL received and resolved 8 Investors grievances; there was no outstanding complaint as on 31<sup>st</sup> March, 2013.

Public Grievances: 9 public grievances were received during FY2012-13 out of which 4 cases were resolved as on 31<sup>st</sup> March 2013 and out of the 5 cases that were pending, 4 cases were resolved as on 31<sup>st</sup> August 2013. All the complaints are lodged and monitored via the online portal ([www.pgportal.gov.in](http://www.pgportal.gov.in)).

Stakeholder grievances pertaining to any issues are forwarded to the respective department for redressal. The stakeholders may address their complaints via platforms given below:

- Employee Grievance – Grievance Redressal System
- Shareholder Grievance – At dedicated email-id ([investors\\_cs@hindustancopper.com](mailto:investors_cs@hindustancopper.com))
- Trade Union Grievance – Bipartite Fora Department/unit/National level for the Company
- Consumers/Customers Grievance – Grievance Redressal through Marketing Department
- Public in General – Public Grievance System of the Ministry

**Principle 2: Products contributing to sustainability**

***Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.***

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities.

The Company conducts its activities in such a manner as to protect the environment, interests of employees and general public e.g. at the mines and plants ambient air quality, light, noise levels, health and safety measures are consistently monitored and improvements undertaken on a continuous basis.

Working with communities and addressing their concerns be it social justice, rights, livelihood programmes have always been at the forefront of HCL's community engagement.

The Company is committed to climate change and environmental sustainability and has taken on the target of improving its product / process', carbon footprint and would strive for continuous improvement in productivity and energy to bring at par with the best internationally.

The Company is committed to providing goods and services that are safe and contribute to sustainability throughout their life cycle.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):
  - i. Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain
  - ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year

The Company is committed to increased levels of recovery and recycling, as well as to making investments in primary production to reduce energy intensity, toxicity and waste.

*Energy Conservation:* Energy consumption is constantly monitored at the mines, plants and townships with a view to achieve overall reduction. The power factor in all the four Units is currently being maintained above 0.95. Further, high tech CJD burner at ICC Smelter installed which has significantly reduced energy consumption. The achievements with regard to reduction in specific energy consumption at the ICC Unit are indicated below:

Specific Consumption at ICC	2011-12	2012-13
Smelter Power(Kwh/T)	990	943
Smelter Fuel(Lit/T)	493	483
Refinery Power(Kwh/T)	294	297

*Water use efficiency:* Used water is reclaimed and re-used in order to conserve water. Water is treated before discharging via treatment plants. The processes are also reviewed and modified so as to reduce the requirement of water. Partial recycling of treated effluent water is used for horticultural purposes. On an average in the reporting period, 13% of water was recycled at all plants, and over 80% of water consumed was recycled at the mines in the reporting period.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

*Sustainable sourcing:* Before registering / approving any party, the Company scrutinizes carefully relevant documents to verify compliances of all pre-set norms including the environmental norms by the party. In case of major items, Company Officials visits their premises to evaluate all their capabilities including the environmental and social issues.

*Logistics improvements:* The Company has gone for multi-modal transportation which is not only efficient & cost effective, but also environmental friendly. Further, improvements over the years through sealing of containers has successfully reduced the amount of dust emitted thus reducing the pollution level.

4. Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve the capacity and capability of local and small vendors?



Yes, the Company procures products and services from local producers and communities surrounding its operations.

Suppliers, vendors participate in awareness creation programs, capacity building workshops that include sharing technical expertise, skill up gradation and shop floor visits.

5. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste? (Separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Currently, the Company recycles less than 5% of its waste generated internally.

*Consumables i.e. HSD, Lubricants, machinery parts etc.:* In order to reduce the consumables usage during the operations, well-detailed renewal & replacement plan is chalked out which includes re-designing of the pits, preventive maintenance, replacement of equipment to improve efficiency in terms of productivity, haul road maintenance and topping with gravel/morrum to increase the tyre life.

*Waste:* The Company sells the used oil, rubber scrap to the Government approved recyclers and these recyclers address environmental concerns while recycling or disposing the waste. Currently, the Company recycles less than 5% of its waste generated internally.

### Principle 3: Welfare of Employees

***Businesses should promote the well-being of all employees.***

1. Please indicate the total number of employees along with the break-up employees with disabilities:  
The employee strength of the Company as on 31<sup>st</sup> March, 2013 including Physically Challenged was 4498, as detailed below:

Group	Total	Physically Handicapped
A	630	3
B	69	0
C	3028	30
D	771	16
Total	4498	49

A & B represents executives; C & D represent non executives.

2. Please indicate the total number of employees hired on temporary / contractual / casual basis:  
The number of employees hired on contract during 2012-13 were 57. There was no employee hired on temporary/casual basis.
3. Please indicate the number of permanent women employees:  
The Group wise strength of female employees as on 31<sup>st</sup> March 2013 vis-à-vis the total strength of the Company is given below:

Group*	Total Strength	No. of female employees	% of female employees
A	630	39**	6.19
B	69	1	1.44
C	3028	95	3.13
D	771	135	17.50
Total	4498	270	6

\*A & B represents executives; C & D represent non executives.

\*\* (including one CVO)-on deputation

4. Do you have an employee association that is recognized by Management? What percentages of your permanent employees are members of this recognised employee association?

The Company has recognized a total of 5 Trade Unions (TU), one at each of its four units and corporate office. Almost all the workmen are members of registered TUs operating in various units/offices. The Company has also formed a National Joint Committee for Copper (NJCC) who involves the recognized TUs to discuss on various issues relating to production and productivity and their suggestions are obtained for improving the production.

5. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending as on the end of the financial year.

S No	Category	Complaints filed during the FY	Complaints pending at the end of FY
1	Child labour/forced labour/involuntary labour	Nil	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory Employment	Nil	Nil

6. What percentage of your under mentioned employees were given safety and skill up-gradation training in the last year?

- Permanent Employees
- Permanent Women Employees
- Casual/Temporary/Contractual Employees
- Employees with Disabilities

Category	%
Permanent Employees	78
Permanent Women Employees	35
Casual/Temporary/Contractual Employees	Nil
Employees with Disabilities	12.5

Based on identified needs, training and development at all levels of employees is given due priority by the Company to increase effectiveness. The Company selectively nominates employees for specialized training Programmes / Workshops / Seminars / Conferences organized by reputed professional organizations and Institutes. During the period 2012-13, 14331 mandays were covered against the target of 9400 mandays

Many external training programs were organised from corporate office for Executives on the themes of Leadership development program, training intervention in new technology (Data Mine: SURPAC & AUTOCAD), sponsorship of senior management executives for advanced management programs such as: management development, corporate governance etc. During 2012-13, 173 mandays were covered on developing critical mass of leaders against the target of 140 mandays.

Similarly, internal training programmes were also organised by corporate office for staff at units on the Pension scheme as well as the Performance Related Perks programme. In addition to this, training programs are arranged by units which have their full-fledged training department and conduct training in the areas of Mines Refresher, Apprentice Training, First Aid training, Safety Training, Sustainable Development, Training on computer application, Quality Management Tools, Recent Advances in geology, Health Management and ERP Training.

To ensure safety awareness for all contract workers prior to commencement of work, the contractor has to mandatorily ensure that workers attend basic safety training. In FY2012-13, safety training was imparted to 50 employees and health training was imparted to 3 employees. During 2012-13,

556 mandays were covered on developing skill-up gradation of Non-Executives against 500 mandays.

The Company is committed to providing at least 2 training days in FY2013-14 per employee including providing yoga classes to improve work life balance. The Company will also provide formal risk management training courses to the Senior Executives. In addition to the above, the Company will also be sensitising employees and senior management on CSR and sustainability so that there is internalisation and involvement of all cadres in embracing the vision of the organisation.

#### **Additional Information:**

#### **Facilities for Employee Well-being:**

The Company believes that its employees are its strength and focuses most for their well-being and development.

The Company provides various facilities that reflect recognition of the changed working environment which includes improving work life balance of employees as well as of the employees with special needs. Some of the initiatives taken include:

Community clubs to promote cultural activities, merit scholarships to employees' wards, full-fledged gymnasiums, periodical picnics and excursions, festival celebrations for employees and their family members, library facility for employees, highlighting personal and professional achievement of employees and their families in "Tamralipi", In-house magazine of the Company.

#### **Facilities for employees with special needs:**

- Ramps have been constructed at hospital, works and general office for PWD so as to enable easier access to elevated areas in buildings and for their mobility with ease
- The Company under the Scheme of Grant of Scholarship to Employee's Children takes special care and gives wide publicity for the employees by inviting application from Persons with Disability by allocating 10 scholarships for the year 2012-13.

#### **Employee satisfaction survey:**

In order to measure employee satisfaction levels, an external agency was hired to conduct an Employee Satisfaction Survey for the Company at all units/offices for the reporting period. The employee satisfaction survey was found to be 75%. The attrition rate was extremely low viz 0.37% as against the target of 7% in the MOU guidelines. It is planned to conduct this Survey every second year. The observation and suggestions contained in the report are being examined for further improvement.

#### **Post-retirement employee retention:**

Post-retirement employment opportunities are also offered to utilize the skill and expertise of the ex-employees for appointment on Full Time Fixed-Tenure Contractual basis renewable as per the terms of the scheme.

#### **Principle 4: Stakeholder Engagement**

***Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.***

#### **1. Has the Company mapped its internal and external stakeholders? Yes / No**

Yes, the Company has mapped its internal and external stakeholders. The stakeholders are given below:

1. Government and Regulatory Authorities
2. Customers

3. Contractors
4. Employees
5. Trade Unions
6. Local Communities
7. Suppliers
8. Shareholders / Investors

2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?

Yes, HCL has identified the disadvantaged, vulnerable and marginalized stakeholders. The Company considers stakeholder identification and engagement as integral to its business execution and pays special attention to disadvantaged and marginalised stakeholders, respects their interests and is responsive to their needs. The Company seeks their feedback during the process of framing policies, codes or developing schemes.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.

Yes, the Company takes various initiatives to engage with disadvantaged or marginalised stakeholders such as employees with special needs, employees from disadvantaged sections of society. All decisions that could impact such stakeholders are taken only post deliberations.

The Company has conducted base-line surveys within 20kms radius around Plant and Mining areas with the purpose of identifying target communities from the peripheral villages, the needs of the communities and especially disadvantaged and marginalised amongst them, were prioritized. During December 2010 – January 2011, National Institute of Rural Development (NIRD) was appointed for conducting the need-assessment surveys to identify feasible need-based CSR projects for the respective communities.

The various channel of communication with different stakeholders are as follows:

- Communication: Annual Report, Publication of Financial Results in newspapers, Hosting of data /information on the Company Website, Newspaper Notification & Advertisement, Copper Commune and house magazine Tamralipi published bilingually on Quarterly basis.
- Engagement: Meetings with vendors, meetings with local communities, local authorities like District bodies, Panchayat / Gram Sabha.

HCL is committed to improving its engagement in FY 2013-14 with key stakeholders through adoption of a good corporate communication strategy.

### **Principle 5: Human Rights**

***Businesses should respect and promote human rights.***

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/JV/ Suppliers/ Contractors/NGO/ Others?

The Company respects human rights and addresses human rights through its own codes and procedures and compliance with applicable laws.

The Company has structured mechanism to address the human rights issues such as equal opportunity to all, non-discrimination, removing pay anomaly etc.

Adequate efforts are undertaken to eliminate discrimination and harassment such as workers participation from shop floor to corporate level, concessions to persons with disability, prohibition of sexual harassment of women at workplace.

Government Directives regarding reservation of SC/ST/OBC/PWD are adhered to. Recruitment Selection Committees have representatives of SC/ST in case any SC/ST is present. Also, external subject experts are invited to be on the Selection Committee for greater transparency and authenticity. Adherence to Recruitment Rosters for SC/ST/OBC/PWD is ensured.

HCL is an equal opportunity employer and does not discriminate among employees based on colour, caste, race, region, religion, sex etc. The Company implements directives of GoI for reservation for SC/ST/OBC/ PWD/Ex-Servicemen in Recruitment. There is no parity / preferential treatment in the wage, salary structure of all the employees. All recruitment exercises are regulated in accordance with the Recruitment Rules of the respective Post/Category for both Executives and Non-Executives.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the Management?

No stakeholder complaints were received in the reporting period with regards human rights violations.

#### **Additional Information:**

#### **Protection of the Company's assets without infringing community rights:**

The Company makes all reasonable endeavours to include local people in security staff to protect Company assets. Gainful employment is also provided to the adjoining villagers of the Units. This helps in not infringing on the rights of the local communities due to their involvement and active participation.

#### **Protecting indigenous people and their culture:**

The operation in remote locations of the country requires the Company to co-exist with the local inhabitants and be sensitive towards their beliefs and customs. Holidays are declared keeping in mind local festivals, to accommodate indigenous employees. As a part of HCL's community development activities, the Company contribute to promotion of local cultures.

#### **Principle 6: Environment**

***Businesses should respect, protect, and make efforts to restore the environment.***

1. Does the policy related to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

Yes, the Company expects its suppliers and contractors to be compliant with all applicable laws, including those related to environment.

2. Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc.? Y / N. If yes, please give hyperlink for webpage etc.

The Company does not have a process in place yet, to map its Green House Gas (GHG) emissions and mitigate such emissions. However, its technology up gradation and energy efficiency initiatives

contribute to mitigation of GHG emissions. The Company understands the importance of climate change risk mitigation by adapting to likely climate changes and its impact on business operations. It will in due course, put in place processes to address both climate change mitigation and adaptation.

3. Does the company identify and assess potential environmental risks? Y/N

Yes, the Company identifies and assesses the various risks being faced in its day-to-day activities and thereafter to determine the responses to either mitigate the risk or eliminate it.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

The Company does not have any project related to the Clean Development Mechanism.

5. Has the Company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy etc.? Y / N. If yes, please give hyperlink to web page etc.

Yes, the Company has taken following initiatives:

**Energy Conservation:**

The Company has undertaken following energy efficiency measures at its refinery and smelting plants:

- Introduction of Variable Frequency Drive in place of conventional drive for ore feeders in concentrator plant.
- Replacement of 22 sodium vapour lamps with LED lights.
- Conventional water heater was replaced by solar water heater.
- Large capacity equipment are commissioned in mines for energy conservation besides high productivity.
- Scheduled replacement and preventive maintenance of mining equipment and Concentrator Plants for efficient use of energy.
- Other initiatives taken were:
  - Old ESP's are revamped with new one by OEM to control the dust and mist emission
  - New high capacity rectifier and transformer have been installed at Refinery
  - New imported BIC cooling element fitted in flash furnace for better furnace control
  - Dense phase dust conveying system installed.
  - Major overhauling of all equipment was carried out.

**3R initiatives& New Technologies:**

The various initiatives taken by the Company for process optimization are as follows:

- Replacement with Dust Bloc:** Dust bloc (synthetic liquid) has been experimentally used thus reducing the consumption of water.
- Alternative use of Copper tailing:** The Company has developed vendors like Star Trace Pvt Ltd. for alternative use of waste materials generated from mines at Khetri Copper Complex (KCC) and Malanjkhand Copper Project (MCP). The Company has started despatching the copper tailing from KCC to the party.
- R&D projects:** Contract has been awarded to IIT, Kharagpur for study on Paste Filling/Thickened/ Caked Tailing disposal of Copper Tailing at MCP.

- d. **High Rate Thickener (HRT) for Concentrate at KCC:** HRT is installed at KCC Concentrator plant for disposal of thickened slurry and better recovery of water from tailings.
- e. **Air Decking with Plastic Bottles at MCP:** There has been a continuous effort for improved fragmentation and proper utilization of explosives energies in mining operation. MCP successfully experimented in-house a new technology called Bottle technology by inserting 3-4 empty bottles of 2 litre capacity (Dimension -100 mm x 350 mm) in the hole before priming to form air gap which resulted in reducing the boulder generation from upper zone due to better distribution of explosive energy over the charged column.

#### Environment:

The Company is committed to achieving sustainable growth in business through optimum & efficient use of existing resources and assets. It has an Environment Management Plan, approved by the Board and it covers prevention, mitigation and control of environmental damages and disasters. An external party is also engaged to conduct environmental audit and adherence to the recommendations is implemented and monitored by environmental cells on a periodic basis.

The Company has resorted to extensive plantation around the mining and township areas at the units to maintain the green environment. Of total 925652 tree plantations, a survival rate of 70% as of March, 2013 was achieved.

#### Energy:

The primary energy sources are electricity and furnace oil. Smelter and refinery plant of ICC achieved excellent MOU target in respect of power consumption during the period 2012-13. The table given below indicates the actual targets achieved for the reporting year.

Area	Excellent MOU target in KWH/T	Actual achievement in KWH/T
ICC Smelter	950	943
ICC Refinery	300	297
Ore to MIC, MCP	18.5	19.8

\*Excellent indicates the rating unit for the evaluation criteria set in the MoU Target.

#### Water Conservation:

HCL accounts for the consumption of water for its mining operations on a daily basis and also uses the recycled water in order to reduce the consumption of fresh water. Water consumption at all units of HCL during 2012-13 is given below:

Location	Fresh Water(Cu. M)	Recycled Water(Cu. M)
MCP	5344262	94516
KCC	1660720	877720
ICC	5169525	841551

#### Waste management:

The Company sells its scrap/obsolete/surplus items through e-auction from time to time. Solid waste like granulated slag and boiler ash are sold to the intended party whereas tailings and waste rock are safely stored. The waste thus stored is reused, recycled or disposed in an environmentally acceptable manner.

6. Are the Emissions / Waste generated by the Company within the permissible limits given by CPCB / SPCB for the financial year being reported?

The ambient air quality is regularly monitored at mines, all process plants and residential areas at all the units. The air quality levels are well within the standards and limits prescribed by the Pollution Control Boards.

Effluent treatment facilities installed at the Units of the Company have been working satisfactorily and meeting regulatory norms as prescribed by the Pollution Control Boards. Discharged process water is being recycled after treatment thus conserving the water.

Solid waste from plants and hospitals is also safely disposed-off or stored as per guidelines prescribed by the Pollution Control Boards.

7. Number of show cause / legal notices received from CPCB / SPCB which are pending (i.e. not resolved to satisfaction) as of end of financial year.

There are no show cause/legal notices received from SPCB/CPCB that are pending as of the end of financial year.

#### **Principle 7: Public Advocacy**

***Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.***

1. Is your Company a member of any trade and chambers or association? If yes, name only those major ones that your business deals with.

The Company is associated with bodies such as Indian Copper Development Centre; Confederation of Indian Industry; Minerals, Metals, Metallurgy and Materials.

2. Have you advocated / lobbied through above associations for the advancement or improvement of public good? Yes / No; if yes, specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy Security, Water, Food Security, Sustainable Business Principles, Others)

#### **Trade and Investment Facilitation Corporation:**

The Company has signed a Memorandum of Understanding with the MP Trade and Investment Facilitation Corporation Ltd., Government of Madhya Pradesh, on 29<sup>th</sup> October, 2012 which envisages the facilitation of the Company's proposed investment for development of Underground Mine project at the Malanjkhanda Copper Project, Madhya Pradesh (MP) and also help the Company to obtain necessary clearances, concessions and waivers from the State Government of MP.

#### **Indian Copper Development Centre:**

The Company is a member of Indian Copper Development Centre, which does research on improvement of quality, product development, energy efficient designs etc. and conducts Seminars in different cities of India from time to time where various copper consumers participate and interact.

#### **Confederation of Indian Industry:**

In the 11th International Mining & Machinery Exhibition & Global Mining Summit 2012, Mr K D Diana, CMD, Hindustan Copper Limited addressed the issues related to role of mining sector in GDP contribution and the key challenges faced by the sector.



### **Minerals, Metals, Metallurgy and Materials:**

Hindustan Copper Limited had participated in the Minerals, Metals, Metallurgy and Materials 2012, held at New Delhi where it showcased the current achievements and roadmap for the future.

### **Principle 8: Inclusive Growth**

***Businesses should support inclusive growth and equitable development.***

1. Does the Company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes, details thereof.

The Company is committed to social, economic and environmental development of communities at all its operations and is committed to long term, mutually beneficial partnership between communities, Government & stake holders.

HCL embraces the principles of United Nations Global Compact (UNGC) and National Voluntary Guidelines (NVGs). The Company's CSR Policy revolves round the Principles laid down in the Millennium Development Goals and Targets.

2. Are the programmes / projects undertaken through in-house team / own foundation / external NGO / government structures / any other organization?

All programmes and projects are undertaken through both in – house teams and external Government structures and implemented with the assistance of NGOs and consultants with requisite sector expertise.

The CSR plan of the Company has been prepared based on Need Assessment Survey carried out by the National Institute of Rural Development (NIRD).

3. What is the Company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken?

The Company's direct contribution to community development projects is Rs. 5.13 crores during the year 2012-13. The details of the details of the project undertaken are given in point no. 5 below.

4. Have you done impact assessment of your initiative?

Yes, the Company conducts impact assessment for the initiatives taken for the concerned stakeholders.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

The following CSR activities were implemented in FY2012-13:

- **Livelihood enhancement activities:**

- **Vegetable Seeds and Kit Distribution at MCP:** The vegetable seeds of hybrid and high yielding varieties, insecticides, fungicides and growth hormones for protection against insect-pest and diseases were distributed in 250 households. The farmers harvested ample amount of vegetable for household consumption and also for sale in the market.
- **Mushroom Training and Production, MCP:** 6 specially designed low cost hut prepared for mushroom training in Suji and Pandrapani. First batch of the produce was sold in the nearby market thereby linking the groups to the market for better future of this program is in process.

- **Bicycles and honey collection kits** were distributed to the participants at Copper Club of HCL Township on March, 2013.
- **Vermi Composting:** It is intended to use garbage and cow waste provided in the village to produce organic fertilizer to reduce dependency on insecticides, fungicides and inorganic fertilizers. In MCP, 8 Units were completed during FY 2012-13.
- **Income Generation Activities (IGAs):** IGAs were planned to provide some revolving fund to 12 "A" grade SHGs and need for SHGs were identified and accordingly Revolving Fund (Rs. 50,000/-) was released to 9 SHGs with the long term vision of strengthening and sustainable income generation opportunities.
- **Boring of tube-well and installation of hand-pump, MCP:** Drilling work for tube- well has been done at village Pandrapani, Suji, Balgaon and Bhutna. The User Groups are formed and a total of 7 boring have been done in 2012-13.
- **Community Solar Lights, ICC:** 10 solar streetlights were installed in 9 remote villages.
- **Drinking Water, ICC:** 8 drinking well structure constructed for rural water supply. 9 soak pits were constructed near tube well/ bore wells in 9 villages.
- **Individual Toilets and Public Urinals, KCC:** Total of 127 toilets made of concrete cement wall with doors were constructed using local manpower. 4 public urinals were also constructed with water tank.
- **Female Literacy, KCC:** 5 Female Literacy Centers (Non Formal Education Centre) were started on 8/03/2013 at the occasion of World Women's Day in March 2013 at 5 targeted villages namely Banwas, Jasrapur, Kharkhara, Chanwara and Gothara. Daily classes are being held and teachers from local communities are selected for the purpose.

#### Training Programs:

- **Veterinary Camps, MCP:** 138 veterinary camps were conducted in 2012-13.
- **Health and Vaccination Camps at MCP and ICC:** 4 Health & Vaccination Camps were organized where doctors visited the villages and 470 villagers were provided life-saving medicines and nutritional supplements. 27 medical camps were organized in rural villages through Mobile Medical Unit. A total of 572 villages were treated.
- **Vocational Training:** 120 unemployed youths from project villages were identified and were counseled through various agencies. 60 rural youth completed training in 1<sup>st</sup> batch & 45 youth placement at AGIS, Reliance Fresh & hotels. After successful placement, 2 batches were started with 45 selected rural youths from local villages.
- **Information Education Communication (IEC), KCC:** 6 targeted villages were identified where 60 Wall Paintings were displayed. Local Folk Singer also conducted awareness program in five villages. The theme of songs was based on female literacy, water conservation and woman empowerment etc.
- **Organic Farming, ICC:** It involved distribution of ginger & turmeric – in convergence with National Health Mission. Also, poly house for raising of nursery for vegetable cultivation was provided. 132 farmers attended training on vegetable cultivation through organic method.
- **System of Rice Intensification (SRI):** ICC undertook the SRI method of paddy cultivation for increasing the productivity of rice by changing the management of plants, soil, water and nutrients. Agriculture expert & scientist from Krishi Vigyan Kendra trained the farmers on the SRI Methods.

- **Bee Keeping and Honey Collection Training at MCP:** Conducted 4 batches of training with support of bee experts from Ranchi at Bihar Training Centre and various villages on harvesting honey produce from the forest in December 2012.

Feedback of communities has been factored into selecting income generation activities in the next financial year such as setting up of handloom weaving, indigenous items production units, SRI, rain water harvesting structures and imparting vocational training.

### Principle 9: Value to Customers

*Businesses should engage with and provide value to their customers and consumers in a responsible manner.*

1. What percentage of customer complaints / consumer cases is pending as on the end of financial year?

There were no customer complaints pending as on 31<sup>st</sup> March, 2013. The details of customer issues reported in the year 2012-13 are as under:

- a) Cost – No issues reported
- b) Delivery – No issues reported
- c) Value added products – No issues reported
- d) Quality – 4 issues reported. Material replacement given to customers.
- e) Safety and environmental issues – No issues reported

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. / Remarks (additional information)

Taloja Copper Project where Continuous Cast Copper Rod, the main finished product of the Company is produced is ISO 9001:2008 certified. The Company's Copper meets Standard Specification ASTM B-115/95 and / or Cu-CATH-1 grade of BSEN 1978-1998 equivalent to LME Grade-I. Product information in the form of the Lot No., Gross Weight, Net weight, date of manufacture etc. are printed in a tag attached to each Lot / Coil. Along with that a Test Certificate indicating the Physical and Chemical specifications of the respective Lot is given to the customer at the time of delivery of the product to them.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behaviour during the last five years and pending as of end of financial year? If so, provide details thereof, in about 50 words or so.

No case was filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years.

4. Did your Company carry out any consumer survey / consumer satisfaction trends?

The Company carries out consumer satisfaction survey based on the number of the issues reported by consumers. For the year 2012-13, the consumer satisfaction was 100%.

### Customer Feedback:

Customer Feedback is received through E-mails on a regular basis. The Company's website has an option for receiving Feedback from customers online. Customer Feedback are duly considered in the Marketing Policy formulation. Quality issues are always redressed by immediate visit of Plant

Technical personnel to the customer works. For instance, based on customer feedback to develop 19.6 mm copper rod for catering to requirement of Indian Railways, the Technical Team at Taloja Copper Project (TCP) successfully developed the new product and the Marketing Team obtained the RDSO (Research Design and Standards Organization) certification for the product.

#### **Pricing Advantage to Customers:**

The Company provides multiple LME Price options to the customers like Daily Cash Settlement Price (CSP), Weekly Average CSP, Fortnightly Average CSP, Monthly Average CSP and Real-time. The Company has its own Concentrate as raw material, there is flexibility in offering such multiple options as raw material cost and sale price of finished goods are not linked. Whereas competitors use imported Concentrate as raw material which is priced on London Metal Exchange (LME) and hence they have to price their finished products at back to back prices only. Moreover, even the *smallest customer* also gets the advantage of multiple price options which they otherwise do not get from HCL's competitors. Maintaining a large base of small customers without any discounts gives better sales realization to the Company.

The Pricing Policy and prices of copper product are published on HCL website for information of all customers and they can select a particular pricing option and book material on the Company website itself for physical lifting from the Company warehouses against payment.