



## The Sandur Manganese & Iron Ores Limited

### BUSINESS RESPONSIBILITY REPORT [As per Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

*"All that we get (earn) from the soil of Sandur in one form or the other should be primarily used to benefit Sandur.... The Mining Lease is something that has to be held in Trust for the benefit of those who are working so hard for so many years, with so much faith and determination. This is not anybody's private property, but a sacred social responsibility, in which each one of us has to function as Trustee for the toiling workforce."*

- Shri M. Y. Ghorpade, Founder Patron

#### Section A: General Information about the Company

1	Corporate Identity Number (CIN)	L85110KA1954PLC000759
2	Name of the Company	The Sandur Manganese & Iron Ores Limited (SMIORE)
3	Registered address	'SATYALAYA', Door No. 266 (Old No. 80), Ward No. 1, Behind Taluka Office, Sandur - 583119, Ballari District, Karnataka, Tel: 08395 260301, Fax: 08395 260473
4	Website	www.sandurgroup.com
5	E-mail id	secretarial@sandurgroup.com
6	Financial Year reported	2019-20
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	(a) Mining of Manganese Ore (NIC Code 07293) (b) Mining of Iron Ore (NIC Code 07100) (c) Manufacture of Ferro-alloys (NIC Code 24104) (d) Generation of Power (Captive consumption) (NIC Code 35102)
8	List three key products/ services that the Company manufactures/provides (as in balance sheet): (a) Number of International Locations (Provide details of major 5) (b) Number of National Locations	(a) Mining of Manganese Ore (b) Mining of Iron Ore (c) Manufacture of Ferro-alloys Nil Karnataka
9	Markets served by the Company – Local/State/ National/International	Local / State / National

#### Section B: Financial Details of the Company

1	Paid up Capital (INR)	₹900.19 lakh
2	Total Turnover (INR)	₹59,161 lakh
3	Total profit after taxes (INR)	₹14,739 lakh
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	2.14%
5	List of activities in which expenditure in 4 above has been incurred	1) Promotion of Education 2) Prevention of Child Labour 3) Health and Sanitation 4) Community Development

#### Section C: Other Details

1	Does the Company have any Subsidiary Company/ Companies?	No.* * Refer note no.38 forming part of financial statements.
2	Does 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%]:	Business Responsibility Reporting has become applicable for the year ended 31 March 2020. The Company encourages other entities that the Company does business with to independently undertake BR initiatives similar to the ones undertaken by the Company. More than 60% of such entities participate in the BR initiatives.

#### Section D: Business Responsibility (BR) Information

1	<b>Details of Director/Directors responsible for BR*</b> (a) Details of the Director/Director responsible for implementation of the BR policy/policies	
	1, DIN Number	00061497
	2, Name	Md. Abdul Saleem
	3, Designation	Director (Mines)
	(b) Details of the BR head	
	1, DIN Number	00061497
	2, Name	Md. Abdul Saleem
	3, Designation	Director (Mines)
	4, Telephone number	+91 8395 271127
	5, E-mail id	saleem@sandurgroup.com

\* Business Responsibility Reporting has since become applicable only now, the Board of Directors has approved the Business Responsibility Report for the year ended 31 March 2020 and appointed Md. Abdul Saleem – Director (Mines) as the BR head, responsible for implementation of the BR policy/policies of the Company.

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

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



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<b>Principle 1:</b>	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
<b>Principle 2:</b>	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
<b>Principle 3:</b>	Businesses should promote the wellbeing of all employees
<b>Principle 4:</b>	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized
<b>Principle 5:</b>	Businesses should respect and promote human rights
<b>Principle 6:</b>	Businesses should respect, protect, and make efforts to restore the environment
<b>Principle 7:</b>	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
<b>Principle 8:</b>	Businesses should support inclusive growth and equitable development
<b>Principle 9:</b>	Businesses should engage with and provide value to their customers and consumers in a responsible manner

(a) Details regarding the above 9 principles (P1 to P9) is given below [Reply in Yes/No (Y/N)]:

S. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have policy/ policies for... (Refer Note 1)	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy been formulated in consultation with 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	Y	Y	Y	Y	Y	Y
4.	Has the policy been approved by the Board? If yes, has it been signed by the MD/ owner/ CEO/ appropriate Board Director? (Refer Note 2 below)	Y	Y	Y	Y	Y	Y	Y	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	Y	Y	Y
6.	Indicate the link to view the policy online? (Refer Note 3)	<a href="https://www.sandurgroup.com/Policies.html">https://www.sandurgroup.com/Policies.html</a>								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y

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 policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency? (Refer Note 4)	Y	Y	Y	Y	Y	Y	Y	Y	Y

<sup>1</sup> SMIORE has the following policies covering the nine principles:

**Principle 1:** Ethics Policy; Code of Conduct for Directors and Senior Management; Vigil Mechanism / Whistle-Blower Policy; Code of Conduct to Regulate, Monitor and Reporting of Trading by Designated Persons and their immediate relatives; Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information

**Principle 2:** Tryst with SMIORE – An informal Will of Shri. M. Y. Ghorpade; Quality, Environmental, Occupational Health and Safety (QEOHS) Policy

**Principle 3:** HR Policies; Quality, Environmental, Occupational Health and Safety (QEOHS) Policy; Policy on Prevention of Sexual Harassment (POSH)

**Principle 4:** Corporate Social Responsibility Policy; Tryst with SMIORE – An informal Will of Shri. M. Y. Ghorpade; Policy on Prevention of Sexual Harassment

**Principle 5:** Human Resource (HR) Policies; Quality, Environmental, Occupational Health and Safety (QEOHS) Policy; Policy on Prevention of Sexual Harassment

**Principle 6:** Quality, Environmental, Occupational Health and Safety (QEOHS) Policy; Environmental Clearances for Mines and Plant; Supplementary Environment Mining Plant for mines

**Principle 7:** Quality, Environmental, Occupational Health and Safety (QEOHS) Policy

**Principle 8:** Corporate Social Responsibility Policy; Tryst with SMIORE – An informal Will of Shri. M. Y. Ghorpade

**Principle 9:** Quality, Environmental, Occupational Health and Safety (QEOHS) Policy

<sup>2</sup> All the Policies have been approved by the Board of Directors, except Ethics Policy, HR Policies and Policy on Prevention of Sexual Harassment which have been approved by the Managing Director.

<sup>3</sup> All the Policies are available on the website except HR Policies and Tryst with SMIORE – An informal Will of Shri. M. Y. Ghorpade, Environmental Clearances for Mines and Plant, SEMP for Mines.

<sup>4</sup> Evaluation of the Policies is undertaken periodically by the internal auditors, secretarial auditors and/or statutory auditors.



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

S. No.	Questions	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.	Any other reason (please specify)									

### 3. Governance related to Business Responsibility

1.	Indicate the frequency with which the Board of Directors, Committees of the Board or CEO to assess the BR performance of the Company.	Business Responsibility Reporting has become applicable only now. Presently, assessment of the Business Responsibility performance is carried out by the Managing Director and will be periodically reviewed by the Board of Directors/Committees henceforth.
2.	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	Business Responsibility Report can be viewed as part of Annual Report and is available online at <a href="https://www.sandurgroup.com/Annual-Report.html">https://www.sandurgroup.com/Annual-Report.html</a>

### Section E: Principle-wise Details:

Principle 1: **Businesses should conduct and govern themselves with Ethics, Transparency and Accountability**

The Company believes in conducting its affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethics in dealing with all the stakeholders that include employees, customers, suppliers, government and the community.

1.1	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?	The policies relating to ethics, bribery and corruption covers the Company and extends to a large numbers of contractors/ service providers.
1.2	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?	During the financial year 2019-20, no complaints were received from any of the Company's stakeholders.

### Section E: Principle-wise Details:

Principle 1: **Businesses should conduct and govern themselves with Ethics, Transparency and Accountability**

The Company believes in conducting its affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethics in dealing with all the stakeholders that include employees, customers, suppliers, government and the community.

Principle 2: **Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle:**

'Sustainable development' basically means economic and social development that endures over the long-term and its core ethic is intergenerational equity. The Company is committed to Sustainable Development in the cause of Society ensuring a safe and good future for employees and their coming generations as has been demonstrated for more than 6 decades as third/fourth generation employees are in service of the Company. Upholding sustainable practices is core to our operations at SMIORE.

Ministry of Mines, Government of India has awarded 5 Star Rating to our mines based on the assessment of parameters of Sustainable Development Framework (SDF) prescribed by the India Bureau of Mines (IBM). On the first occasion during 2014-15 we were the only Mining Lessee to have been awarded 5 Star Rating in the State of Karnataka and were among the only three Iron Ore Mining Lessees in the country to receive Five Star Rating. Thereafter, we have been awarded 5 Star Rating during 2015-16 and 2016-17 also. Further, based on the template filed by the Company, duly inspected and verified by the IBM, we have once again qualified for being awarded 5 Star Rating by the Ministry of Mines, Government of India during 2017-18 and 2018-19. Based on the template filed by the Company, we have qualified for being awarded 5 Star Rating during 2019-20 and the same is yet to be verified and confirmed by the IBM.

The Sustainable Development Unit (SDU) at the Unit level - comprises of Technical, Financial, CSR, HRD, Environment heads to ensure implementation of Sustainable Development principles. These principles include elements such as intra and inter-generational equity, the precautionary principle, scientific operations, environmental management and socio-economic impacts, creation of social and physical infrastructure through stakeholder engagement.

SMIORE has always laid special emphasis on scientific operations, safety, afforestation and environment protection. SMIORE has won several awards for safety and environmental protection at the State and National levels. SMIORE's culture and philosophy of utmost regard





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Coir Mat on Waste Dump

and respect to the various statutes and rules, has held the Company in good stead. The Government of India had appointed a committee, popularly known as Vasudeva Committee to study Manganese Ore Mining Procedures in India. The Report of the Committee, published in 1965, significantly noted: *“Although in the case of a large number of mines, the mining operations do not follow any concerted or well thought out plan of development, there are a few bright exceptions such as mines controlled by Manganese Ore India Limited, M/s. Sandur Manganese and Iron Ores Limited and a few other companies who have planned the lay-out of their mines in a systematic manner.”*

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

- Manganese Ore
- Iron Ore
- Ferro-alloys

Both Socio-economic assessment and Environmental Impact Assessment have formed an integral part of the process of granting/renewal of mineral concession and the Environment Clearance for setting up/upgradation of Ferroalloys Plant, Power Plant and the Steel Plant. The Company implements the approved development plans in the local area of its operations.

### 2.2 For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product:

#### a. Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?.

The Company endeavors optimum consumption of resources such as electricity, fuel oil, lubricant oil, raw material and water. Energy audits are routinely carried out, both at the mines and plant, and the recommendations implemented. The energy audits also help in identifying and prioritising energy efficient technological measures and savings opportunities.

#### b. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Not applicable, since our products are intermediary products for manufacture of steel and allied products.

### 2.3 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.

No raw material sourcing is required for our mining operations. In the case of ferro-alloys production major portion (about 79%) of strategic raw material (like thermal coal) is transported through rail which is more energy efficient than road transportation.

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

Apart from direct employment of skilled and unskilled persons from the local villages in both mining and ferroalloy operations, the Company also creates employment opportunities in transportation (road transport) business. The Company encourages deployment of transport trucks and machineries owned by local villagers. In addition, small contracts for civil works, supply of water, services like material handling (loading/unloading), waste haulage, maintenance contracts etc., are largely offered to the local people depending upon their knowledge and ability.

### 2.5 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.

All waste oil generated in the manufacturing process is collected through drain ports and stored in leak proof drum before being disposed off to agencies duly authorized for recycling.



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**Sewage Treatment Plant**



**M-sand unit**



**Fly-ash brick unit**

The Company's water management plan includes rainwater harvesting, a water target to improve the efficiency and recycling of used water from the kitchens, bathrooms and laundry, and a water risk review to assess risks and opportunities associated with biodiversity. Recycled water (including from Sewage Treatment Plant) is used for dust suppression caused by vehicular traffic.

The Company has tied up with cement plants to sell upto 70% of the total fly ash generated and also, has enabled a vendor to set up a fly ash brick plant of capacity 36,00,000 (36 lakh) bricks per annum close to the fly ash silo within the Metal and ferro-alloys Plant premises (MFA), thereby eliminating environment problems associated with disposal of fly ash. Likewise, the Company has enabled a vendor to set up a M-sand unit within the plant premises using ferroalloys slag.

The Company's MFA plant is a 'Zero' discharge plant. The blow down water from the power plant is re-used in the quenching of coke. Treated water is re-used /recycled in Coke oven quenching system. Coke fines generated in quenching becomes wet and are collected in settling pond and recycled. All process waste water generated inside the plant at different points (Ferro-alloys and Coke Oven) are recycled in settling ponds. Waste water generated from various processes is recycled back or used for dust suppression & green belt development. No water is discharged outside the plant.

These initiatives have enabled us to recycle/re-use 100% of our waste generated.

### **Principle 3: *Businesses should promote the wellbeing of all employees***

Several welfare programmes have been carefully planned and effectively implemented over the years under the guidance of Company's founder Patron Shri M. Y. Ghorpade, for more than 3000 direct and indirect employees. The welfare programmes are tailored with priority for right to food, clothing, housing, medical care and education.

The welfare programmes include:

- o Subsidized LPG (cooking gas) - 8 cylinders a year with upto 90% subsidy over Govt. subsidized rates;
- o Free solar heated water;
- o Free Electricity to employees in Company Colonies;
- o Free consultation and medication at Dispensaries and Hospitals at Sandur, Mining Camps at Deogiri & S.B. Halli, Swamihalli & Yeshwanthnagar, and Occupational Health Centre at the Plant;
- o Medical expenses entitlement - 20% of annual salary every year over and above the requirement of chronic ailment medication at subsidized cost for employees and their dependents;
- o Generous and almost full reimbursement of cost of treatment/surgeries in case of major ailments for employees and their dependants;
- o Festival gifts for Ugadi, Deepavali, Ramzan and Christmas;
- o Cash gift for clothing - ₹2000 to ₹12,500 to every employee every year;
- o Cash gift for marriage of employees and their children - ₹10,000 to ₹1 lakh;
- o Scholarships to meet total fee (based on Government fee) for PUC, Degree courses, Engineering, Medicine; and other professional courses;
- o Scholarships for study in Sandur Residential School, Sandur Polytechnic and SMIORE PU College; and
- o Funeral expenses and financial help in the event of death in family.

The most popular welfare programme of SMIORE, implemented effectively and continuously sustained for the last five decades, is supply of subsidised food grains at prices prevalent in 1972. The Company provides to all its employees (2339 in all) the facility of a Ration Card which entitles every employee to a package of 16 essential food commodities, which is sufficient for a family of about 5 for a month, at a cost of ₹145/- for the whole package, as against the actual cost of about ₹3,250/-, thus, largely insulating them from inflation and protecting their real wages and quality of life.





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The various types of Ration Card and the entitlement of food items under each Ration Card are as given below:

S. No.	Commodity	Kg/Ltr
(a)	Rice	30
(b)	Jowar	20
(c)	Wheat	5
(d)	Toor Dal	3
(e)	Jaggery	2
(f)	Groundnut Oil	2
(g)	Gram Dal	1
(h)	Chillies	1
(i)	Rava	2
(j)	Sun Flower Oil	1
(k)	Sugar	1
(l)	Urad Dal	1
(m)	Beaten Rice (medium)	1
(n)	Moong Dal	1
(o)	Groundnuts	0.5
(p)	Puttane (roasted gram)	0.5

Through the Food Security Scheme, the Company provides a subsidy of nearly ₹9 crore per annum.

### Food Security



### Dispensary and Hospital at Mines



Details of Employees of the Company are as under:

3.1	Total number of employees	2339		
3.2	Total number of employees hired on temporary/ contractual/ casual basis	-		
3.3	Number of permanent women employees	185		
3.4	Number of permanent employees with disabilities	09		
3.5	Do you have an employee association that is recognised by management?	Yes – SMIORE Workers Union is registered body with Registration No.32/ BD dated 26 July 1969 and is affiliated to Indian National Trade Union Congress (INTUC) with affiliation No.4442 dated 30 December 1972		
3.6	What percentage of your permanent employees is members of this recognized employee association?	96.85%		
3.7	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	Category	Complaints filed during FY 2019-20	Complaints pending during FY 2019-20
		Child labour / forced labour / Involuntary labour	Nil	Nil
		Sexual harassment	Nil	Nil
		Discriminatory employment	Nil	Nil
3.8	What percentage of under-mentioned employees were given safety & skill upgradation training in the last year?	Category	Safety Training	Skill Upgradation Training
		Permanent Employees	100%	20%
		Permanent Women Employees	100%	20%
		Casual / Temporary / Contractual Employees	NA	NA
		Employees with disabilities	100%	NIL



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Principle 4: **Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized**

Over the years, the Company has made a concerted effort to align the interests of local communities in the areas that the Company operates, on the basis of mature and respectful partnership. The Company recognizes that it must engage in consultation with local community stakeholders at all the stages of its operations, including mine closure and post-closure activities. Continuous consultations are carried out with local communities in the buffer zone of the mining lease and the surroundings of the Plant during various stages of operations that could impact/affect their lives. The Company engages in robust focus group discussions with community leaders and local community stakeholders to address different areas of concern and sharing of information.

Dedicated community liaison teams maintain regular and open dialogue with stakeholders, particularly local communities and undertake various community-related initiatives including preferential employment of local people, training and skill-development of locals, promoting and assisting local small businesses and self-help activities.



Consultation with Kammathuru villagers at Community Hall after adoption of Kammathuru village



New CC road from SK Temple to Deogiri work under progress

Based on one such stakeholders consultation, the Company has, in the interest of public, undertaken construction of 35 kilometres of external roads at a cost of ₹ 85 crore to mitigate the impact of dust due to transportation of ores through trucks. The cost of construction of these external roads is being shared by other mining lessees and customers in the region.

Company's sustained efforts in the direction of socio-economic reconstruction and service, over the years, has set the tone and road map for the Company's progressive growth.

#### **4.1 Has the company mapped its internal and external stakeholders? Yes/No**

Yes, the Company has mapped its internal and external stakeholders for the purpose of stakeholder engagements. The key stakeholders include the following:

- (a) Government and Regulatory Authorities;
- (b) Customers;
- (c) Shareholders;
- (d) Employees;
- (e) Local Community; and
- (f) NGO's and other stakeholders.

#### **4.2 Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.**

Yes. The Company engages in robust consultation with local government bodies, people's representatives, district and local Government authorities and surveys to identify the disadvantaged, vulnerable & marginalized stakeholders as beneficiaries for Company's scholarship programmes, health and sanitation programmes like toilet construction, health camps for cancer detection, woman and child care including prevention of child labour, cardiac care, pediatrics, orthopaedics and ENT including specialized eye care.

SMIORE has always been benevolent in providing employment to locals in and around Sandur, Mines and Plant. The Company strives to give proportionate and fair representation to various communities and castes. It endeavours to achieve gender equality and provide more opportunities to girls/women. The Company has also provided employment to many young widows, for them to have a decent life, by introducing lady security guards for taking care of children in the schools supported by the Company. Preference is given to differently-abled and transgender candidates.





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Lady Security Guards



Rural Health Camps by Arogya

### 4.3 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.

SMIORE has consistently done its bit in the welfare of the area and the surrounding villages. Education and Health are the thrust areas in which SMIORE has paid special attention. Some of the noteworthy social service activities of the Company are as follows:

- o Support to educational institutions, Primary Schools, High Schools, Pre-University Colleges and a Polytechnic, which together represent about 5500 students and about 250 teachers.
- o Scholarships for studies to needy and meritorious students.
- o Free Vocational Training for better Employability to local boys and girls in trades such as Electrical Wiring, TV Repair, Welding, Fitting, Plumbing, Carpentry, Masonry, Horticulture and Computer Operation.
- o Aid to Special Training Centre for rural children's education and prevention of child labour. Cash incentives to such parents to leave their children for study in such schools.
- o SMIORE Academy of Teachers Training for teachers.
- o Free mid-day meals for about 1200 school children in neighbouring village schools;
- o Dispensaries and hospitals in employee colonies and also almost a full-fledged hospital in Sandur, with special emphasis on eye care, woman and child care, and regular specialty treatment camps by expert doctors.
- o Free eye camps 3 to 4 times every year. Financial help and arrangement for medical care to patients from poor families suffering from major ailments.

- o Outreach programmes for primary eye and health check-up in the neighbouring villages.
- o Construction of houses for flood affected victims.
- o Contributions for development works in Ballari District.
- o De-silting of lakes around the mines and other locations.
- o Repair and Construction of roads in local areas.
- o Support to the Sandur Kushala Kala Kendra (SKKK) for nurturing traditional art and craft and for creation of opportunities for supplemental income to dependents of employees and local artisans, especially tribal and backward women of the area.
- o A multipurpose hall, Adarsha Community Centre, provided almost free of charge to employees and local population of Sandur, for marriages and other events.
- o Immediate relief to fire accident victims of surrounding villages by way of free cloth, food grains, etc.
- o Medical help to victims of man-animal conflict in Ballari district.

### Principle 5: **Businesses should respect and promote human rights**

#### 5.1 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 upholds fundamental human rights in its human resource practices/ policies while dealing with its direct and indirect employees. Human Rights are a fundamental precept of all Company policies. The Company also mandates its suppliers/contractors etc. to ensure compliance with various applicable labour statutes in respect of their employees/workers.





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The Company caters to the right of the employees to work in just and favourable conditions (safe and healthy) and upholds the dignity of every individual associated with it. Policy on Prevention of Sexual Harassment (POSH) of Company, promotes a free, fair and discrimination free working environment for employees and provides a mechanism for raising concerns and resolution of disputes.

The Company has a 'Quality, Environmental, Occupational Health and Safety Policy'. The Company's Occupational Health & Safety Management Systems are in conformity with the OHSAS 18001:2007 Standards.

### **5.2 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 past financial year.

#### **Principle 6: *Business should respect, protect, and make efforts to restore the environment***

As part of the Reclamation & Rehabilitation (R&R) Plan prescribed by the Indian Council of Forestry Research & Education (ICFRE) as per the orders of the Hon'ble Supreme Court, SMIORE is implementing Supplementary Environment Management Plan (SEMP) at an estimated cost of about ₹71 crore by undertaking (1) Waste Dump Management - consolidation and geo-textile greening, construction of toe walls, retaining walls and gully plugs; (2) Water Flow Management - constructing drains, dams, silt settling and water harvesting pits; and (3) Green Cover Management - plantations and avenue trees.

Environmental impacts throughout the operations is minimized through the adoption of effective environmental management which includes the following elements:

- o Environmental Impact Assessment (EIA) and preparation of Environment Management Plan (EMP) both during mine planning and in the process of implementing projects at the Plant;
- o Economically viable mineral development within the carrying capacity of the Environment
- o Scientific mining with efficiency-increasing technologies, mining and management practices
- o Biodiversity management including mitigating the effects on flora and fauna and preventing pollution of rivers, streams and creeks;
- o Pollution control in respect of airborne contaminants, noise and vibration;

- o Management of hazardous substances including process reagents, oil and fuel;
- o Management of water including that generated during mining operations, mineral handling and processes, ferroalloy operations etc.

Environmental Impact Assessment (EIA) has been carried out and an Environment Management Plan (EMP) prepared for the Mines and the Plant. Through this EIA/EMP Report, an attempt has been made to identify and list all possible aspects, which could generate significant impact on different environmental attributes during various phases of operations and the implementation of the Projects. An Environment Management Cell (EMC) has been set up, which is responsible for ensuring compliance with Environment Management Plans for the Mines and MFA Plant.

EMC undertakes monitoring of the environmental pollution levels by measuring fugitive emissions, ambient air quality, water and effluent quality, noise level etc., either departmentally or by appointing external agencies wherever necessary. In case, the monitored results of environmental pollution are found to exceed the allowable values, the EMC suggests remedial action and ensure that the same are implemented through the concerned officers in-charge of respective operations. EMC coordinates all the related activities such as collection of statistics with respect to the health of workers, population of the region, afforestation and green belt development/plantation.

EMC carries out periodic audits and routinely report to the person heading the Mines/Plant. Further, non-compliances/ infringements of the forest and environment laws, if any, are required to be brought to the notice of the head of the Mines/Plant. The EMC lays down Standard Operating Procedures for implementing the Environment Management Plan and bring to the notice of the Committee any non-compliances/infringements and appropriate remedial measures thereof. EMC prepares half-yearly reports on EC Compliance for submission to the Ministry of Environment, Forests and Climate Change (MOEFCC).

The EMC checks the operation of Pollution Control Equipment, Waste Management, Greenery Management, regular compliance to conditions of Environment Clearance (EC), Forest Clearance (FC), Consent for Establishment (CFE) and Consent for Operation (CFO), maintenance of statutory documents, regular statutory audit and arranges trainings related to Environmental Protection etc.



## *The Sandur Manganese & Iron Ores Limited*

The Company is maintaining a green cover over about 250 hectares in the mining lease area and is in the process of developing green cover over 45 hectares within its MFA Plant by developing and maintaining in-house nurseries with about 2.5 lakh saplings consisting of variety of native species. The MFA plant also has an in-built organic converter where kitchen waste is used to convert into compost for use in the Nursery. The Mines too creates its own compost for its nurseries through vermicomposting.

The MFA plant has created a water reservoir with storage capacity of 25 million liters populated with native species of fishes.

As part of upgradation of the ferroalloy plant and setting up of the new coke oven plant, the Company has also upgraded the entire pollution control equipment to ensure that air and water pollution are well within the prescribed norms. In the Coke Oven project, the Company has decided to store coking coal and coke under covered sheds, thereby, preventing air and water pollution.

With an objective to reduce dust pollution during mining and ore transportation process, the Company has taken up tarring/concreting of 32 kilometres of roads within mining areas and 35 kms of roads outside mining areas. Further, the Company is setting up a Downhill Conveyor System with 300 tonnes per hour capacity to convey sized-ore to one of the railway sidings, thereby eliminating significant truck movements which otherwise would generate dust pollution.

**6.1 Does the policy related to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others**

The policies cover the Company and all its contractors operating within its premises.

**6.2 Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc.? Yes / No. If yes, please give hyperlink for webpage etc.**

Yes. The Company recognizes the need to address the global environmental issues such as climate change, global warming, etc., and endeavours to contribute its utmost to reduce climate change and global warming. Against the statutory requirement to plant 1.11 lakh trees as stipulated under the SEMP, the Company has planted more than 35 lakh saplings with about 70% survival within its mining leases. Also, as against a requirement of 34 Ha of green belt creation as stipulated in the Environmental Clearance for 1 mtpa steel plant, the Company has decided to create 11 ha of additional green belt. These initiatives can be viewed at <https://www.sandurgroup.com/SDF.html>.



*Nursery at Mines*



*Nursery at MFA Plant*

**6.3 Does the Company identify and assess potential environmental risks? Yes / No**

Yes, the Company has defined methods of identifying and assessing potential environmental risks. It carries out Environmental Impact Assessment of operations/ activities to identify impacts on the surrounding environment and initiate mitigation measures accordingly.

EIA for all its mines and industrial activities has been conducted and mitigation measures are being implemented as per the EMPs duly approved by the appropriate authorities. Regular monitoring of environmental parameters is carried out to ensure the effectiveness of the measures implemented and to comply with the CPCB /MOEFCC guidelines. Moreover, Disaster Management Plan (DMP) and Emergency Action Plan (EAP) have also been prepared and implemented for the Plant. The Environment Management Systems at the Mines are in conformity with the ISO 14001:2015 Standard. Environmental monitoring and audits are being carried out both at the Mines and the Plant to check that the environmental management measures are being satisfactorily implemented and are delivering the appropriate level of environmental performance.





## The Sandur Manganese & Iron Ores Limited

The system is being monitored periodically by the regulatory authorities. Further, as per the directions of the Hon'ble Supreme Court, Indian Council of Forestry Research & Education (ICFRE), Dehradun has reviewed the environmental protection measures being adopted by the Company and suggested for improvements in the form of Supplementary Environment Management Plan.

**6.4 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?**

Yes, the Company has taken up upgradation of its entire pollution control equipment to ensure that all emissions from plant operations are well within prescribed norms. Necessary environmental compliance report is filed on quarterly basis with Pollution Control Board.

**6.5 Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc? Yes / No. If yes, please give hyperlink for web page etc.**

Company is targeting to generate its entire requirement of non-production energy from solar energy by installing solar products like water heaters, street lighting systems, home lighting systems, industrial power systems.

During the FY 2019-20, the Company has installed solar based devices with an aggregated installed capacity of 400 kW to replace a part of its total requirement of electricity. The details of these installations are as given below:

Product Description	Total Installed Capacity (KW)
Solar Pumps	33
Solar Power Plants (Commercial)	288
Solar Street Lights	30
Solar Home Lighting System	49
<b>Total</b>	<b>400</b>



Solar water heater system at Deogiri Housing Colony

With a focus to completely eliminate utilisation of thermal coal for power generation for ferro alloys production, the Company has set-up Waste Heat Recovery Boilers and is in the process of commissioning and producing power using waste heat from Coke Oven plant. The Waste Heat Recovery Boiler, which is a co-generation plant as classified by the Government of Karnataka, has potential to generate about 212 mu per annum. Between 20 February 2020 until 26 March 2020, about 9.2 million units (mu) of energy was generated from the flue gases through the WHRB. Further details can be viewed at <https://www.sandurgroup.com/SDF.html>.

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

Yes. All emissions & wastes generated by the Company are monitored on a regular basis and are within permissible limits as specified by CPCB/ SPCB. Also, the returns are filed regularly with the statutory authorities as per requirement.

**6.7 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.**

Nil

Principle 7: **Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner**

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

The Company is member of Federation of Indian Mineral Industries, New Delhi (FIMI) and Indian Ferro Alloy Producers Association, Mumbai (IFAPA), The Associated Chambers of Commerce and Industry of India (ASSOCHAM), New Delhi.

**7.2 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)**

Yes, following are the broad areas:

- o Sustainable Mining Practices;
- o Energy Conservation; and
- o Inclusive Development.

Principle 8: **Businesses should support inclusive growth and equitable development**

For us at The Sandur Manganese & Iron Ores





# The Sandur Manganese & Iron Ores Limited

Limited (SMIORE), reaching out to underprivileged communities is part of our Philosophy and Culture. This entails transcending business interests and grappling with the “quality of life” challenges that underserved communities face, and working towards making a meaningful difference to them.

SMIORE, for close to six decades, has been consciously contributing towards Social improvement and shall continue to have among its objectives the promotion and growth of the society.

The Company's CSR Policy identifies broad areas in which the company will undertake projects and serves as a guiding document to help execute and monitor CSR projects.

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

To support inclusive growth and equitable development, the Company has undertaken the following programmes:

### 1. SMIORE CSR Education Programme:

#### a. Scholarships:

The Company has instituted Sandur Vidya Protsaha Scholarships (SVPS) to help children of needy persons of Sandur and surrounding areas to get better education by giving scholarships, on a merit – cum – means basis. Scholarships for children are given in the below mentioned educational institutions:

- (i) Sandur Residential School, Sandur
- (ii) Sandur Girls Residential School, Vysanakere
- (iii) Sandur Polytechnic, Yeshwanthnagar
- (iv) SMIORE Vyasapuri PU College, Vysanakere
- (v) SMIORE Vyasapuri High School (English Medium), Vysanakere
- (vi) SES Vidyamandir PU College, Sandur

#### b. Prevention of Child Labour

Reimbursement of expenses over and above the Central and State Government Grants, to meet expenses of M. Y. Ghorpade Special Training Centre

### 2. SMIORE Health & Sanitation Programme:

The Company is pursuing its Health and Sanitation Programme by way of construction of toilets (toilet blocks/individual toilets) in villages falling in the buffer zones of the mining lease area and the Plant.

### 3. Community Development

The Company often receives requests for contributions towards various social causes such as drilling borewells, etc. from district and local Government Authorities, Peoples Representatives, and local government bodies.

### 4. Corporate Environment Responsibility

Ministry of Environment, Forest and Climate Change (MOEFCC), Government of India, while according the Environment Clearance (EC) for SMIORE's 1.0 Mtpa Steel Plant in June 2018, has stipulated that an amount equal to 3% of the project cost has to be spent concurrently along with the project implementation towards Enterprise Social Commitment (ESC). The Ministry has since modified ESC as Corporate Environment Responsibility (CER). Under CER, expenditure can be incurred under nine specified heads viz., Rural Sanitation, Provision of Drinking Water Facilities, Supporting Education, Rural Health, Promotion of Sports, Promotion of Cultural and Religious Faith, Roads and Infrastructure, Local Body Recommendation and Support to Forest Development, Environment and Wildlife.

The objectives and spirit of CER is well dovetailed with the ETHOS and VALUES of SMIORE. SMIORE considers CER as an opportunity to serve the local villages rather than fulfillment of any Government stipulated compliance. Even though the approval of MOEFCC for the Project was received in June 2018, SMIORE had started implementation of CER Programme from FY 2017-18 itself, immediately following the Public Hearing for the Project held in July 2017. This clearly demonstrates the commitment of SMIORE towards society.

During the last 3 years (FY 2018, 19 & 20), SMIORE has spent ₹23.4 crore on 90 activities under CER, including construction of 2084 individual toilets. This is in addition to construction of 1000 toilets under the CSR program of SMIORE, thereby achieving a total of over 3000 individual toilets.



Community Toilet Block at Ayyanahalli with Awareness Painting



Danapura – Toilet Block at Government School



## The Sandur Manganese & Iron Ores Limited

### 8.2 Are the programmes / projects undertaken through in- house team / own foundation / external NGO / government structures / any other organisation?

SMIORE CSR Education Programme and SMIORE Health and Sanitation Programme are being implemented through Karnataka Seva Sangha (KSS), a Charitable Trust formed under Indian Trust Act, 1882.

Community Development initiative and other activities undertaken based on stakeholders consultation as part of Corporate Environment Responsibility (CER) is undertaken directly by the Company.

### 8.3 Have you done any impact assessment of your initiative?

Yes, routine impact assessment of the various initiatives is carried out and recommendations/ feedbacks are incorporated towards alignment of our program.

### 8.4 What is your Company's direct contribution to community development projects - Amount in and the details of the projects undertaken?

(In ₹ crore)

Sl. No.	Activities	Amount spent (2019-20)
1	Rural Sanitation	5.48
2	Provision of drinking water facilities	0.30
3	Supporting Education Programme	8.63
4	Rural Health Programme	0.34
5	Promotion of Sports	0.08
6	Promotion of cultural / religious faith	2.08
7	Roads and Infrastructure	1.29
8	As per local body recommendation	1.46
9	Support to forest development, environment and wildlife	0.05
10	Prevention of Child Labour	0.09
	<b>Total</b>	<b>19.80</b>

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

Initiatives in pursuit of this principle of 'inclusive growth and equitable development' are undertaken by the Company in consultation with the stakeholders. The Company has specially appointed personnel with Masters in Social Welfare (MSW) to conduct survey of villages in the vicinity of the mining area and the plant operations to understand the requirement of the villagers. The Company has adopted Kammathuru village and undertaken various infrastructural development activities. The dedicated team of Welfare department not only interacts with the villagers to identify their requirement but also arranges various counselling and awareness programmes to inculcate the habits to change their lifestyle but also for their better

health, safety and development. Consequent to the Company's initiative of participating in the Swacchh Bharat Mission and construction of Public Toilets and the Individual Toilets, many of the villages have been declared to be Open Defecation Free (ODF) and the counselling of the villagers and more particularly the Panchayat Members has resulted in committees being formed in the villages to ensure use of toilets.

Principle 9: **Businesses should engage with and provide value to their customers and consumers in a responsible manner**

### 9.1 What percentage of customer complaints / consumer cases are pending as on the end of financial year

There are no customer cases / complaints pending as on the end of FY 2019-20.

### 9.2 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)

Not applicable as the industry is not governed by any regulations with respect to product labelling.

### 9.3 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?

No

### 9.4 Did your Company carry out any consumer survey / consumer satisfaction trends?

SMIORE periodically conducts a Customer Satisfaction Survey and senior level officers interact with the customers to assess their satisfaction levels about the quality of the goods supplied by the Company. Officers from the Quality Assurance Department visit the premises of the customers to address the grievances, if any.

for and on behalf of the Board of Directors

**T. R. Raghunandan,**  
Chairman  
(DIN:03637265)

Place : Bengaluru  
Date : 31 August 2020