

BUSINESS RESPONSIBILITY REPORT



Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

About this report

The Securities and Exchange Board of India (SEBI) as per its Listing Obligations and Disclosure Requirements Regulations, 2015 has mandated the inclusion of a "Business Responsibility Report" (BRR) as part of Company's Annual Report for top 1000 listed entities based on market capitalization at the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE). The reporting framework is based on the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs)' released by the Ministry of Corporate Affairs, Government of India, in July 2011, which contains 9 Principles and Core Elements for each of these 9 Principles. Following is the Fifth Business Responsibility Report of HEG Ltd which is based on the format suggested by the SEBI. Any feedback related to this report may be sent to manish.gulati@lnjbhilwara.com

Furthermore, SEBI, in its meeting held on March 25, 2021 followed by an amendment to Regulation 34(2) (f) of the SEBI LODR vide Gazette notification no. SEBI/LAD-NRO/GN/2021/22 dated May 05, 2021, has introduced a new sustainability reporting requirement called as Business Responsibility and Sustainability Report (BRSR) which would replace the existing BRR. The BRSR is applicable to the top 1000 listed entities (by market capitalization), for reporting on a mandatory basis from the Financial Year (FY) 2022-23 and the Company will comply with the requisite provisions as per the SEBI guidelines from its effective date.

The BRR for FY 2021-22 describing the initiatives undertaken by your Company in the prescribed format is given below:

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the Company	L23109MP1972PLC008290
2.	Name of the Company	HEG Limited
3.	Registered address	Mandideep (Near Bhopal), Distt. Raissen – 462 046, Madhya Pradesh
4.	Website	www.heg ltd.com
5.	E-mail id	heg.investor@lnjbhilwara.com
6.	Financial Year reported	2021-22
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Graphite Electrode (NIC Code 329)
8.	List three key products/services that the Company manufactures/provides (as in Balance Sheet)	Graphite Electrodes & Power
9.	Total number of locations where business activity is undertaken by the Company	
	a) Number of International Locations (Provide details of major 5)	Nil
	b) Number of National Locations	02
10.	Markets served by the Company - Local / State / National/ International	India, USA, Europe, Korea, Saudi Arabia, Turkey, Egypt, UAE, South Africa .



SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital (INR)	₹38.60 Crores
2.	Total Turnover (INR)	₹2201.61 Crores
3.	Total profit/(Loss) after taxes (INR)	₹390.58 Crores
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	2%. (₹30.65 Crores)
5.	List of activities in which expenditure in 4 above has been incurred	The Company is engaged in following inter-alia CSR activities: Eradicating hunger, poverty and malnutrition; Promoting health care and sanitation; Providing safe drinking water; Promoting education and skill development; Promoting gender equality, empowering women, Setting up old age homes, day care centers and other facilities for senior citizens; Ensuring environmental sustainability and ecological balance; Protection of national heritage, art and culture, Rural Development Projects. For Details please refer to Annexure VI of Board's Report

SECTION C: OTHER DETAILS

- Does the Company have any Subsidiary Company/ Companies? – No.
- 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) : NA
- 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%] : No

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

A. Details of the Director responsible for implementation of the BR policy/policies

- DIN: 00060972
- Name: Shri Ravi Jhunjhunwala
- Designation: Chairman, Managing Director & CEO

B. Details of the BR head

- DIN Number: 08697512
- Name: Shri Manish Gulati
- Designation: Executive Director
- Telephone number: 07480-405500, 233524 to 233527
- e-mail id: manish.gulati@lnjbhilwara.com

2. Principle-wise (as per NVGs) BR Policy/policies

a) Details of compliance (Reply in Y/N)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
		Ethics, transparency & accountability	Sustainability throughout the life-cycle of the product	Employee well-being	Responsive towards stake-holders	Promotion of human rights	Environmental protection	Responsible public policy advocacy	Inclusive growth & equitable development	Customer value
1	Do you have a policy/ policies for...	Y	Y	Y	Y	Y	Y	N	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	NA	Y	Y

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
		Ethics, transparency & accountability	Sustainability throughout the life-cycle of the product	Employee well-being	Responsive towards stakeholders	Promotion of human rights	Environmental protection	Responsible public policy advocacy	Inclusive growth & equitable development	Customer value
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	NA	Y NEMA Standards are followed	Y OHSAS 18001	NA	NA	Y ISO 14001, ISO 9001	NA	NA	NA
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ Owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	NA	Y	Y
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the Implementation of the policy?	Y	Y	Y	Y	Y	Y	NA	Y	Y
6	Indicate the link for the policy to be viewed online#	1. Code of Conduct 2. Whistle Blower Policy 3. Code of Fair Disclosure of Unpublished Price Sensitive Information 4. Policy on Related Party Transactions 4. Policy on Disclosure on Material Events and Information 5. Policy for dealing with any leak in UPSI and Whistle Blower Policy for Employee to report any leak or suspected leak of UPSI	1. Quality and Safety Policy	1 Code of Conduct 2. Whistle Blower Policy 3. Prevention, Prohibition and Redressal against Sexual Harassment of Women Employees	1. Whistle Blower Policy 2. Prevention, Prohibition and Redressal against Sexual Harassment of Women Employees 3. Dividend Distribution Policy 4. Shareholder / Investor Services	1. Whistle Blower Policy 2. Prevention, Prohibition and Redressal against Sexual Harassment of Women Employees	1. Quality Policy 2. Safety Policy 3. Environment Policy		1. CSR Policy	1. Quality Policy 2. Shareholders / Investors Services
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	NA	Y	Y
8	Does the company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	NA	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	NA	Y	Y



No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
		Ethics, transparency & accountability	Sustainability throughout the life-cycle of the product	Employee well-being	Responsive towards stakeholders	Promotion of human rights	Environmental protection	Responsible public policy advocacy	Inclusive growth & equitable development	Customer value
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	N	N	Y, OHSAS 18001 Certification	N	N	Y, ISO 14001, Certification ISO 9001	NA	N	N

ED, CFO and Internal Audit Department monitor policy implementation and progress on initiatives and actions through periodic reviews.

- # Link for Policies
- CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT**
https://heg ltd.com/wp-content/uploads/2017/02/CODE_OF_CONDUCT_HEG_05-02-2015.pdf
 - CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UPUBLISHED PRICE SENSITIVE INFORMATION**
<https://heg ltd.com/wp-content/uploads/2019/04/Code-of-Fair-Disclosures-and-Conduct-final1-1.pdf>
 - DIVIDEND DISTRIBUTION POLICY**
<https://heg ltd.com/wp-content/uploads/2018/04/Dividend-Distribution-Policy.pdf>
 - WHISTLE BLOWER POLICY**
<https://heg ltd.com/wp-content/uploads/2018/07/Whistle-Blower-Policy-08.05.2018.pdf>
 - POLICY ON RELATED PARTY TRANSACTIONS**
https://heg ltd.com/wp-content/uploads/2022/05/HEG_RPT-Policy_09.02.2022.pdf
 - POLICY ON DISCLOSURE ON MATERIAL EVENTS AND INFORMATION**
https://heg ltd.com/wp-content/uploads/2022/05/HEG_Determination-Materiality-of-Events_09.02.2022.pdf
 - QUALITY AND SAFETY POLICY**
<https://heg ltd.com/quality-safety-policy/>
 - PREVENTION, PROHIBITION AND REDRESSAL AGAINST SEXUAL HARASSMENT OF WOMEN EMPLOYEES**
https://heg ltd.com/wp-content/uploads/2022/02/Sexual-Harrassment-Policy_January-2020.pdf
 - SHAREHOLDER / INVESTOR SERVICES**
<http://heg ltd.com/#>

The policies are accessible to the employees always and are available on the intranet. The policies that are relevant to other stakeholders are communicated to them, time-to-time.

b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No.	Questions	Principle 7: Responsible public policy advocacy
1	The company has not understood the Principles	-
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)	HEG is member of various Industrial and trade bodies and is part of task forces and forums within these bodies. We actively participate in these forums on issues and policy matters that impact the interest of our stakeholders. We prefer to be part of the broader policy development process and do not practice lobbying on any specific issue and hence do not feel such a policy is necessary given our way of doing business.

3. Governance related to BR

A) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year	BR performance is reviewed annually by the Board of Directors. Based on this review budgetary allocations and CSR plans are decided for the next year. Quarterly review by the CSR Committee with regard to the CSR activities undertaken by the Company.
B) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	This is the Fifth Business Responsibility Report and is published annually as part of the Annual Report. Previous report can be assessed at https://heg ltd.com/wp-content/uploads/2021/07/BRR-2021.pdf .

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1

Business should conduct and govern themselves with Ethics, Transparency and Accountability

<p>1 Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs / Others?</p>	<p>The Company considers Corporate Governance as an integral part of good management. The Company's philosophy on Corporate Governance envisages attaining the highest levels of transparency, accountability and equity, in all facets of its operations and interaction with stakeholders including shareholders, employees, customers, government, suppliers and lenders and to build the confidence of the society in general.</p> <p>The Company believes in adopting the philosophy of professionalism, transparency and accountability in all areas and is committed to pursue growth by adhering to the highest national and international standards of Corporate Governance. http://heg ltd.com/various-policies/</p> <p>The Company also believes in zero-tolerance towards bribery and corrupt practices and the same has been followed across all persons associated with Company.</p>
<p>2 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.</p>	<p>No concerns/complaints were received relating to ethics, bribery and corruption from any of our stakeholders during financial year 2021-22.</p>

Principle 2

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

HEG's sustainability platform is pivoted on the 3P philosophy – People, Planet and Profit. These facets have, over the years, emerged as key filter while formulating business strategies at the Company.

People

HEG realises the critical role played by its people in its successful business journey this far. Their dedicated passion and disciplined efforts have positioned HEG as one of the leading players in the global graphite electrode industry. The Company on its part takes significant care of its people this was clearly showcased during the pandemic and in its aftermath (details of which are mentioned in Principle 3).

HEG continued to invests in growing its people – their skills and capabilities – through knowledge-enhancing initiatives. To create a cohesive force, the Company encourages its team, across hierarchies, to suggest ideas for business improvement. Also, the Company creates cross-functional teams to developing solutions for addressing complex operational issues.

People for HEG also comprises communities surrounding its operating facilities. The Company continued to focus on fund development initiatives in neighbouring villages with the objective of growing and sustaining the livelihood.

Planet

The Company's business is about saving the planet. Its products (graphite electrodes) have emerged as the key component in decarbonizing steel manufacturing, (using the EAF route). The Company sources its raw materials for environment respecting vendors. Waste products are completely recycled in shopfloor operations. The Company has also invested in pollution management equipment which enables it to comply with the pollution norms prevalent in its state.

Profits

HEG continues to seek and capitalise on opportunities to enhance business profitability by streamlining business operations to optimise costs and by capitalizing of profitable business opportunities. The combination of these factors helps in increasing business margins and profits.

Business surplus is prudently deployed in investing in business to capitalise on opportunities and rewarding shareholders. In the last decade, the Company has not defaulted in its repayment schedule to its finance providers.

- List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.
 - Graphite electrodes
 - Graphite Fines, flakes and lumps

Refer to Schedule – I of Business Responsibility Report.
- For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):



- a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?
 - b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?
3. Does the company have procedures in place for sustainable sourcing (including transportation)?

Yes the Company has a sustainable sourcing procedure for its raw material.

- a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Its key input, needle coke, is entirely sourced from large global oil refineries. The Company enjoys healthy, multi-decadal business relations with its global business partners. This has enabled it to secure seamless supplies even as it augmented its manufacturing capacity.

Fuel supplies are sourced from environment-respecting Indian oil refineries. Other inputs material such as pitch and fillers are sourced from large and respected Indian manufactures, which are common for both graphite and aluminium industry. Sourcing from both domestic vendors has been consistent since last five decades.

For inward and outward transportation, we use sea routes, railways and surface transport. Exports of finished electrodes and import of needle coke is primarily through sea. For domestic supplies, we rely on surface transport, for door to door delivery commitments. For surface transport, we engage with those fleets who abide by all regulatory norms

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

Yes, the Company regularly sources raw materials and other inputs from local vendors.

- a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The government has introduced the MSME Act in the year 2006 to protect the interest of micro, small and medium enterprises in India.

Towards supporting this cause of the government and the community at large, the

company sources some of the inputs and services required for business operations from MSMEs. As on 31st March, 2022 the Company had 494 such vendors on its vendor list. Of these, 118 new vendors were added in FY22. Their interests were adequately taken care off. The company is also registered on TReDS Platform, an institutional mechanism set up to facilitate the trade receivable financing of MSMEs from corporate buyers through multiple financiers.

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

Yes, 100% of the waste generated after the first process (GEP) is reusable and is part of our manufacturing SOP which has been institutionalised in our shopfloor operations. Our by-products like graphite fines are re-used in making of graphite electrode and graphite speciality products. They are also sold to the steel industry (as carburisor) and to lithium-ion batteries makers (for anode material). We sell these by products to the actual users.

The structural steel scrap is re-melted into steel globally and hence is fully recyclable. This reduces the mining of natural resources from the Earth.

Principle 3

Businesses should promote the well-being of all employees

In a world where the competitive edge is largely owing to the human capital, people has emerged as the cornerstones of success.

In keeping with this reality, HEG considers its team as an important pillar of its robust enterprise. The Company has a culture of empowerment that values and respects individual potential and helps each one achieve it to the fullest. It strives hard to improve the quality of work-life for total job satisfaction and social harmony of its people.

HEG has institutionalised important training practices for its team members including workmen. It has various HR monitored development activities that are carried out from time to time for employees at different levels. The organization subscribes to various economic, environmental and social or charters, codes or voluntary initiatives.

Informational and informative seminars are held

periodically for promoting environmental awareness. Various social activities are held periodically for boosting up morale of employees.

1.	Please indicate the Total number of employees	Total employees stands at 837 as on 31 st March, 2022	
2.	Please indicate the Total number of employees hired on temporary/ contractual/ casual basis	Total 1,725 Nos. engaged on a temporary / contractual and casual basis	
3.	Please indicate the Number of permanent women employees	12 Nos	
4.	Please indicate the Number of permanent employees with disabilities	Nil	
5.	Do you have an employee association that is recognized by management	3 Employee Associations	
6.	What percentage of your permanent employees is members of this recognized employee association?	60% (32% in BMS, 16% in INTUC-1, 12% in INTUC-2)	
7.	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.	No of complaints filed during the financial year	No. of complaints pending as on end of the financial year
	- Child labour /forced labour/involuntary labour	Nil	Nil
	- Sexual Harassment	Nil	Nil
	- Discriminatory Employment	Nil	Nil
	The Company had undertaken 14 Workshops/Awareness programs for prevention against Sexual Harassment at Workplace. The Company has an Internal Complaint Committee (ICC) to deal with complaints related to Sexual Harassment.		
8.	What percentage of your under mentioned employees were given safety & skill up- gradation training in the last year?		
	a) Permanent Employees	95%	
	b) Permanent Women Employees	100%	
	c) Casual/Temporary/Contractual Employees	100%	
	d) Employees with Disabilities	N.A.	

The Company has also adopted a Covid Support Policy to extend support to families of employees who lost their lives owing to the COVID -19. To support the family in this tragic hour, the management has decided that the employee's family will receive the following:

- Half of the monthly salary or minimum of ₹25,000/- per month, whichever is higher, for two years to the family of deceased employee.
- Education expenses ₹5,000/- per month for school/ college going children, if any, for three years.
- The Mediclaim policy benefit was extended to the family for three years.
- Employment to the dependent as per the qualification/ skills.

Principle 4

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

HEG is a globally-reputed organisation. As such it has a sizeable number of stakeholder groups each with

distinct priorities and diverse interests. The Company has therefore developed a structured method for identification of stakeholder groups, understanding their concerns and incorporating their views in its sustainability strategy.

The senior and middle management teams actively engage with all stakeholder groups throughout the year. Material matters arising from stakeholder engagements are managed as part of the risk management process.

1. Has the company mapped its internal and external stakeholders?

Yes, the Company has mapped its internal and external stakeholders. It recognises employees, communities surrounding its operations, bankers, business associates, customers, shareholders, investors and regulatory authorities as its key stakeholders.

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.

Yes, the Company identifies communities around its manufacturing facilities at Mandideep, Bhopal and Tawa Nagar as such. The Company focuses on



recruiting suitable talent from within the neighbouring communities to the extent possible. HEG is an equal opportunity employer. It has policies instituted to prevent sexual harassment, aid safety of employees, mandate travel guidelines for women employees, code of conduct, etc.

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.

The initiatives taken in this regard are as under:

- Provided safe and law-abiding commuting facilities to children and teachers
- Continued to subsidise annually school fees for more than 200 BPL-category students

- Introduced a new scholarship program for children of below poverty lines wherein the company will ensure admission of 10 students every year to professional colleges and provide financial assistance to transform their career dream into reality
- Provided quality education, through its school, to children of artisans working in Mandideep industrial area
- Conducted a computer training at Tawa Nagar to provide basic education to 100 to 120 local under privileged students through Datanuts Private Ltd., Bhopal and completed two batches.

Our overall stakeholder engagement matrix

Stakeholder segment	Key engagement forums	Key issues
Investors	Presentations, analyst meets and general meetings, press releases, other communication through mail	Showcase Bhilwara Group's ethical and governance practices. Discuss business performance and prospects. Update on key developments.
Employees	Employee engagement initiatives, continuous interaction with management, appraisals, grievance redressal mechanism	Learning & Development on behavioural, technical and functional areas. Engagement with the management for motivation and updates on business strategy, performance and prospects.
Suppliers/ Partners	Meetings with key national and internal suppliers by senior management, supplier visits, suppliers' meet	Discussion on business issues, quality improvements and information on applicable statutory requirements and safety standards
Customers/ Dealers	Regional meets, Periodic visits by the marketing and branding teams, visits to dealers, need-based visits, visits by senior management to key customers and dealers	Timely redressal of issues, understand aspirations and evolving trends, market knowledge and technology exchange, servicing solutions
Community	community visits by company management, periodic cultural meets, attendance by company executives at CSR programs	CSR initiatives and Affirmative Action (AA) initiatives addressing priority areas of improving lives and livelihood.
Government/ Regulators	Plant visits, symposia and advocacy platforms	Compliance, Ethics, Corporate governance, Corporate citizenship

Principle 5

Businesses should respect and promote human rights

The Company strictly adheres to the human rights principle of dignity of workforce regardless of the nation, location, language, religion, ethnic origin or any other status of an individual.

Prime importance is given towards maintaining better working conditions in the plants to take care of the health & safety of employees.

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures / Suppliers / Contractors / NGOs / Others?

The Company's policy covers only the Company.

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

The Company has in place grievance redressal mechanisms in every manufacturing unit which aims to ensure a harassment free work environment along with workplace health and safety. Every operating unit has a Labour Welfare Officer round the clock to take care of ensuring basic amenities to workers.

The complainants are assured of complete anonymity and confidentiality. No complaint has been received pertaining to Human Rights Violations during the year.

Principle 6

Business should respect, protect and make efforts to restore the environment

HEG is committed to undertake continuous efforts in reducing the adverse impact of its products and facilities on the Earth and its environment. The Company's dedication goes beyond compliance with the law and encompasses the integration of sound environmental practices into its business decisions.

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

The Company has a policy relating to environment management but its application is limited to the Company. But as a responsible corporate, the Company continues to sensitise neighbouring villages and communities and environment management. The Company has committed itself to improving the environment not only at its operating facilities but beyond their boundaries too.

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.

Today, the Company's product, the graphite electrode, has emerged as critical component in manufacturing steel in a less-polluting way. As such HEG is not platformed as a company that is facilitating the global steel world in addressing climate change commitments and transitioning to a Net Zero Carbon zone.

The Company on its own has also taken important steps in reducing pollution and reducing its load on the Earth. It calculates its overall GHG emissions and have taken initiatives to reduce emissions. They include solar power project, use of LNG, LED lighting at its operating and corporate facilities, Tree Plantations apart from operation and maintenance of existing plant vide air and water pollution control devises like Effluent Treatment Plant, Electrostatic Precipitators, Dust Collection units, Foggers, Road Sweeper, Organic waste converter etc..

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

The Company undertakes an Environment Aspect Impact Assessment study periodically which is reviewed and analysed for undertaking further initiatives. This is part of ISO 14001:2015 standard.

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?

No.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

Refer point No. 2 above.

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

The Company has ensured that its emissions have remained below the norms prescribed by the Pollution Control Board norms. The Company astute environment management is reflected in its ability to sustain business relations with leading global steel producers.

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

None.

Principle 7

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

HEG's commitment to being a responsible organization is showcases in its ability to align its operations with the global sustainability best practices. The Company's operations are ISO 9001: 2008 (Quality Management Systems) and ISO 14001: 2004 (Environmental Management Systems) certified.

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

HEG is a member of several industrial and trade associations. These are listed as under:

- a) FIEO
- b) CAPEXIL
- c) PHD Chamber of Commerce & Industry
- d) FICCI

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) :

HEG is a member of various industrial and trade bodies and is part of task forces and forums within these bodies. The Company actively participate in these forums on issues and policy matters that impact the interest of its stakeholders. It prefer to be part of the broader policy



development process. As a matter of policy, the Company does not practice lobbying on any specific issue.

Principle 8

Business 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 supports the principle of inclusive growth and equitable development through its corporate social responsibility initiatives. The Company's social upliftment initiatives focus around healthcare, education, hunger eradication, working for the benefit of armed forces veterans and martyrs' community development and environmental conservation, which facilitates in bettering lives and improving livelihood, amongst others. Some of the initiatives are as follows:

Healthcare

- Providing medical consultation to general public at the OPD Centre in Mandideep and Tawanagar and distributed free medicines among BPL category patients
- Conducting medical health camps and distributing medicines in villages and to economically weaker sections, in collaboration with Sewa Bharti, Bhopal
- Covid-19 related help.
- Facilitating the Swabhiman Bhoj Programme, where public get lunch at token money of just ₹1/- in Bhilwara, Ajmer, Banswara and Jaipur in the State of Rajasthan.

Community Development

- Working alongside Akshaya Patra on the programme of midday meal.
- Associating itself with an organisation providing free and hygienic food to the attendants of the patients visiting AIIMS, Delhi.
- Aspiring to work with the local government for creating infrastructure for Government School upgradation and safe drinking water etc.
- Providing assistance to Apna Ghar, working for the homeless, helpless, hopeless, destitute persons generally found in very harsh and painful conditions on roadsides, railway stations, bus stands, religious and other public places.

Education

- Providing safe and law-abiding commuting facilities to children and teachers

- Continuing to subsidise annually school fees for more than 200 BPL-category students
- Providing quality education, through its Graphite Education school, at Mandideep, District Raisen, to children of artisans working in Mandideep industrial area
- Supporting meritorious but financially weaker/poor students by way of providing coaching in Bhopal for science and commerce students to help them to prepare for their competitive examinations.
- Helping the education of physically disabled students.
- Promoting Education by joining hands with Ashoka University, which is India's first Liberal Arts and Sciences University in a system dominated by technical and vocational education.

Environmental Conservation

- Conducting afforestation drives to combat air pollution
- Increasing Farmers Income and Eradicating Poverty in certain village around its Graphite Plant in District Raisen through Global Raisen project, a joint initiative with Shri Mayank Gandhi with a target to plant 27 Lakh fruit trees which should hopefully increase the farmers income by almost 10 times.

Promoting Heritage of the Country

The Company has collaborated with Sabhyata Foundation which is taking care of the upkeep and facility development of several heritage sites in India including sites Like Red Fort, Bhembetka ancient rock caves etc.

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

The Company has been conducting these activities directly as well as through implementing agencies, wherever applicable.

3. Have you done any impact assessment of your initiative?

Yes on Voluntary basis, the Company internally performs an impact assessment of its initiatives at the end of the each year to understand the efficacy of the programme in terms of delivery of desired benefits to the community and to gain insights for improving the design and delivery of future initiatives.

With effect from January 22, 2021, impact assessment of project outlay of ₹1 Crore or more and which have been completed not less than one year, shall be required through an independent agency.

The Company/Implementing Agencies had undertaken impact assessment, through an independent agency, of their CSR projects, wherever it is applicable in accordance with the provisions of law. For more details please use link i.e. <https://heg ltd.com/csr/>

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

Refer to **Annexure VI** of the Board Report.

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.

Yes, at HEG all our businesses and manufacturing units at Mandideep and Tawa Nagar continuously engage with communities surrounding their operations through surveys and focused meetings. This is done to gauge the needs, priorities and expectations of the local community. Initiatives are thus designed and delivered in a transparent manner in line with inputs from the Community itself.

Principle 9

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

Customer requirements evolve over a period of time in line with sectoral dynamism. As such adding value to a customer emerges as key to a sustainably business relation. Adding value would encompass delivering

on commitments (quality and delivery) sustainably. It also includes raising the bar of the customers business knowledge sharing.

The Company offer best quality products with a prime focus on developing memorable customer experience. In keeping with our customer first philosophy, the senior management engages with its customers at multiple forums to know the customer satisfaction level so that necessary steps may be taken to enhance the same.

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

8% of total complaints are in the process to be resolved.

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.

The Company displays additional information over and above the mandate.

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 on end of financial year. If so, provide details thereof, in about 50 words or so.

There is no case filed against the Company in this regard.

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

The Company seeks for and collects customer satisfaction feedback on regular basis.

Schedule – I

Product Life Cycle Plan

Sr No	Contents in crate	Material	Nature of product	Action -1	Action -2
1	Graphite Electrode	Pure Carbon	100 % Consumable during use	Unpack the Electrodes with Nipple and keep all the packing items well segregated	Re-machine & use if possible / Reuse the broken pieces in process to maintain carbon percentage
2	Graphite Nipple	Pure Carbon	100 % Consumable during use		
3	Thermocol Cap	Expanded Polysterene	Recyclable		Handover only to authorised recyclers
4	Thermocol Plug	Expanded Polysterene	Recyclable		Handover only to authorised recyclers
5	Steel Strip	Zinc Coated Steel	Recyclable		Handover to recyclers/Use as Input to EAF
6	Steel Clip	Zinc Coated Steel	Recyclable		Handover to recyclers/Use as Input to EAF
7	Steel Nails	Zinc Coated Steel	Recyclable		Handover to recyclers/Use as Input to EAF
8	Wood / Ply Board	Cellulose composite	Recyclable / Reusable		Handover to recyclers
9	Wrap Film	LDPE, Low Density Poly Ethylene	Recyclable		Handover only to authorised recyclers
10	Metwrapp (polypropylene)	Corrugated PP, Poly Propylene	Recyclable / Reusable		Handover only to authorised recyclers



Hazards identification

Hazard summary

Physical hazards - Not classified for physical hazards

Specific hazards – May get cut from the sharp edge of the electrode (socket circumference). If any part of body gets pressed against the sharp edge, injury may occur.

Precautionary Measures:

- Use proper hand gloves while handling
- Floor of the storage area must be anti-skid

Health hazards - Not classified for health hazards. However, occupational exposure to the mixture or substance(s) may cause adverse health effects.

Environmental hazards - Not classified for hazards to the environment.

Specific hazards

Processing may generate graphite dusts and fumes with the below listed potential health effects. Dust and fumes generated from the material can enter the body by inhalation. High concentrations of dust and fumes may irritate the throat and respiratory system and cause coughing. Frequent inhalation of dust over a long period of time increases the risk of developing lung diseases. Dust may irritate the eyes. Dust may irritate skin. Ingestion of dusts generated during working operations may cause nausea and vomiting. Prolonged and repeated overexposure to dust can lead to pneumoconiosis. Pre-existing pulmonary disorders, such as emphysema, may possibly be aggravated by prolonged exposure to high concentrations of graphite dusts.

Main symptoms - Exposed may experience eye tearing, redness, and discomfort. Prolonged skin contact may cause temporary irritation.

Precautionary statements

Prevention	Observe good industrial hygiene practices
Response	Wash skin with soap and water
Storage	Store away from incompatible materials
Disposal	Dispose of contents/container in accordance with local / regional / national / international regulations
Supplemental label information	Not applicable
Other hazards	The material may form dust and can accumulate electrostatic charges, which may cause an electrical spark (ignition source).

Individual protection measures, such as personal protective equipment

General information	Personal protective equipment should be chosen according to the CEN standards and in discussion with the supplier of the personal protective equipment. Make sure to provide adequate control by applying the 'COSHH Essentials' procedure
Eye/Face protection	Wear safety glasses with side shields (or goggles)

Skin protection

Hand protection	Wear suitable protective gloves to prevent cuts and abrasions. Suitable gloves can be recommended by the glove supplier
Other	Wear appropriate clothing to prevent repeated or prolonged skin contact
Respiratory protection	Use specified dust masks. Seek advice from local supervisor
Thermal hazards	Wear appropriate thermal protective clothing, when necessary
Hygiene measures	Always observe good personal hygiene measures, such as washing after handling the material and before eating, drinking, and/or smoking. Routinely wash work clothing and protective equipment to remove contaminants
Environmental exposure controls	Environmental manager must be informed of all significant spillages
Environmental fate - partition coefficient	Not available
Mobility in soil	Not available
Other adverse effects	The product is not expected to be hazardous to the environment

Ecological information

Waste treatment methods Residual waste - Not waste

Contaminated packaging

Disposal recommendations are based on material as supplied. Disposal must be in accordance with current applicable laws and regulations, and material characteristics at time of disposal. Recover and reclaim or recycle, if practical.

Transport information

ADR

The product is not covered by the International regulation on the transport of dangerous goods.