



# Embracing Excellence

Sustainability Report – 2005-06



हिन्दुस्तान पेपर

# HPC Limited

## Introduction

Sustainability is defined by the United Nations as “meeting the needs of the present generation without compromising the ability of the future generations to meet their own needs.” Sustainable development which is considered the path to sustainability – is the simultaneous pursuit of economic prosperity, environmental quality and social equity. Companies that pursue this path are known as sustainable corporate entities

Today’s strategic and operational complexities require a continuous dialogue with all stakeholders. Reporting is a key ingredient to building, sustaining and continuously refining stakeholder engagement. Proactive Reporting can help communicate an organisation’s economic, environmental and social initiatives and challenges in a way far superior to reacting in response to stakeholder information requests.

Sustainability reporting also helps define the corporate entity’s contribution to natural, human, and social capital. It highlights the contribution of the organization to society and to the environment thereby defining the value proposition of the products and services

Hindustan Paper Corporation Limited (HPC) therefore has decided to introduce a Sustainability Report pertaining to FY 2005-06. While framing the Sustainability Report for the first time, HPC has kept in view, broadly, the guidelines developed by Global Reporting Initiative (GRI).

**June 06, 2006**

## Scope of the Report

Contributions of companies are measured along three dimensions i.e. economic, ecological and social which is commonly referred to as “triple bottom line”. HPC’s report describes **the non-financial performance of the Company which has an impact on the society and environment i.e. environmental and social dimensions**. It covers two units of the Company based in Assam i.e. Nagaon Paper Mill, Jagiroad, Dist: Morigaon, Assam and Cachar Paper Mill, Panchgram, Dist. Hailakandi, Assam and not the Subsidiaries. In the FY 2005-06 both the mills have registered 100% capacity utilization and the performance highlights are shown below :

<b>Mills</b>	<b>Production</b>	<b>Sales Turnover (Rs. Crores)</b>	<b>Profitability (PBT)</b>
NPM	106437 MT	338.52 Crore	62.62 Crore
CPM	100631 MT	392.16 Crore	25.34 Crore
<b>TOTAL</b>	<b>207068 MT</b>	<b>730.68 Crore</b>	<b>87.96 Crore</b>

HPC places tremendous emphasis on human capital development and continuously strives to strengthen leadership competencies. This passion for people’s performance is reflected in our Personnel Productivity Indices which is given below :

<b>Particulars</b>	<b>2001- 2002</b>	<b>2002- 2003</b>	<b>2003- 2004</b>	<b>2004- 2005</b>	<b>2005- 2006</b>
Business per employee (t)	123.70	132.34	140.15	135.26	142.76
Turnover per employee (Rs. Lakhs)	18.61	20.72	21.11	19.95	23.34
Value added per employee (Rs.lakhs)	8.15	9.20	10.09	9.14	10.45
Value added per Re. of wage paid (Rs.)	3.35	3.72	4.04	3.50	3.77

In terms of the environment, HPC believes in the significant issues of the industry as a whole – relate to global warming, chemical content in the effluents, etc. At HPC, work to improve the environmental performance of production operation is a continuous commitment.

## Global Compact

The Global Compact – a voluntary initiative of the UN – comprises ten principles grouped into four fields, viz., (i) human rights, (ii) labour, (iii) environment and (iv) anti-corruption. The Global Compact seeks to promote responsible corporate citizenship through the collective action, so that business can be part of the solution to the challenges of globalization. The organization, in this way together with other institutions such as Government, companies, labour and civil society organizations, can help realize the UN's vision : a more sustainable and inclusive global economy.

HPC is a member of the Global Compact and is, therefore, committed to its ten principles.

The report on Environmental Performance and Social Performance are given in the following Chapters

## Chapter – I



### Environmental Performance

#### Environment Protection for a Greener tomorrow

As a responsible and responsive Corporate Citizen, HPC has been constantly contributing to the preservation and maintenance of the ecological balance. The measures being taken are not only path breaking but also beyond the written word.

By implementing the Environmental Protection Policies and keeping high alertness in the activities regarding the environment management, HPC is able to get the support of the public. These activities generate opportunities for employment for the locals and provide them with safe, clean and healthy environment.

HPC units in Assam – Cachar Paper Mill (CPM) in Panchgram and Nagaon Paper Mill (NPM) in Jagiroad – are integrated paper mills producing writing & printing papers using bamboo as the fibrous raw material feedstock. Bamboo is a renewable resource under girding the rural economy; bamboo is harvested/extracted as per silvicultural principles.

Resource conservation has been its motto since commencement of its operation. Raw material consumption has been optimised through process improvement. For Energy

conservation, various measures have been taken resulting in improved specific energy consumption.

HPC subscribes to the philosophy of 4Rs – Reduce, Reuse, Recover and Recycle. Conspicuous Conservation in contradistinction to Conspicuous is the hall-mark of its operations.

The mills use coal as fuel for its Power Boilers for meeting the steam demand for process and captive power plant. Environmental concerns are addressed through an effective Effluent Treatment System where the liquid effluents are treated to maintain the parameters stipulated by the Central & State Pollution Control Boards. Treated effluent is being used for irrigation purpose.

The mills are installing Lime Sludge Reburning Plant as a major initiative for solid waste management. The mills have planned major investments for implementing ECF bleaching to bring down the Adsorbable Organic Halides (AOX) level in effluent as per Corporate Responsibility for Environmental Protection (CREP) guidelines.

## **Energy Conservation Measures**

### **Schemes Implemented at NPM & CPM.**

- In-house Energy Conservation task forces comprising accredited
- Energy Managers have identified schemes for Conservation of Power, Steam, Water etc.
- Centrifugal Air Compressor installed at NPM & CPM.
- Right sizing of equipment drives and installation of variable Frequency
- Drives for various equipments at CPM.

### **Schemes Under Implementation.**

- Installation of Electronic Governor for TG in CPM.
- 50TPH Multifuel FBC Boiler at NPM & CPM.
- Copperised Aluminium Bus Bars at Caustic Chlorine Plant at NPM.

## **Clean Development Mechanism (CDM) – initiation of efforts by HPC**

Based on 1997 Kyoto Protocol to the United Nations Framework Convention on Climate Change (UNFCCC) and with the encouragement of Govt. of India to utilise potential benefits of CDM Projects for harnessing the opportunities opened up by the Protocol, efforts have been initiated by HPC for piloting implementation of a number of Green House Gas (GHG) abatement projects.

## **Farm Forestry Programme**

With a view to establish agro-silvicultural system, increase productivity, ensure sustained raw material availability and uplift economy of local people, HPC has taken up Farm Forestry programme in its mills. Silent features of the schemes are:

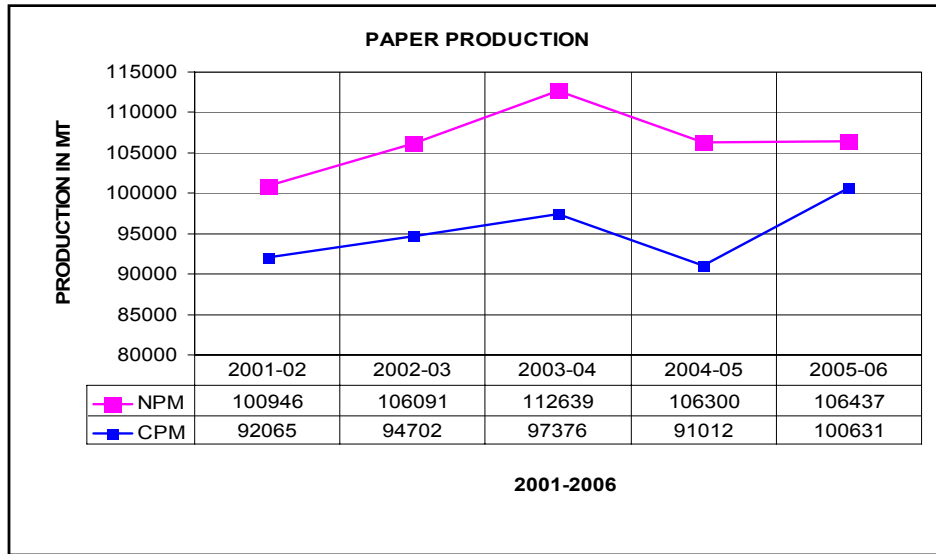
- Raising seedlings of bamboo, Mangium Acacia, Subabul, Eucalyptus etc. for distribution to farmers.
- Pulp wood species selected are eco-friendly, suitable for barren as well as marginal land and can be grown as inter crop.
- Bamboo plantation from Rhizomes and from Tissue Culture Plantlets

The Company has also been distributing bamboo seedling raised, through NGOs/VOs to the farmers for propagation of farm forestry. About 80 lakh seedlings have been distributed during last five years.

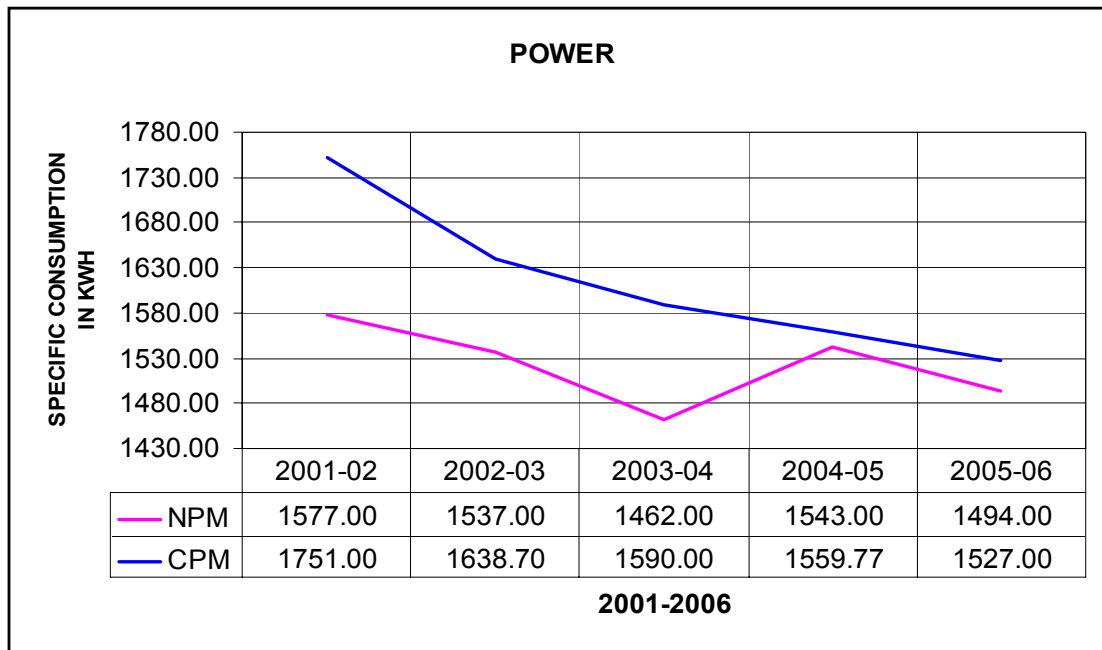
The company has taken action for generating high yielding and quick growing bamboo species developed through tissue culture. HPC is in the process of setting up a Tissue Culture Lab in Assam in association with TIFAC/NMBA with a capacity to generate 2 million plantlets per annum of various bamboo species to meet the demand of Farm Forestry Programme

# Production Performance

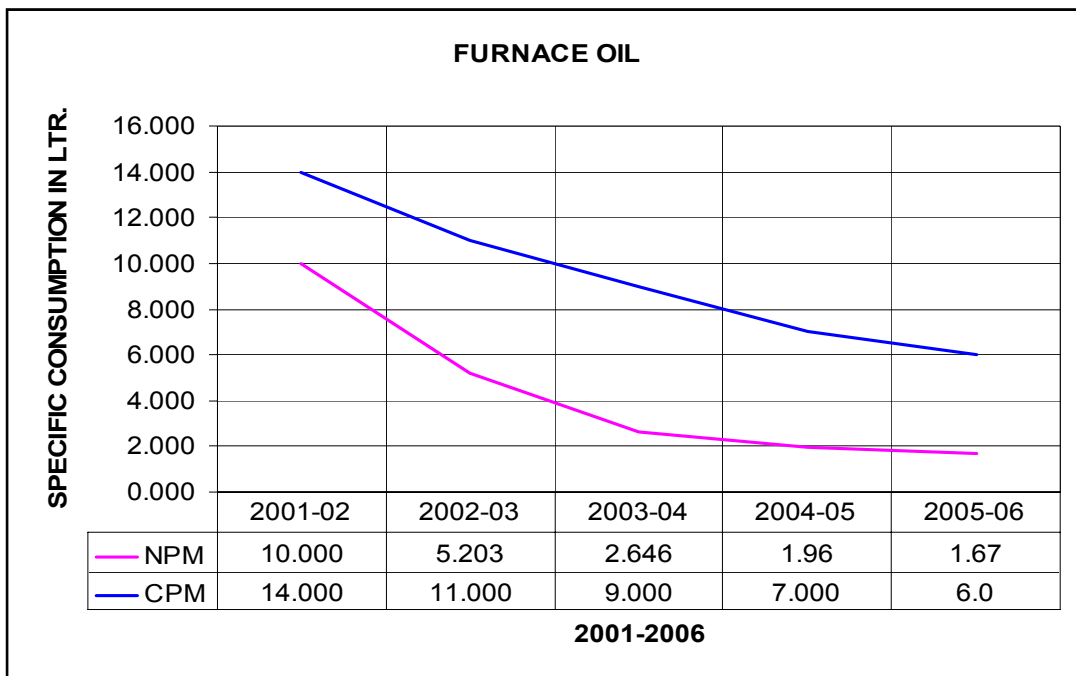
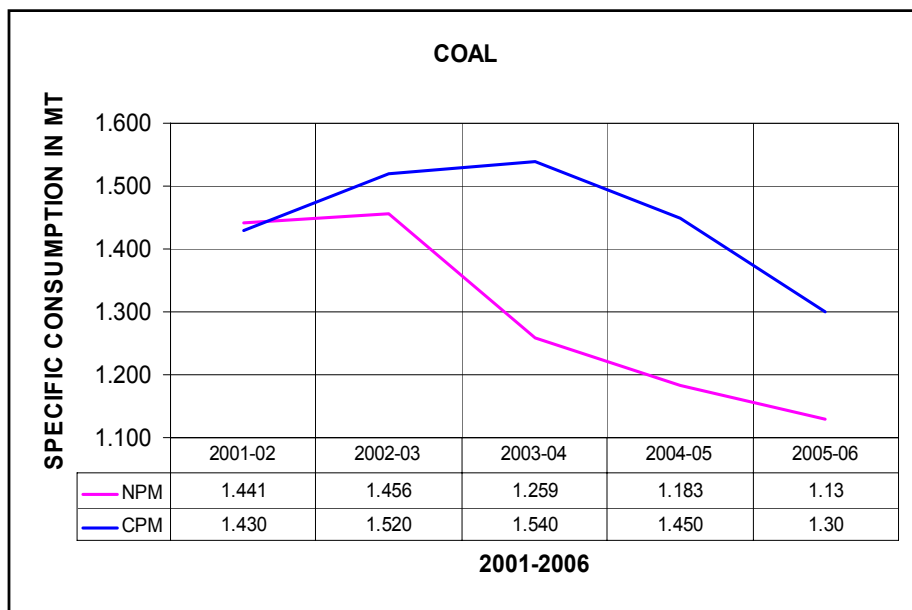
The following chart show substantial improvements achieved by HPC in the field of Energy Conservation.

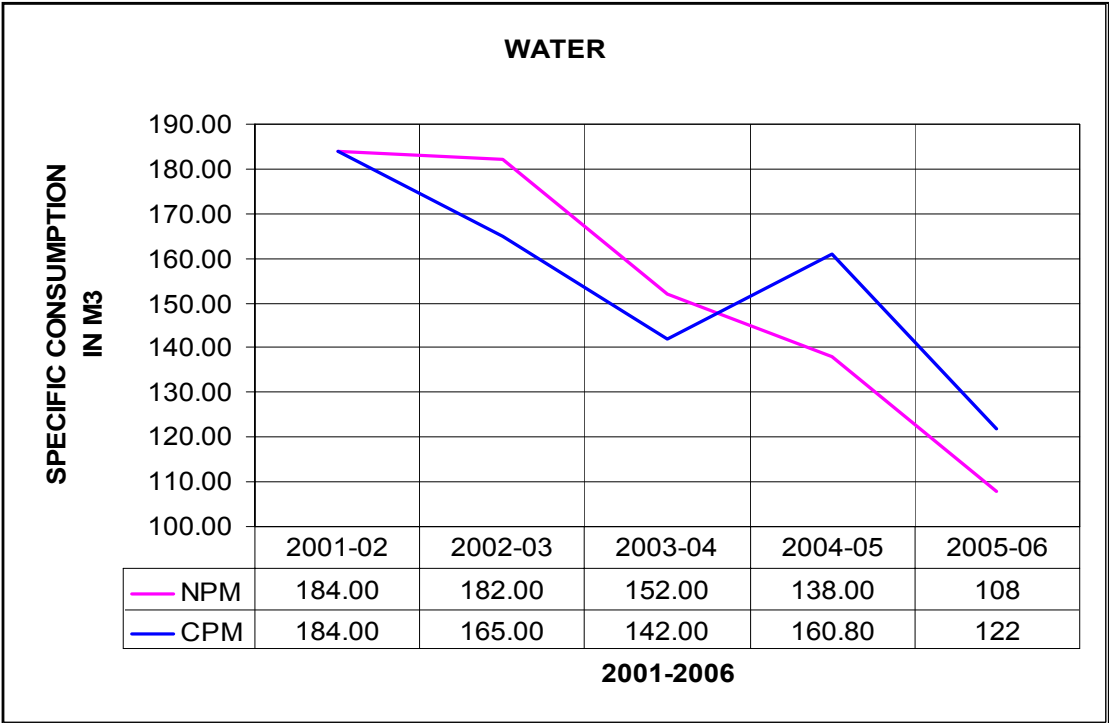
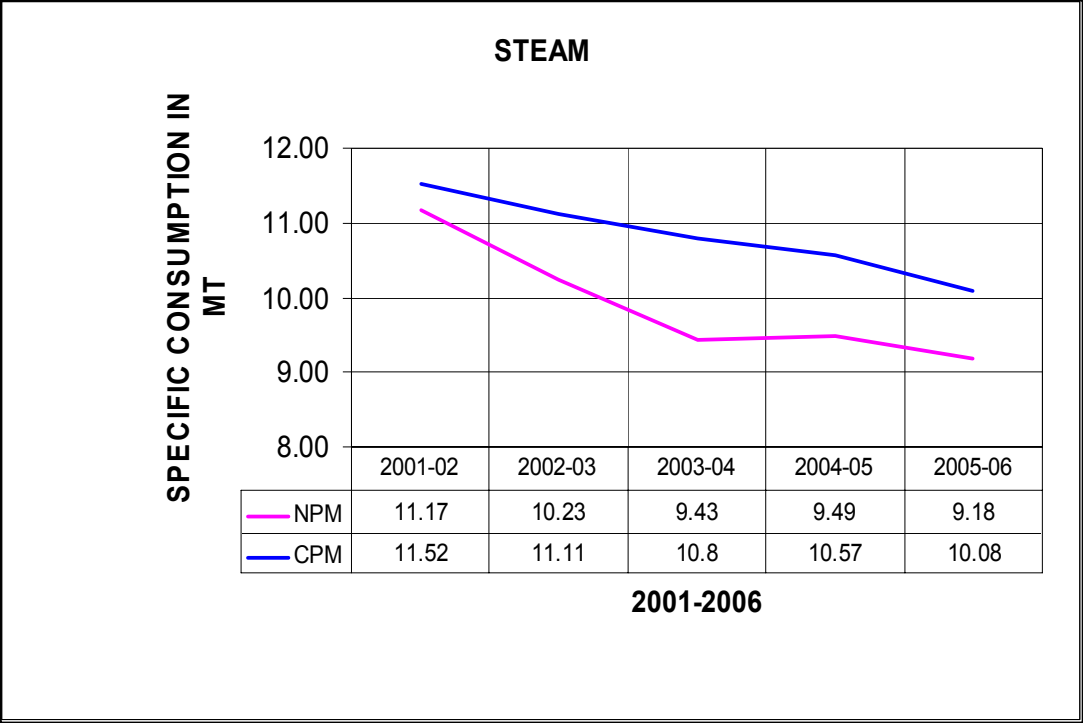


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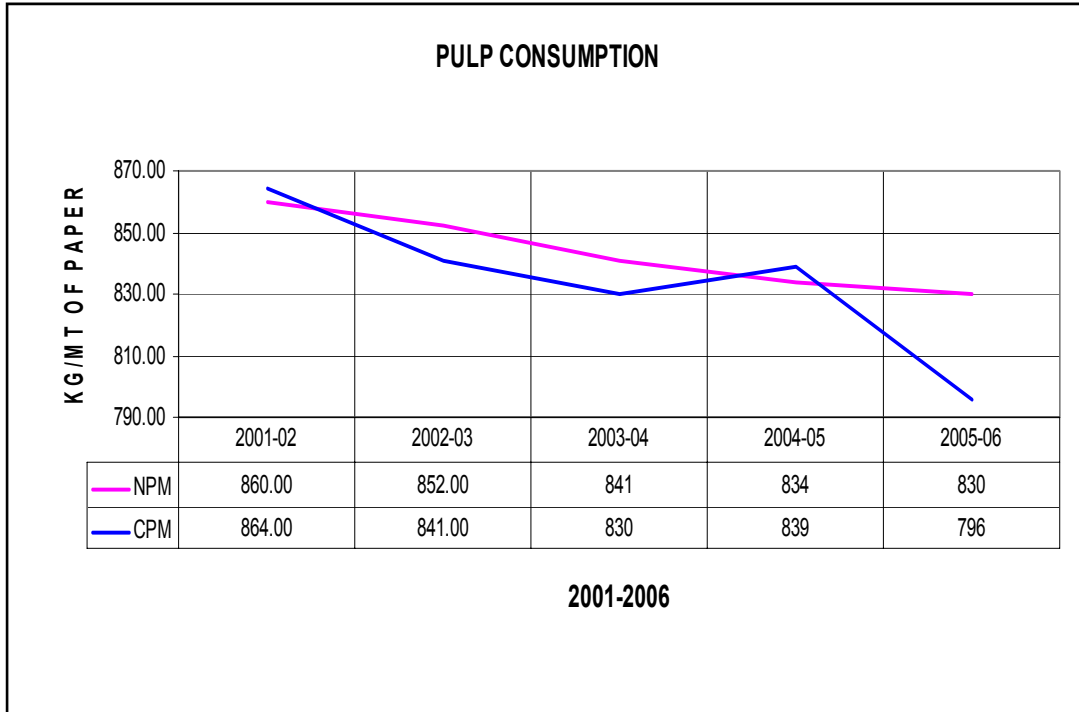




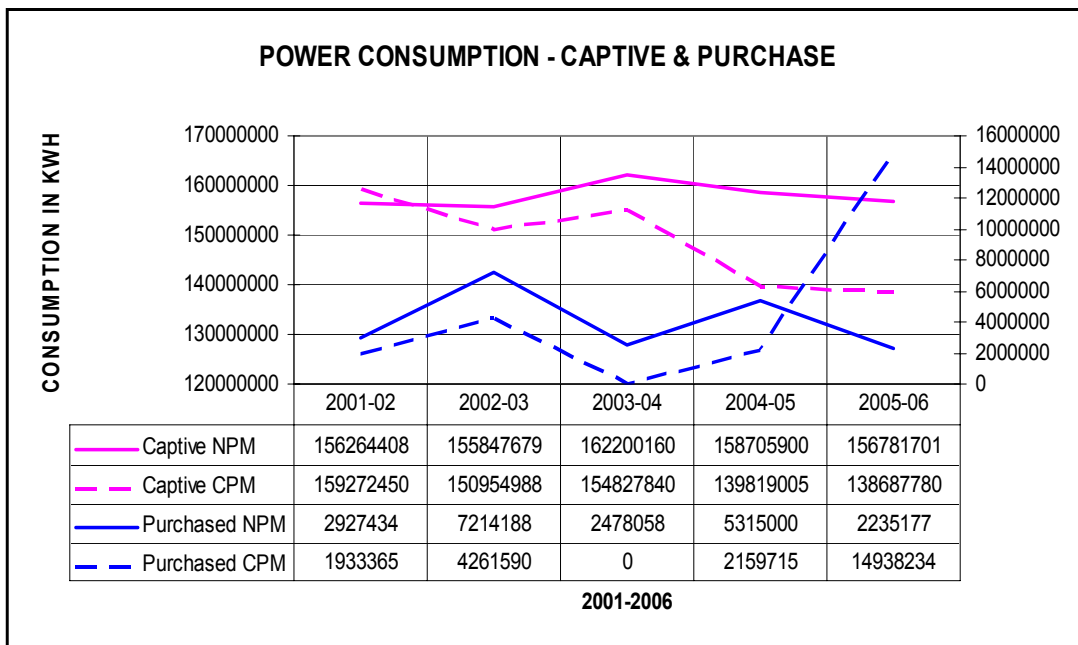




The following chart indicates the results arising out of the process optimization for resource conservation.



The following chart shows that the mills have been relying on its captive power to meet its production demand.



## Chapter - 2



### Social Performance

HPC has been involved in community outreach activities and as a ever-responsive corporate citizen to the social needs and happening in the civinity of the mills, the state(s) where they are located and the Nation as a whole ranging from alleviation of unemployment, relief and rescue operations during natural calamities like floods, tsunami, etc. literary, cultural & sports events to name a few.

HPC is one of the major generators of employment (direct and indirect) in the North Eastern Region. Its two mills, viz., Nagaon Paper Mill located at Jagiroad and Cachar Paper Mill at Panchgram in Assam, directly and indirectly employs about 6000 persons round the clock. HPC, as a responsible corporate citizen, has made remarkable forays in the development and upliftment of under privileged sections of the community in the areas, where HPC's mills operate.

HPC makes a variety of social contributions designed to meet the needs of the region in which it operates. In addition to providing support for cultural activities, the Company also encourages and contributes to educational and welfare facilities in the area.

These activities of the Company have generated tremendous goodwill amongst the local populace.

HPC aims to be an 'Employer of Choice'. In order to achieve this credit, HPC strives to execute the highest quality human resources practices. The emphasis of the company is on attracting and retaining suitable talents. Training programmes, workshops, seminars sponsorship to professional courses and study tours are encouraged by the Company to enhance the competency, update knowledge and skills of its employees. Physically challenged persons have been provided suitable employment, where they can contribute positively. Women employees are given equal opportunities along with their male counterparts in growth and development.

Some of the activities of HPC are enumerated below:

### **Social & Economic Upliftment of the Community**

HPC's emphasis is on the economic upliftment of the community in the villages located around the mills. Instead of providing one-time monetary help, HPC provided financial assistance and helped in constructing small projects, which would provide self-employment and assured steady of income.

The above gesture of the Company has generated confidence among the local people, who were not having a steady assured source of income.

Several families amongst the local community have found gainful employment either directly or indirectly in the mills and in the townships where grocery, consumer, electronic stores, etc have been set up. Such activities of the company have given a fresh lease of life to the local inhabitants.

### **Community Development**

HPC considers community development is a social responsibility and an integral part of our business. HPC has made significant contribution to the development of the local community by encouraging education, sports and cultural activities. HPC has contributed to the construction of roads in the villages and provide safe drinking water.

A brief insight into these activities is provided below:

### **Boost to literacy**

Illiteracy is one of the social evils being faced in the country, especially amongst the under-developed areas of North-East. HPC is making continuous efforts in setting up buildings for schools and colleges as also providing laboratory equipments, free exercise books, computers, etc to the students.

### **Drinking Water**

As the inhabitants of local villages did not have access to clean and safe drinking water, they are afflicted with fatal water-borne diseases. The Company has sunk deep tube wells in several villages to provide safe drinking water to the villages. HPC has also made provisions for supply of drinking water from the Mill to some of the villages in the vicinity of the Mill.

### **Connector Roads**

The villages located at remote areas in the vicinity of the mills were inaccessible due to poor roads. Children in these villages found it very difficult to attend their schools, especially during rainy season. HPC, being a responsible corporate citizen and committed to social development, contributed towards construction of connector roads.

Such social activities of the Company have improved the lives of the villagers. The roads and foot bridges constructed by the Company have made movement easier.

### **Health Care**

As part of the Community out-reach programme, the Company has identified ten villages in the area and organizes Medical Camps. Company's doctors and para-medical staff visit these villages at certain intervals, conduct free medical check-ups and provide necessary treatment. Wherever follow-up treatment is required, the patients are treated at the Company's hospital.

## **Relief Efforts**

HPC responded to several natural disasters not only around the mill areas, but in the country as a whole. The recurrent floods in Assam have unleashed great damage and created havoc. Due to inundation, normal life of the villagers are thrown out of gear. Supporting recovery operations, HPC has donated to Chief Minister's Relief Fund and to local self governments to help and mitigate the sufferings of the local populace. The Company and the employees have also offered succor and support such as medicines, clothes and food items to those affected by the disaster.

Besides, HPC and the employees have always volunteered to extend all sorts of help to those who were affected in natural calamities such as floods, earth quakes, etc, not only in the areas where its mills operate but in other parts of the country also.

## **Economic Empowerment of Women**

HPC's aim to create sustainable income opportunities and gainful employment for women has been met through the women self-help groups in the nearby villages of the mill.

Towards this end, HPC selected three villages, which are predominantly inhabited by economically backward tribal community and set up handloom weaving centres. Women from each village were selected through Mahila Samitees (Women Council) to form a Group to manage and run the Handloom Weaving Centres. HPC constructed three buildings and provided three Looms to each centre. The 'Gamochas' and traditional dress materials, woven by the local women in these Weaving Centres has found ready acceptance in the local market, besides clothes for themselves. The Centres, run by the tribal women has created a positive impact. With this success, HPC plans to provide modern equipments to these Groups so that these cottage industries can produce various household items such as bed covers, table-cloths, etc. HPC has plans to cover three more villages in 2006.

## **Employment of physically challenged persons**

HPC is making efforts to create disability-friendly workplaces that contribute to allowing physically challenged persons to lead independent lives

## **Support to preserve the Heritage and Bio-diversity**

### **Majuli Island**

The island of Majuli – the largest inhabited fresh water river island in the world – in the district of Jorhat (Assam) enjoys the status of a peerless bio-diversity hot spot. Former in the upper reaches of Brahmaputra and situated about 1100 km away from the bay of Bengal, Majuli has a total land area of 880 sq.km. and is 90 mtrs above mean sea level.

The Majuli Island Protection and Development Council (MIPADC), a local NGO is at the forefront of the 'Save Majuli Brigade' to save and protect the bio-diversity of this island. This NGO has submitted a proposal to UNESCO to accord the World Heritage status to Majuli. UNESCO has issued several guidelines for the development of this unique island including engaging NGOs for development work.

The Company's involvement did not end here. With the objective of 'green investment' HPC's Forestry Officials made a study tour to the Island. They found that the island has immense potential for bamboo plantations. Therefore, HPC has started groundwork in educating the local farmers on the benefits to be derived by resorting to the Company's Farm Forestry Scheme (FFS). This is yet one more activity in providing a sustainable benefit and assured source of income to the local inhabitants.

### **Cachari Ruins**

HPC has also involved in maintaining the protected historical monuments situated close to its mills. The ruins of Cachari Kingdom at Khaspur, - about 50 kms away from the mill - which was the capital of Cacharis - a Tibeto-Burman group - who ruled a part of valley of Barak and Brahmaputra during Fifteenth Century AD has been declared as heritage monuments. HPC has committed assistance to National Cultural Fund to help the Archaeological Survey of India to preserve and conserve these monuments and develop the environment.



## **Employee Involvement**

Employee involvement supports the Company's goals & objectives and Community & Social Development activities by providing meaningful opportunities for employees to engage with the communities in the area where they work and also live.

## **Cultural Activities**

Assam is deeply soaked in its rich cultural heritage of the past, which is being religiously preserved by the new generation. The influence of electronic media on the lives of the people has not shaken off the cultural loyalty, which they uphold foremost in their lives. During festive season, such as Bihu, Durga Puja, etc cultural functions are organized and there is tremendous response amongst the employees, their families and local populace. The company has always encouraged the employees to organize such cultural programmes and also provides financial and other assistance. .

Participation in the cultural activities has witnessed a fusion and a meeting point amongst all sections of the community. This has created an invisible bond between the residents of the townships and the villages. The locals eagerly look forward to such occasions for participation and involvement.

The Inter-Unit Cultural Meet held every year in Kolkata on HPC Foundation Day has proved to be a platform for showcasing the cultural, social and artistic heritage of different regions. Besides creating a bond between the employees of various mills, the Company achieves the objective of creating a spirit of cultural exchange, accommodation and understanding, and thus make a definite contribution towards strengthening national integration.

## **International Standards**

Performance of a Company not only depends on the skills and competency of its personnel but also on the systems used to incorporate policies in the company's daily routine, benchmarking the same against the best-in-class parameters.

HPC has integrated all the relevant international management system standards wherever they apply in the organization. These include –

- ISO 9001:2008 (for operational excellence)
- OHSAS 18001:2007 (for work place safety)
- ISO 14001:2004 (for environmental management)

## **Communication**

HPC is committed to disclosing all relevant data and providing our stakeholders with information relating to the company. HPC has, therefore, implemented the 'Right to Information Act'. For details, please visit HPC website – [www.hindpaper.com](http://www.hindpaper.com)