



भारत हेवी इलेक्ट्रिकल्स लिमिटेड Bharat Heavy Electricals Limited

FROM: RAJEEV KALRA, COMPANY SECRETARY,
BHEL, BHEL House, Siri Fort, New Delhi – 110049

TO:

1. BSE LIMITED, MUMBAI
2. NATIONAL STOCK EXCHANGE OF INDIA LTD., MUMBAI

Sub: Business Responsibility & Sustainability Report for the FY 2022-23

Pursuant to Regulation 34 (2)(f) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, please find enclosed copy of the Business Responsibility and Sustainability Report of BHEL for the financial year 2022-23.

Regards,

No. AA/SCY/SEs
Date: 31.07.2023

(Rajeev Kalra)
Company Secretary
shareholderquery@bhel.in

Annexure-V Business Responsibility & Sustainability Report

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L74899DL1964GOI004281
2.	Name of the Listed Entity	BHARAT HEAVY ELECTRICALS LIMITED
3.	Year of incorporation	13 November 1964
4.	Registered office address	BHEL House, Siri Fort, New Delhi – 110049
5.	Corporate address	BHEL House, Siri Fort, New Delhi – 110049
6.	E-mail	shareholderquery@bhel.in
7.	Telephone	011-66337598
8.	Website	www.bhel.com
9.	Financial year for which reporting is being done	FY 2022-23
10.	Name of the Stock Exchange(s) where shares are listed	BSE LIMITED (BSE) AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED (NSE)
11.	Paid-up Capital	₹ 696.41 Crore
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Ajay Saxena (AGM – Corporate Strategic Management), email: ajaysaxena@bhel.in , 011-66337390
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together)	Standalone basis

II. Products/services

14. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacturing (C)	Electrical equipment, General Purpose and Special purpose Machinery & equipment, Transport equipment (C10)	100%

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total contributed Turnover
1	Construction and maintenance of power plants, other than hydro-electric power plants	45207	31%
2	Manufacture of steam or other vapour generating boilers and hot water boilers other than central heating boilers	28131	26%
3	Manufacture of steam engines and turbines	29111	8%
4	Manufacture of transformers of all sizes and types & rewinding of electric motors	31102	7%

S. No.	Product/Service	NIC Code	% of total contributed Turnover
5	Manufacture of electricity distribution and control apparatus [electrical apparatus for switching or protecting electrical circuits (e.g. switches, fuses, voltage limiters, surge suppressors, junction boxes etc.) for a voltage exceeding 1000 volts; similar apparatus (including relays, sockets etc.) for a voltage not exceeding 1000 volts; boards, panels, consoles, cabinets and other bases equipped with two or more of the above apparatus for electricity control or distribution of electricity including power capacitors.]	31200	7%
6	Manufacture of generators/generating sets	31101	4%
7	Manufacture of electric motors : universal AC/DC motors and DC motors or generators	31103	4%
8	Manufacture of other movers n.e.c. hydraulic turbines, water wheels and their regulatory machinery; gas turbines for marine propulsion or for use as prime movers of electric generators or pumps; boiler-turbine set or a stationary steam engine with integral boiler.	29119	3%

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	16	29	45
International	0	1	1

The company has 16 manufacturing units (or plants), 2 repair units, 4 regional offices, 8 service centres, and 15 regional marketing centres. For plant names, Refer 'Pan India Presence'.

17. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	28 (states), 8 (Union Territories)
International (No. of Countries)	88

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Exports contribute approx. 4.86% of total turnover.

c. A brief on types of customers

In domestic market, BHEL customers span across Government - owned and private owned entities. While in International market, BHEL customers include from Government ministries or entities, Parastatal agencies, Independent Power Producers (IPP) and Private companies.

IV. Employees

Refer definitions of 'Employee' under Sec 2 (l) of the Industrial Relations Code, 2020 and 'worker' under Sec 2 (zr) of the Industrial Relations Code, 2020 as per the guidelines of BRSR format. Also refer definition of 'permanent employee', 'permanent worker', 'other than permanent employee' and 'other than permanent worker' in the guidelines of BRSR format.

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	29536	27790	94.09%	1746	5.91%
2.	Other than Permanent (E)	15705	14495	92.3%	1210	7.7%
3.	Total employees (D + E)	45241	42285	93.47%	2956	6.53%
WORKERS						
4.	Permanent (F)	14986	14592	97.37%	394	2.63%
5.	Other than Permanent (G)*	15639	14430	92.27%	1209	7.73%
6.	Total workers (F + G)	30625	29022	94.77%	1603	5.23%

b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	823	801	97.33%	22	2.67%
2.	Other than Permanent (E)	47	33	70.21%	14	29.79%
3.	Total employees (D + E)	870	834	95.86%	36	4.14%
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	401	398	99.25%	3	0.75%
5.	Other than Permanent (G)*	47	33	70.21%	14	29.79%
6.	Total workers (F + G)	448	431	96.21%	17	3.79%

*BHEL awards job/ works contracts to contractors at its various Units/ Divisions/ Departments as per organizational needs. The number of workers with contractors varies from time to time.

19. Participation/ Inclusion/ Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	9	3	33.33%
Key Management Personnel	1	0	0%

Status as on March 31, 2023

20. Turnover rate for permanent employees and workers

	FY 2022-23			FY 2021-22			FY 2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent employee	4.01%	4.97%	4.15%	5.45%	3.77%	5.29%	4.13%	5.28%	5.17%
Permanent worker	3.21%	7.66%	3.41%	3.71%	6.51%	3.78%	6.71%	4.60%	4.65%

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding / subsidiary/ associate companies/ joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	BHEL-GE GAS TURBINE SERVICES P. LTD	Joint Venture	49.99%	No
2.	NTPC BHEL POWER PROJECTS PVT LTD	Joint Venture	50.00%	No
3.	RAICHUR POWER CORPORATION LTD	Joint Venture	22.14%	No

Refer Annexure - IX to the Board Report - Form AOC - I

VI. CSR Details

22. CSR details

- (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: **(Yes/No)**
Yes, CSR is applicable for BHEL
- (ii) Turnover: ₹ 22,136 crore
- (iii) Net worth: ₹ 27,262 crore

VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2022-23			FY 2021-22		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes https://pgportal.gov.in/	218	0	-	253	0	-
Investors (other than shareholders)	No	0	0	-	0	0	-
Shareholders	Yes The contact details provided at www.bhel.com	13	0	-	37	0	-
Employees and workers	Yes (Internal system)	196	175	-	55	32	-
Customers*	Yes (Internal system)	466	219	-	509	173	-
Value Chain Partners	Yes https://suvridha.bhel.in/	92	09	-	68	11	-

* System for consolidating customer complaint is under implementation

Refer Annexure – II to Board’s Report, Corporate Governance, Shareholders committee

Refer Annexure – VIII to Board’s Report, Vigil Mechanism

24. Overview of the entity’s material responsible business conduct issues

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Corporate Governance and business ethics	R	Values/ Ethical behavior is acting in ways that are consistent with how the company views moral principles and values. Not adhering can lead to reputational risks arising due to integrity, inter-personnel relationships at workplace, conflict of interest and inverse impact on business. However, BHEL has strong Corporate Governance framework and exhibits the same by strictly adhering to statutory norms and following the best practices.	BHEL believes in conducting its business in compliance with Corporate Governance procedures and code of conduct, exemplifies each of the core values, favourable outcomes to the customers, attractive opportunities to the employees, opportunity to the suppliers to partner the Company in progress and enrichment of the society. BHEL codes/ procedure are in place such as whistleblower policy, fraud prevention policy, CDA rules etc. Refer Principle 1.	Negative implications
2.	Climate change	R	Reduction in demand for capital good products that emit GHG emissions. The reduction in demand is direct consequence to country level policy changes	Diversifying product portfolio with new products.	Negative implications
3.	Sustainable product & services	O	New business opportunities due to energy transition and climate actions by our customers	-	Positive implications
4.	Skilled manpower	R	New products or business or new ways of operating requires new skill set and competencies	Reskilling of workforce and lateral hiring of required skill sets. Refer Principle 3	Negative implications
5.	Customer satisfaction	R	Delayed deliveries of projects and products resulting into customer dissatisfaction and financial liabilities for the company	Improving customer experience is ingrained in core values of BHEL. Company is changing its operational ideology from being “Revenue Centric” to “Project Centric” supported by Integrated Project Management System for project planning and monitoring.	Negative implications
6.	Health and Safety	R	Managing Safety and Health is an integral part of our business. The hazards and risks at the workplace(s), Project site(s), Shop(s) can cause harm to employees, workers and other stakeholders thereby hampering operations.	Regular HSE related training to employee and workers are provided that including at the induction level as well. Frequent Safety Assessment by HSE Team are conducted. Refer Principle 3	Negative implications

24. Overview of the entity's material responsible business conduct issues (Contd.)

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
7.	Human Rights & Labour conditions	R	Responsibility to identify and manage Human Rights risks in its operations and supply chain and mitigate from adverse risks and consequential damages.	BHEL policies are in line with the principles of Human Rights, the constitution of India and applicable laws. The company has special provisions for ensuring safeguard of women employees at the workplace. The company is one of the founding member of Global Compact network, India (GCNI) and is a part of initiatives in India. Refer Principle 3 and 5	Negative implications
8.	Carbon Footprint	O	Opportunity to utilize energy efficiently, fuel switching viz. use of renewable energy, enhanced green cover, and improved energy efficiency & conservation to address cost reduction and climate change. Refer Principle 6	-	Positive implications
9.	Water and waste management	O	Reduction in impact on the environment by efficiently managing & recycling/ reusing natural resources like water and waste generated during operations	-	Positive implications
10.	Equal opportunity and inclusion	O	Company is an equal opportunity employer and does not discriminate on the basis of gender, race, caste, religion, linguistic, region etc. in recruitment and employment relationship guided by Gov policies leading to a diverse culture and talent	-	Positive implications
11.	Social engagement & impact	O	CSR plays a crucial role in uplifting societies and communities who are vulnerable & marginalized. It also improve company's brand perception; attractiveness to customers, employees, and investors; talent retention; and overall business success.	-	Positive implications

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7*	P8	P9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	N	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	N	Y	Y
c. Web Link of the Policies, if available	Weblinks have been provided wherever applicable								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	N	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	N	N	N	N	N	N	N	N
4. Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	e, f	a, b, c	b, c, e, f	f	e, f	b, d	f	f	a
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	g	50% order book from non-fossil sectors (FY23-27)	g	NA	g	g	NA	g	NA
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Excellent^	42.7% during FY23	100%	NA	100%	100%	NA	100%	NA
Governance, leadership and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)									
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Name: Upinder Singh Matharu# Designation: Director (Power), additional charge (HR) DIN: 0009541886 Telephone: 011- 26001002 Email id: pmgus@bhel.in								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes Name: Upinder Singh Matharu# Designation: Director (Power), additional charge (HR) DIN: 0009541886 Telephone: 011- 26001002 Email id: pmgus@bhel.in								

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
10. Details of Review of NGRBCs by the Company:																		
Performance against above policies and follow up action	Reviews and frequency are provided in Section C of BRSR wherever applicable.																	
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Review and frequency on compliance with statutory requirement are provided in section C of BRSR wherever applicable.																	
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	Policies and procedures of the organization are subject to audits/ reviews during/ by ISO 9001, ISO 14001, ISO 45001, ISO 27001, CAG, Parliamentary Committees, Administrative Ministry, etc.																	

a. ISO 9001; b. ISO 14001; c. ISO 45001; d. ISO 50001; e. ten principles of UNGC on human rights, labour, environment and anti-corruption; f. DPE guidelines; g. compliance with Govt. and statutory guidelines in this context

12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	No	No	No	No	No	No	No	No	No
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	No	No	No	No	No	No	Yes	No	No
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	No	No	No	No	No	No	No	No	No
It is planned to be done in the next financial year (Yes/No)	No	No	No	No	No	No	No	No	No
Any other reason (please specify)	No	No	No	No	No	No	No	No	No

*In respect of Principle 7 referring to Policy Advocacy, although company doesn't have policy but follows established practices based on 'Policy advocacy in responsible manner'

#Held the charge of Director (HR) upto 3rd July 2023. Mr. Krishan Kumar Thakur, Director (HR) is responsible for implementation and oversteer of BRSR w.e.f 4th July 2023.

^Projected rating/grading for FY 2022-23 as per DPE guidelines for Corporate Governance.

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

Principle 1: Ethics, Transparency and Accountability

The company has a Board approved 'Code of Business Conduct & Ethics' for all Board Members and senior management personnel in compliance with the requirements of DPE Guidelines on Corporate Governance for CPSEs and SEBI's Listing Regulations.

<https://www.bhel.com/code-business-conduct-ethics-board-members-senior-management-personnel>

The Board has a laid down charter for the Board of Directors which clearly defines the roles and responsibilities of the Board and individual Directors. Further, the company endeavors to preserve the confidentiality of unpublished price sensitive information and prevent abuse of such information. Towards this, a Board approved policy 'BHEL Code of Conduct for Regulating & Reporting Trading by Designated Persons & their Immediate Relatives and for Fair Disclosure' in line with SEBI (Prohibition of Insider Trading) Regulations - 2015 and Listing Regulations directs that Board members and other Designated Employees of the company have a duty to safeguard the confidentiality of all such information obtained in the course of their work at the company. The code also provides for practices and procedures for fair disclosure of unpublished price sensitive information (UPSI).

<https://www.bhel.com/code-conduct-prevention-insider-trading>

For effective implementation of the Insider Trading Code, an internal operating guidelines has been put in place. A structured digital database containing names of all 'Designated Persons' along with details of additional persons with whom UPSI was shared is in place. Details of initial and continual disclosures are being submitted by these Designated Persons within prescribed timelines. In addition, emails notifying the 'Designated Persons' that they are in possession of UPSI and that they must ensure its confidentiality, is sent simultaneously along with the emails intimating Closure of Trading Window. A separate email is also sent to those persons with whom UPSI is shared by the 'Designated Persons'.

In line with the requirements of DPE Guidelines on Corporate Governance and the Listing Regulations, BHEL provides compliance reports on quarterly basis to MHI and stock exchanges. The audit of the Company's compliance with corporate governance requirements as well as secretarial audit of BHEL's compliance with statutory laws is conducted each year and the said reports form part of the Annual Report of the Company and also been informed to the Stock Exchanges. In compliance with the Listing Regulations, all Board members and senior management personnel affirm annually that they have fully complied with the provisions of

the Code of Business Conduct and Ethics during the relevant financial year and an affirmation to this effect is given by the Chairman & Managing Director in the Annual Report of the Company. For the purpose of the 'Code of Conduct for Regulating & Reporting Trading by Insiders and for Fair Disclosure', Director (Finance) is the compliance officer of the Company. In addition, the Chief Investor Relations Officer of the Company ensures compliance of 'Code of Practice and Procedure for Fair Disclosure'.

In addition, as a part of BHEL's persisting endeavor to set a high standard of conduct for its employees (other than those governed by standing orders), 'BHEL Conduct, Discipline and Appeal Rules, 1975' is in place which are updated periodically. This is augmented by Fraud Prevention Policy and Whistle Blower Policy which not only arms the company against unacceptable practices but also acts as a deterrent. The Company is subject to RTI Act 2005, audit by Statutory Auditors and CAG audit under section 139 of the Companies Act, 2013.

<https://www.bhel.com/bhel-fraud-prevention-policy-0>

<https://www.bhel.com/whistle-blower-policy-0>

In the area of business dealings with vendors and customers, BHEL has signed an MoU with Transparency International India (TII) to adopt 'Integrity Pact' to make procurement and contracting more transparent by binding both the parties to ethical conduct. A panel of three Independent External Monitors (IEMs) has been appointed to oversee implementation of Integrity Pact in BHEL, with due approval of Central Vigilance Commission. Within BHEL, accountability is well defined for various functionaries through 'Delegation of Power'. Works Policy, Purchase Policy and other policy documents facilitate transparency in BHEL's working and commitment of highest order of integrity. To enhance transparency, visibility and accountability in procurement further, BHEL has scaled up its procurements through digital platform viz. Government e-Marketplace (GeM) from ₹30 lakh in FY 2018-19 to ₹6,189 Crore in FY 2022-23. In addition, Internal Audit carries out independent audit of purchase/works contracts.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

BHEL conducts several training programmes for its employees and Directors. These training programmes are curated based on the requirement and include several topics (which in some form covers the nine principles) within a program.

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by awareness programmes
Board of Directors	4	Specific Roles and Responsibilities of an Independent Director, Effectiveness in Board Meetings, Role of Board Level Committees and Decision Making, Business Familiarization	100%
Key Managerial Personnel (other than Board of directors)	2	The topics covered were Social Audit, POSH & Labour Law, which are part of the legal framework under which the Company operates.	100%
Employees other than BoD and KMPs	1537	Technical, functional, safety, managerial & behavioral topics in line with nine principles	70.6%
Workers	1537		45.9%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

There were no fines/ penalties/punishment/ award/ compounding fees/ settlement amount of material nature paid in proceedings by the directors/ KMPs to regulators/ law enforcement agencies/ judicial institutions during FY 2022-23.

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed-

Not Applicable

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes, BHEL has a policy for anti-corruption and anti-bribery. As a part of BHEL's persisting endeavor to set a high standard of conduct for its employees (other than those governed by standing orders), 'BHEL Conduct, Discipline and Appeal Rules, 1975' is in place which are updated periodically. This is augmented by Fraud Prevention Policy and Whistle Blower Policy which not only arm the company against unacceptable

practices but also act as a deterrent. The Company is subject to RTI Act 2005, audit by Statutory Auditors and CAG audit under section 139 of the Companies Act, 2013.

<https://www.bhel.com/bhel-fraud-prevention-policy-0>

<https://www.bhel.com/whistle-blower-policy-0>

In the area of business dealings with vendors and customers, BHEL has signed an MoU with Transparency International India (TII) to adopt 'Integrity Pact' to make procurement and contracting more transparent by binding both the parties to ethical conduct. A panel of three Independent External Monitors (IEMs) has been appointed to oversee implementation of Integrity Pact in BHEL, with due approval of Central Vigilance Commission. Within BHEL, accountability is well defined for various functionaries through 'Delegation of Power'. Works Policy, Purchase Policy and other policy documents facilitate transparency in BHEL's working and commitment of highest order of integrity. In addition, Internal Audit carries out independent audit of purchase/ works contracts.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2022-23	FY 2021-22
Directors	0	0
KMPs	0	0
Employees	4	1
Workers	0	0

6. Details of complaints with regard to conflict of interest:

	FY 2022-23		FY 2021-22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	--	0	--
Number of complaints received in relation to issues of Conflict of Interest of the KMPs (other than directors)	0	--	0	--

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest-

Refer Annexure - VIII to the Board' Report, Vigil Mechanism

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
33	<ol style="list-style-type: none"> Awareness on Public Procurement Policy for Micro and Small Enterprises (MSEs) – Order for MSEs (issued by Ministry of MSME-Gol) Online supplier registration portal Government-e-Marketplace (GeM) BHEL General Conditions of Contract BHEL SAMVAAD with domestic industry to identify local sources 	20%

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes, the Company has a legal framework in place to avoid/ manage conflict of interests involving members of the Board.

The Companies Act, 2013 and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 have detailed provisions which require the Directors of the Board to disclose their concern or interest (including their shareholding) in any company (ies)/ bodies corporate/ firms/ other association of individuals, periodically as well as whenever there is any change in the disclosures already made. In this regard, the Directors also submit a certificate to the Board stating that they do not have any conflict of interest with regard to the business of the Company on account of their concern/ interest and whenever any such conflict/ interest arises they shall promptly inform the same to the Board.

Apart from this, the Company's Board has approved a 'Code of Business Conduct & Ethics for all Board Members and Senior Management Personnel'. The Code encompasses (i) General

Moral Imperatives (ii) Specific Professional Responsibilities as well as (iii) Specific Additional Provisions for Board Members and Senior Management Personnel. In addition, for the purpose of clearly defining the roles and responsibilities of the Board and individual Directors and to enable the Board to effectively perform its role, the Board has laid down a Charter of the Board of Directors.

Further to these processes which are in place to avoid/ manage conflict of interests involving members of the Board, the Independent Directors on the Board are required to comply with certain additional provisions viz., submission of declaration of their independence (i.e. they meet the criteria of independence & that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge his duties with an objective independent judgment & without any external influence) and compliance with Schedule IV of the Companies Act which inter-alia provides for (i) Guidelines of professional conduct (ii) Role & functions and (iii) Duties for Independent Directors.

Principle 2: Product lifecycle sustainability

BHEL is contributing to a greener environment through development of environment friendly technologies and improvement in efficiency of equipment. Continuous improvement in power cycle efficiency and reduced emissions from coal based power plants have been achieved over the time by evolution of technology from sub-critical to supercritical. Attributes of BHEL supplied power plant equipment such as lower auxiliary power consumption, higher plant efficiency, lower design heat rate and higher operating availability help in attaining lower life cycle cost.

BHEL provides comprehensive solutions for reducing emissions through supply and commissioning of Flue-gas Desulphurization (FGD) systems, Selective Catalytic Reduction (SCR) systems, Solar Photovoltaic plants, Electrostatic Precipitators (ESP). BHEL has developed fully indigenous Pressurized Fluidized Bed Gasification (PFBG) technology for generating syngas from high ash Indian Coal. The syngas further acts as a feed for production of industrial chemicals. There is also conscious effort towards reduction of embodied carbon in products. Company has opted to replace polluting fuels with cleaner ones, e.g., gas is now used as a source of heat energy (instead of coal earlier) during production of products like ceralin, and has also converted furnaces to RLNG from LPG at its manufacturing plants.

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	FY 2022-23	FY 2021-22	Details
R&D	3.59%	2.24%	More than 50 developmental projects were taken up
Capex	10%	2%	Major expenditure reported as : 5 MWp Solar Photovoltaic (SPV) Power Plant at BHEL, Regenerative Burner commissioned for bringing in energy savings and expenditure for SCR (Selective catalytic reduction) catalyst technology.

Refer Annexure- VI to Board Report and Annexure-VII to the Board Report

- 2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)
- b. If yes, what percentage of inputs were sourced sustainably?

Yes, BHEL has implemented e-procurement/ GeM as business improvement and sustainable business practice. Also supplier registration is done in online mode only. BHEL sources varied input material and component from several of its value chain partners which are certified and compliant with standards such as ISO 14001, ISO 45001 etc.

100% of our inputs are sourced sustainably.

- 3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

BHEL products fall under capital goods category where product life goes beyond 25 years in majority of cases. The market requirement is for extension of the life of products or systems through process of refurbishments. After end of desired life of capital goods, they become unfit for reuse and hence being disposed as scrap by owner of the capital good products.

- 4. Whether Extended Producer Responsibility (EPR) is applicable to the entity’s activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Extended Producer Responsibility (EPR) is not applicable to BHEL’s activities.

Leadership Indicators

- 1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

No, company has not conducted Life Cycle Assessments for products.

- 2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Not applicable

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Company's manufacturing processes generate fair amount of metal scrap, however engineering measures are taken to minimize waste generation. The scrap subsequently undergoes recycling within the company and is reused. For example, Central Foundry Forge Plant (CFFP) in Haridwar manufactures Steel Forgings and Castings for which steel scrap is a major raw material. Reusable material is also used in packaging manufactured goods. Where possible, goods are supplied in specifically designed crates to project sites, where the crate material is reused during construction.

The value of such recycled/reused items is not being captured at the moment.

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

BHEL's business is B2B in nature and products/ systems we supply fall under capital goods category with long lifecycle (25 years and beyond). All the associated packaging material for supplies become the property of our customers that spread across the country and abroad. In this given situation, it is not feasible to reclaim the product (end of life) or packaging material from the customer.

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

As explained in point 4 (previous point).

Principle 3: Employees' well-being

BHEL has been a frontrunner in the area of human resource management. The guiding principle for company's Human

Resource Management policy is to ensure availability of competent, motivated and effectively contributing human resources and to facilitate achievement of their full potential at all times to realize organizational goals. Company has documented HRM policies and rules in the form of a 'Personnel Manual' to ensure transparency and uniformity of implementation for regulating employment relationship, career growth/ development and employees' emoluments/ benefits, healthcare and well-being. These policies are further complemented by a grievance redressal mechanism through two schemes – one for workers and other for staff & officers. A grievance for the purpose of the scheme means a grievance relating to any individual employee arising out of the implementation of Company policies/rules or Management Decisions. Both these schemes provide for three-tier resolution. Defined timelines are laid down for resolution of grievance at each stage. Besides, an appellate mechanism is also provided under the scheme, in the case of grievance redressal scheme for staff & officers which an aggrieved employee can approach in case he/she is not satisfied with the resolution of the grievance.

BHEL has a Health, Safety & Environment (HSE) policy which underlies the commitment of the organization to provide safe and healthy work environment to all its employees as well as other stakeholders giving due consideration for the safeguard of environment. The policy conforms to the requirements of ISO 14001 & ISO 45001 management system certification standards and can be accessed through the link <https://www.bhel.com/sites/default/files/HSEPOLICY.pdf>. HSE cells at all units/ divisions implement this policy and Corporate HSE department provides strategic guidance related to HSE matters at organization level. The HSE policy is prominently displayed at all workplaces to create awareness amongst the employees and other stakeholders about the same and is also translated into local language. Periodic audits by internal as well as external agencies are carried out to ensure the effectiveness of ISO 14001 and ISO 45001 management systems implemented at workplaces which

include the working of the policy and its critical elements.

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	27790	27790	100%	27790	100%	0	0	27790	100%	0	0
Female	1746	1746	100%	1746	100%	1746	100%	0	0	1746	100%
Total	29536	29536	100%	29536	100%	1746	5.91%	27790	94.09%	1746	5.91%
Other than Permanent employees*											
Male	14495	14430	99.55%	14430	99.55%	0	0.00%	0	0.00%	0	0.00%
Female	1210	1209	99.92%	1209	99.92%	1209	99.92%	0	0.00%	167	13.80%
Total	15705	15639	99.58%	15639	99.58%	1209	7.7%	0	0.00%	167	1.06%

BHEL extends medical facility to its employees and their dependents. The facility is extended to its employees/ spouse on superannuation/ death as well. Day care facilities are also extended in several premises including BHEL's manufacturing plants.

*For 'other than permanent employees' BHEL extends reimbursement of premium on Medical Insurance/ Accident Insurance in case of Consultants/ FTA.

b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent workers											
Male	14592	14592	100%	14592	100%	0	0	14592	100%	0	0
Female	394	394	100%	394	100%	394	100%	0	0	394	100%
Total	14986	14986	100%	14986	100%	394	2.63%	14592	97.37%	394	2.63%
Other than Permanent workers											
Male	14430	14430	100%	14430	100%	0	0.00%	0	0.00%	0	0.00%
Female	1209	1209	100%	1209	100%	1209	100%	0	0.00%	167	13.81%
Total	15639	15639	100%	15639	100%	1209	7.7%	0	0.00%	167	1.07%

BHEL extends medical facility to its employees and their dependents. The facility is extended to its employees/ spouse on superannuation/ death as well. Day care facilities are also extended in several premises including BHEL's manufacturing plants. In case of 'other than permanent workers', insurance is inbuilt in the Works contract.

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2022-23			FY 2021-22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	Y	100%	100%	Y
ESI *	-	-	-	-	-	-
Others (BHEL Pension scheme)	100%	100%	NA	100%	100%	NA

As a retirement benefit apart from PF and Gratuity, all employees and workers are also covered under BHEL pension scheme.

* ESI is not applicable as BHEL extends medical facility scheme to all employees.

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, BHEL's premises and office are accessible to differently abled employees and workers. The structural modifications and other changes (in policies, etc.) are made in accordance to the requirements of the Rights of Persons with Disabilities Act, 2016.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, the company takes affirmative action in recruitment and promotion for representation of employees from socio-economically backward sections of society, minorities, disabled personnel and women as mandated by the Govt. of India. The company is an equal opportunity employer and does not discriminate on the basis of gender, race, caste, religion, linguistic, region etc. in recruitment and employment relationship.

In case of an employee made to retire on medical grounds prematurely, provisions of The Persons with Disabilities (Equal Opportunities, Protection of Rights and Full Participation) Act, are kept in consideration. Additionally, Transfer and Job Rotation policy is inline with Government guidelines for the transfers of PwD employees.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	100%	100%	100%
Female	100%	100%	100%	100%
Total	100%	100%	100%	100%

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

There is a well laid out grievance redressal mechanism through two schemes – one for workers and other for staff & officers. A grievance for the purpose of the scheme means a grievance relating to any individual employee arising out of the implementation of Company policies/rules or Management Decisions. Both these schemes provide for three-tier resolution. Defined timelines are laid down for resolution of grievance at each stage. Besides, an appellate mechanism is also provided under the scheme, in the case of grievance redressal scheme for staff & officers, which an aggrieved employee can approach in case he/she is not

satisfied with the resolution of the grievance. For 'other than permanent employees/ worker' the grievances are settled on case to case basis or through the contractors as the case may be.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes
Other than Permanent Workers	Yes
Permanent Employees	Yes
Other than Permanent Employees	Yes

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2022-23			FY 2021-22		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) Or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	29536	29536	100.00%	30758	30758	100.00%
- Male	27790	27790	100.00%	28925	28925	100.00%
- Female	1746	1746	100.00%	1833	1833	100.00%
Total Permanent Workers	14986	14986	100.00%	15720	15720	100.00%
- Male	14592	14592	100.00%	15305	15305	100.00%
- Female	394	394	100.00%	415	415	100.00%

BHEL has 29 participative trade unions represented in the apex level bipartite body, namely the Joint Committee for discussing workers' and Company's interest related issues based on the principle of participative management.

All three categories of employees viz. Executives, Supervisors and Workers are represented by their respective associations/ trade unions. However, since there is no check-off facility to ascertain the exact membership of executive/ supervisor associations and workers' unions, a firm number in respect of the three classes of employees is not available.

8. Details of training given to employees and workers:

Category	FY 2022-23					FY 2021-22				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F / D)
Employees										
Male	27790	3869	13.9%	12182	43.8%	28925	2060	7.1%	6884	23.8%
Female	1746	452	25.9%	1029	58.9%	1833	289	15.8%	851	46.4%
Total	29536	4321	14.6%	13211	44.7%	30758	2349	7.6%	7735	25.1%
Workers										
Male	14592	1462	10.0%	4031	27.6%	15305	1461	9.5%	3192	20.9%
Female	394	128	32.5%	168	42.6%	415	40	9.6%	133	32.0%
Total	14986	1590	10.6%	4199	28.0%	15720	1501	9.5%	3325	21.2%

9. Details of performance and career development reviews of employees and worker:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	27990	27990	100%	28925	28925	100%
Female	1746	1746	100%	1833	1833	100%
Total	29736	29736	100%	30758	30758	100%
Workers						
Male	14592	14592	100%	15305	15305	100%
Female	394	394	100%	415	415	100%
Total	14986	14986	100%	15720	15720	100%

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes, OHSMS is implemented across the company. Each and every employee of the company is covered under the Occupational Health and Safety Management System and the system is applicable at all the work places.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Company has strong systems / processes to identify the work-related hazards and assess risks on routine and non-routine basis. A few are listed below:

HIRA (Hazard Identification and Risk Assessment) – All our units are following HIRA for identifying the risks. Respective formats are available and this document is reviewed yearly for any changes required.

JSA (Job Safety Analysis) – JSA is a procedure of analyzing jobs for the specific purpose of finding the hazards in each step in the job and developing the safety precautions to be adopted. This is done at the stage of planning for job / process.

Method Statement – It outlines the safe way of performing a specific job or accomplishing a project and ensure that necessary precautions or control measures are communicated to those involved. A method statement provides evidence that significant health & safety risks have been identified and there are safety systems in place.

c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks.

(Y/N)

Yes, a process is in place for workers to report work related hazards and to remove themselves from such risks. There is a system to record the Unsafe Act and Unsafe Condition online / offline modes. Workers are trained to observe any of such work-related hazards and inform the same through the mode available at their respective work premises. Further, systems are established to reduce/eliminate all these hazards and risks.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services?

Safety Incident/Number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0	0
Total recordable work-related injuries	Employees	0	0
	Workers	47	46
No. of fatalities	Employees	0	0
	Workers	2	3
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	45	43

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

BHEL strongly believes in providing safe work place and safe environment to all its employees and people we work with. It shows our commitment to develop safety and sustainability culture through active leadership and by ensuring availability of required resources.

BHEL conducted HSE Trainings / Expert Talks / Webinars on regular basis for their employees and sub-contractors' employees. In addition to the structured trainings to spread awareness for safe work place, a special campaign was celebrated uniformly across the organization, as "BHEL Safety Fortnight-2023" starting from National Safety Day (4th March - 17th March, 2023). Other HSE campaigns were also organized on large scale i.e. Environment Awareness Month (5th June – 30th June, 2022), Swachhta Pakhwada (16th – 31st August 2022), etc. To involve the higher-level management participation, innovative inter-unit competitions other than other competitions were organized in these campaigns.

BHEL's is taking every effort to increase its safety performance and environmental enrichment. In view of the same, digital HSE systems have been developed. These systems will help to get the data online and increase the efficiency of analysis of the HSE data.

(Yes/ No)

Yes, employees and workers have access to non-occupational medical and healthcare services offered through company operated health care facilities as well as external healthcare facilities which are compensated suitably as per the company policy.

11. Details of safety related incidents, in the following format:

13. Number of Complaints on the following made by employees and workers:

No complaints have been received for 'Working conditions' and 'Health & Safety'. Systems are in place at respective premises of BHEL for registering unsafe conditions related to safety. The same is addressed promptly by concerned departments and it is a continuous ongoing process.

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

Root Cause Analysis (RCA) are conducted for all the safety-related incidences and suitable corrective actions are taken. Safety inspections and Safety audits are also being done periodically. Corrective actions are being taken for all the observations given by the auditors (internal as well as external).

Leadership Indicators

- Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).**

Yes, BHEL extends life insurance or compensatory package to employees as well as workers in the event of death.

- Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.**

BHEL's value chain partners come under PF act and ESI act which makes them liable to deposit statutory dues. Service contract between BHEL and service provider contains clause on 'payment terms' for necessary statutory payment like PF, ESI etc. While making payments against services rendered, BHEL verifies necessary documents and ensures that deposits of statutory dues like PF, ESI etc. of workers are made by the contractors.

- Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

Nil. There are no eligible cases in respect of employees and worker affected by high consequence work related injury/ ill-health/ fatalities during FY 2022-23 and FY 2021-22 presented by BHEL Units or Establishment or from next of kin of the employee, seeking any form of compassionate employment.

	Total no. of affected employees/ workers		No. of employees/ workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Employees	0	0	0	0
Workers	0	0	0	0

- Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)**

Yes, BHEL provides transition assistance to facilitate continued employability and the management of career endings resulting from retirement or termination.

- Details on assessment of value chain partners:**

All of the BHEL's value chain partners comes under relevant labour laws and acts. Because of which both central and state labour department conduct periodic inspections in related to Health and Safety practices and working conditions at the premise of value chain partners. Any gaps identified are suitability addressed by the partners.

- Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

Refer point 5 (previous point).

Principle 4: Stakeholder engagement

BHEL has identified 'Customers', 'Employees', 'Shareholders', 'Value chain partners' and 'Society' as its stakeholders. Processes are in place to ensure inclusion of stakeholder expectations and concerns. Key issues are identified through stakeholder engagement and addressed by programmes or action plans with clear and measurable targets. BHEL units regularly organize vendor meets specifically for MSEs (including local suppliers) towards capacity and capability building, which also provides opportunities for open communication, mutual benefit and support. Customers are engaged through several modes like customer meets, surveys. Investor community is engaged through meetings, conferences, publications etc and is provided with relevant information pertaining to their investment decisions.

BHEL has identified the disadvantaged, vulnerable & marginalized stakeholders in the vicinity of the BHEL manufacturing units / regions / divisions / sites / offices and their concerns are addressed as per BHEL's CSR Policy which is in compliance with section 135 & Schedule VII of the Companies Act 2013 and rules made thereunder as well as DPE Guidelines on CSR & Sustainability for CPSEs.

https://www.bhel.com/sites/default/files/BHEL_CSR_Policy_2022.pdf

Essential Indicators

- Describe the processes for identifying key stakeholder groups of the entity.**

Stakeholders which directly or indirectly impact BHEL's

revenue earning capability, its ability to share benefits are identified as key stakeholders. As an example, suppliers or value chain partners are stakeholders w.r.t procurement and they are identified against registration process and also through pre-qualification requirements in open tenders.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community, Meetings, Notice Board, Website), Others	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders	No	Email, Newspaper Advertisement, Disclosure available on Stock Exchanges & BHEL Website	Engagement is done on Quarterly, Half yearly & Annual basis as well as whenever the event occurs	All material events affecting the Company as well as disclosures required under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015
Suppliers	No	Email, Advertisement, Vendor meets, website etc.	Regular	To make suppliers aware of: <ul style="list-style-type: none"> Public Procurement Policy (Preference to Make in India) MSMED Act Import substitution Participating in tenders issued on GeM portal Lodging and tracking grievances on BHEL's grievance redressal portal, SUVIDHA BHEL's quality objectives
Employees	No	Email, Monthly Newsletter, Notice Boards, Intranet Websites, Shop Floor, Shop Council, Plant Council and Joint Council Meetings	Monthly	Sharing monthly progress of the company and the business verticals, targets, achievements and department/section level concerns etc
Customers	No	Email, Advertisement, telephone calls, meetings, website etc	Regular	Assessment of customer needs, their requirement vis-à-vis existing capital good assets, complaints resolution, business enquiries etc
Communities	Yes	Meetings, local NGOs	Case-to-case basis	Assessing their problems that lead to their vulnerability and which hold back in attaining better standard of living

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The most important forum for the shareholders of BHEL to have access to the Board of Directors is the Annual General Meeting of the Company. During these meetings, shareholders get opportunity to raise various queries regarding the performance, strategies and outlook of the Company. They share their grievances as well as provide valuable feedback regarding improvements in the Company performance, not only from a business perspective but also on critical economic, environmental and social topics/ areas.

BHEL value chain partners have access to Independent External Monitors (IEMs), who are nominated by CVC for consultation. They also can share their issues with Vigilance function of company during vendor meets etc. The supplier feedback received through such channels are shared during interactions with top management of BHEL.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes. Stakeholders have provided their support to various environmental & social endeavors of BHEL viz., indigenization

of various items under "AatmaNirbhar Bharat", utilization of solar energy & water harvesting capacity in BHEL's factories & project sites, empowerment of woman employees etc. Supplier feedback received during interactions are taken care like benefits of MSEs through waiver of EMD, purchase preference etc.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalized stakeholder groups.

For underprivileged section of the community, BHEL spend on CSR projects after baseline survey is conducted by local NGOs. These local NGOs during their baseline surveys engage with communities and understand their needs and problems.

Principle 5: Human rights

BHEL policies are in line with the principles of Human Rights, The Constitution of India, and applicable laws. BHEL has special provisions for ensuring safeguard of women employees at the workplace.

BHEL is one of the founding member of Global Compact Network, India (GCNI) and is a part of initiatives in India. The company reports its performance on ten principles of UNGC on annual basis since 2001 through Communication on Progress (CoP) which include BHEL's commitment towards upholding the principles of UNGC. This CoP can be accessed through the webpage:

<https://www.bhel.com/commitment-ungc-programme>

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees workers covered (D)	% (D / C)
Employees						
Permanent	29536	3332	11.3%	30758	686	2.2%
Other than permanent	15638	534	3.41%	15620	0	0%
Total Employees	45174	3866	8.56%	46378	686	1.5%
Workers						
Permanent	14986	1083	7.2%	15720	205	1.3%
Other than permanent	15638	534	3.41%	15620	0	0%
Total Workers	30624	1617	5.3%	31340	205	0.65%

Note: For company policy related program, only HR policy related are considered here

2. Details of minimum wages paid to employees and workers, in the following format:

Category Total (A)	FY 2022-23					FY 2021-22				
	Equal to Minimum Wage		More than Minimum Wage		Total	Equal to Minimum Wage		More than Minimum Wage		
	No. (B)	% (B / A)	No. (C)	% (C / A)	Nos. (D)	No. (E)	% (E / D)	No. (F)	% (F / D)	
Employees										
Permanent	29536	0	0	29536	100%	30758	0	0	30758	100%
Male	27790	0	0	27790	100%	28925	0	0	28925	100%
Female	1746	0	0	1746	100%	1833	0	0	1833	100%
Other than Permanent	15705	6225	39.64%	9480	60.36%	15324	6916	45.13%	8408	54.87%
Male	14495	5778	39.86%	8717	60.14%	13791	6264	45.42%	7527	54.58%
Female	1210	447	36.94%	763	63.06%	1533	652	42.53%	881	57.47%
Workers										
Permanent	14986	0	0	14986	100%	15720	0	0	15720	100%
Male	14592	0	0	14592	100%	15305	0	0	15305	100%
Female	394	0	0	394	100%	415	0	0	415	100%
Other than Permanent	15639	6225	39.80%	9414	60.20%	15260	6916	45.32%	1644	10.77%
Male	14430	5778	40.04%	8652	59.96%	13728	6264	45.63%	7464	54.37%
Female	1209	447	36.97%	762	63.03%	1532	652	42.56%	880	57.44%

3. Details of remuneration/salary/wages, in the following format:

Salary/ wage structure of BHEL employee and workers are set as per the guidelines of DPE.

	Number	Male	Female
		Median remuneration/ salary/ wages of respective category	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)*^	4	₹ 55,00,000	1 ₹ 55,00,000
Key Managerial Personnel^	1	₹ 47,00,000	0 0
Employees other than BoD and KMP^	27785	₹ 14,00,000	1745 ₹ 21,00,000
Workers^	14592	₹ 11,00,000	394 ₹ 12,00,000

*Independent Directors are not considered. Total sitting fees paid to Independent Directors was ₹ 26,00,000 in FY 2022-23. Median sitting fees paid to Independent Director was ₹ 5,30,000 in FY 2022-23.

^Payments are excluding PP/SIP/PRP and reimbursements. Data pertains to employees on rolls as on 31 March 2023.

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes. Grievance Redressal officers are there in each BHEL premise for addressing human rights issues.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

There is a formal well laid out grievance redressal mechanism related to human rights issues. The mechanism provides for three-

tier resolution. First stage with Controlling Officer, second stage with Head of the Department, third stage with Grievance Redressal Committee

6. Number of Complaints on the following made by employees and workers:

	FY 2022-23		FY 2021-22	
	Filed during the year	Pending resolution at the end of year	Filed during the year	Pending resolution at the end of year
Sexual Harassment	0	0	3	3
Discrimination at workplace	0	0	0	0
Child Labour	0	0	0	0
Forced Labour/ Involuntary Labour	0	0	0	0
Wages	0	0	0	0
Other human rights related issues	0	0	0	0

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

As a preventive step, identity of complainant is known only to Internal Complaints Committee and is protected. All meetings in the Enquiry (Complainant and Respondent) are never done face to face.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes, human rights requirement forms a part of business agreement or contract. The service contracts between BHEL and service provider contain a clause, meeting human rights requirement like child labour, minimum wages etc.

9. Assessments for the year:

All BHEL premises are periodically inspected by central and state labour departments, PF and ESI departments and other government institutions or department for the compliance related to relevant law/ act/ statute and identifying gaps.

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

No significant risk/ concern was identified.

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

Upholding of Human Rights is central to the Company's value

system and it strives to support, protect and promote human rights to ensure that fair and ethical business and employment practices are followed. The company is committed to provide a safe inclusive environment for one and all, irrespective of the caste, colour, religion, gender, divyangjan etc. The same is ensured in company's policies, procedures and practices.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

Plants and offices are assessed periodically during the preventive/ statutory audit for ensuring compliance with all the Statutory laws/ Regulatory requirement and rules made thereunder. The company also conduct training programs/ sensitization sessions for its employees and trainees including apprentices on the subject.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes. Refer Principle 3, Essential Indicator no. 3.

4. Details on assessment of value chain partners:

Value chain partners of BHEL are assessed on Human Rights criteria by virtue of them coming under labor related laws/ acts/ statutes and these are assessed or inspected by relevant Govt department/ institution.

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Not applicable

Principle 6: Environment

BHEL has a well-established Environmental Management System (EMS) accredited to ISO 14001. Based on the corporate HSE policy, all manufacturing units and regions have derived their HSE systems in line with the requirement of ISO 14001 'Environmental Management System' standard. The EMS provides an excellent framework to proactively identify and manage the risks related to environment in a systematic manner. HSE cells at all BHEL units as well as Power Sector regions oversee the implementation of HSE policy supported by Corporate HSE department at apex level to provide strategic guidance. Periodic audits are carried out by the certifying body to ensure the compliance to the EMS and requirements of ISO 14001 are met. The company's HSE policy is available on the internet and can be accessed through the web link:

<https://www.bhel.com/sites/default/files/HSEPOLICY.pdf>

BHEL has now undertaken a major initiative for "Making BHEL a Green Company" as a contribution to India's commitment of Net Zero by 2070.

Refer Annexure – VII to the Board's Report, 7.1 Conservation of Energy

Refer Annexure – IV to the Board's Report, 4.2 Making BHEL a Green Company

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2022-23	FY 2021-22
Total electricity consumption (A) (in Giga Joules)	893815	759595
Total fuel consumption (B) (in Giga Joules)	1758770	1929497
Energy consumption through other sources (C) (in Giga Joules)	107216	97812
Total energy consumption (A+B+C) (in Giga Joules)	2759801	2786904
Energy intensity per rupee of turnover (in kilo Joule per Rs. Of turnover) (Total energy consumption/ turnover in rupees)	12.47	13.855
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

Rise in electricity consumption is due to increase production activity during FY 2022-23 against FY 2021-22.

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No assessment/ evaluation/ assurance has been carried out by any external agency.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

None of the BHEL facilities has been identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme.

Refer Annexure – VII to the Board's Report, 7.1 Conservation of Energy

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	5407690	6107432
(iii) Third party water	12961712	13795524
(iv) Seawater / desalinated water	0	0

Parameter	FY 2022-23	FY 2021-22
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	18369402	19902956
Total volume of water consumption (in kilolitres)	18369402	19902956
Water intensity per rupee of turnover (Water consumed / turnover – Litre per Rs.)	0.083	0.098
Water intensity (optional) – the relevant metric may be selected by the entity	--	--

No assessment/ evaluation/ assurance has been carried out by any external agency. Data for FY 2021-22 has been recast.

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes. As a responsible corporate citizen, BHEL has set up 16 Sewage Treatment Plants & 22 Effluent treatment Plants to ensure that the water which is discharged from our premises conform to the effluent standards as per the statutory requirement and its quantity is minimized to the extent feasible. In this regard, 10 numbers of our manufacturing units have been declared as zero liquid discharge entities and remaining are in the process of achieving the same. Treated effluent/sewage is used for horticulture inside the manufacturing plant and township.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Unit	FY 2022-23	FY 2021-22
NOx	Metric Tonne	136.59	144.50
SOx	Metric Tonne	164.28	160.84
Particulate Matters (PM)	Metric Tonne	344.00	338.91
Persistent organic pollutants (POC)	Metric Tonne	0	0
Volatile organic compounds (VOC)	Metric Tonne	5.17	5.6
Hazardous air pollutants (HAP)	Metric Tonne	9.40	8.45
Others – Carbon Monoxide	Metric Tonne	0.024	0.023

Increase in emission of SOx, PM and HAP is due to increase production activity during FY 2022-23 against FY 2021-22.

Air emissions are assessed by external agencies such as

Advance Environment Testing & Research Lab, Gwalior; Tamil Nadu Pollution Control Board, Vellore; PCRI Haridwar; Hubert Enviro Care System (P) Ltd, Chennai; M/s Evergreen Solutions System Pvt. Ltd., Bengaluru etc. Data for FY 2021-22 has been recast.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	115744	126295
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	233385	198339
Total Scope 1 and Scope 2 emissions per rupee of turnover	g of CO ₂ equivalent per rupee	1.58	1.61
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	-	-	-

Rise in scope 2 emission is due to increase production activity during FY 2022-23 against FY 2021-22.

No assessment/ evaluation/ assurance has been carried out by any external agency. Data for FY 2021-22 has been recast.

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Yes. BHEL has set up nearly 34.895 MWp of capacity of Solar Power plants including rooftop ones which has helped the organization in reducing its electricity consumption. This large-scale solarisation has helped us in carbon footprint avoidance to the tune of 26,964 MTCO₂-equivalent during FY 2022-23.

Energy conservation projects are taken up each year at our units to reduce the energy consumption and thereby reducing the carbon emission associated with electricity consumption.

Refer Annexure – IV to the Board’s Report, 4.1.2 Energy Management

Refer Annexure – IV to the Board’s Report, 4.1.4 Carbon Management

Refer Annexure – VII to the Board’s Report, 7.1 Conservation of Energy

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2022-23	FY 2021-22
Total Waste generated (in metric tonnes)		
Plastic waste (A)	68.98	47.36
E-waste (B)	42.17	77.90
Bio-medical waste (C)	6.51	9.13
Construction and demolition waste (D)	0	0
Battery waste (E)	88.10	77.25
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)	1278.90	1308.82
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	45944.15	42494.96
Total (A+B + C + D + E + F + G + H)*	47428.81	44015.42
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	94.06	91.14
(ii) Re-used	669.37	797.22
(iii) Other recovery operations	0	0
Total	763.44	886.36
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	6.92	1.044
(ii) Landfilling	1359.29	2875.99
(iii) Other disposal operations	27615.08	23745.98
Total	28981.29	26623.01

In the table, Plastic waste, e-waste and battery waste reflects the quantity disposed during the year to authorized agency. Other disposal operations include the data for sale of the scrap through e-auction/ other means to external agencies

for its recycle/reuse/recovery as well. After considerable amount of scrap is accumulated, it is sold to the agency for final disposal. No assessment/ evaluation/ assurance has been carried out by any external agency. Data for FY 2021-22 has been recast.

*Due to increase in production activity, total waste generated during FY2022-23 has gone up.

Refer Annexure – IV to the Board’s Report, 4.1.3 Responsible Material & Natural Consumption

Refer Annexure – IV to the Board’s Report, 4.1.3 Water and Biodiversity Management

Refer Annexure – IV to the Board’s Report, 4.2 Waste Management

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

In our manufacturing activity, reduction of waste generation is taken as a very important activity and our nesting plan for cutting of metal sheet is made in such a way to take care of this aspect. However, once the scrap is generated, it is either used in the local foundry shop for making castings/ forgings or sent to CFFP Haridwar / authorized recycler for melting into the furnace for avoidance of new raw material consumption.

Across BHEL, solid wastes/ scrap having resale value were collected, segregated, stored and sold to authorized recyclers. Some of it not having any resale value is used for filling up low lying areas. Hazardous wastes/ e-waste are disposed of as per the stipulations in the relevant statutes.

The hazardous waste generated at units are disposed as per the regulatory requirement and necessary records for scrutiny of authority is duly maintained. Hazardous waste which can be used outside is sent to authorized recyclers. Rest of the hazardous waste which is to be incinerated or buried in secured landfill is sent to Treatment Storage and Disposal Facility (TSDF) of their respective states for ultimate disposal of such hazardous wastes.

Refer Annexure – IV to the Board’s Report, 4.1.1 Responsible Material & Natural Consumption

Refer Annexure – IV to the Board’s Report, 4.1.3 Water and Biodiversity Management

Refer Annexure – IV to the Board’s Report, 4.1.5 Waste Management

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where

environmental approvals / clearances are required, please specify details in the following format:

Not applicable

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Not applicable

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes, BHEL is compliant with the applicable environmental law/ regulations/ guidelines in India

Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 2022-23	FY 2021-22
From renewable sources (in Giga Joules)		
Total electricity consumption (A)	107216	97812
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C)	107216	97812
From non-renewable sources (in Giga Joules)		
Total electricity consumption (D)	893815	759595
Total fuel consumption (E)	1758771	1929497
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F) (in Giga Joules)	2652586	2689092

No independent assessment/ evaluation/assurance was carried out by an external agency

2. Provide the following details related to water discharged:

There are 16 Sewage Treatment Plants (STP) and 22 Effluent Treatment Plants (ETP) and Oxidation Ponds established

at our manufacturing units which give the desired level of treatment to sewage/ trade effluent generated.

Parameter	FY 2022-23	FY 2021-22
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(ii) To Groundwater	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iii) To Seawater	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iv) Sent to third-parties	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(v) Others	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	106680	87272
Total water discharged (in kilolitres)*	106680	87272

* Treated effluent discharge increased in FY 2022-23 as one of the insulator unit has increased its production activity and hence associated effluent discharge.

No independent assessment / evaluation / assurance was carried out by an external agency. Data for FY 2021-22 has been recasted.

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

Not applicable

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

At many energy intensive manufacturing units, we have switched over from usage of LPG to RLNG which is being supplied through the pipeline. In this way, we are avoiding scope-3 emissions associated with transportation of the fuel to that extent. Our employees are also encouraged to use car pool to save energy and avoid Scope-3 emissions.

These are some of the ways BHEL is trying to reduce Scope-3 emissions. However, it is not quantified at the moment.

No independent assessment/ evaluation/assurance was carried out by an external agency.

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not applicable

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1.	Upgradation from conventional to regenerative burners-based combustion system at CFFP Haridwar	Not available	Potential annual electricity savings of 6.63 Million units
2.	Green Construction using Bamboo and bottom ash at project sites of NTPC Kahalgaon FGD and NTPC Talcher	Not available	Significant reduction in cost to the tune of 5-10% in concrete production through reduction of cement content in RMC.

As a responsible global citizen, the organization acknowledges the relation between Green House Gas (GHG) emissions and climate change. To address this global challenge, BHEL has been putting efforts in reducing carbon footprint of its products and services, thereby enabling the customers to generate power in a sustainable manner with



reduced environmental footprints over the life cycle of the plant. In internal operations also, the organization is putting a major thrust in energy efficiency and use of renewable energy sources. The company has established a total of approx. 34.895 MWp of Solar Photo Voltaic (ground mounted and roof-top) plants at various BHEL locations which have helped company in making its energy mix more sustainable. Company's inventory of renewable application also includes solar water heaters, solar street lighting etc. The Company has also taken a number of projects related to water and energy conservation, tree plantation, waste management, resource conservation, etc.

Refer Annexure – IV to the Board's Report, Sustainability Performance – Environment

Refer Annexure – VII to the Board's Report, Conservation of Energy

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Yes, BHEL has a business continuity and disaster management plan. Same was acted upon during COVID-19 outbreak. Business continuity plan and/ or disaster management plan were not published on internet.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

No significant impact came to notice.

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.

Nine affiliations

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Indian Electrical and Electronics Manufacturers' Association (IEEMA)	National
2	Engineering Export Promotion Council of India (EEPC)	National
3	Project Exports Promotion Council of India (PEPC)	National
4	Confederation of Indian Industry (CII)	National
5	Federation of Indian Chambers of Commerce & Industry (FICCI)	National
6	Associated Chambers of Commerce and Industry of India (ASSOCHAM)	National
7	Standing Conference of Public Enterprises (SCOPE)	National
8	United Nations Global Compact India Network	National
9	PHD Chamber of Commerce and Industry	International

Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

100% of value chain partners were assessed for environmental impact.

Principle 7: Policy advocacy

BHEL is a member of reputed industrial bodies/ chambers. BHEL uses various mechanisms of interaction with such bodies (e.g. participation in seminars, Council meetings and participation in working groups etc.) for putting forth its views and opinions in matter related to policy. Company's interests are represented via inputs to government queries, knowledge sharing, response to surveys, feedback on industry needs, formulation/ inputs on government policies like Make in India, Atmanirbhar Bharat, Fiscal budget, Foreign trade, Export Promotion etc.

The company's views are also presented in various inter-governmental forums such as Joint Commission Economic Corporation (JCEC), Joint Engineering Committee (JEC), Joint Trade Committee (JTC), Joint Steering Committee (JSC), Joint Working Group (JWG), etc. to facilitate international trade and collaboration. Company also interacts with government bodies like MHI, DPE, DIPP, NITI Aayog and submits inputs/ suggestions towards policy formulation.

on adverse orders from regulatory authorities.

No instance of anti-competitive conduct by BHEL has been raised

Leadership Indicators

1. Details of public policy positions advocated by the entity:

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly/ Others – please specify)	Web Link, if available
1.	To boost (i) Digital Adoption, (ii) PSE@2047, (iii) Model Framework for Green PSEs- Green Manufacturing and approach towards Net Zero carbon, (iv) Ease of Doing Business for PSEs with MSMEs, etc.	Through representations/ Council meetings with Industrial Bodies viz. CII, FICCI, ASSOCHAM, SCOPE etc.	No	--	--
2.	Facilitation of international trade and collaboration	Through representations in various inter-governmental forums such as Joint Commission Economic Corporation (JCEC), Joint Engineering Committee (JEC), Joint Trade Committee (JTC), Joint Steering Committee (JSC), Joint Working Group (JWG), etc.	No	--	--
3.	To boost Capital Goods Sector, Development of Indian Power Sector, Atmanirbhar Bharat initiatives, FTAs etc.	Through interaction with Government Ministries viz. MHI, MoP etc.	No	--	--
4.	Inputs on matters such as Customs, Export promotion & Export incentives	Pre-budget memorandum for Budget 2023-24	No	-	-

Principle 8: Inclusive growth

BHEL has a well-structured organizational set-up, policy & procedures through which various CSR programmes are implemented. The CSR policy has identified several activities from Schedule-VII of the Companies Act, 2013 as its thrust areas. The seven thrust areas defined in CSR Policy are: Clean India, Green India, Healthy India, Heritage India, Inclusive India, Educated India and Responsible India. The policy is hosted on website link https://www.bhel.com/sites/default/files/BHEL_CSR_Policy_2022.pdf and is fully in conformance with requirements of Section 135 of the Companies Act 2013.

The policy is implemented through a three-tier structure at the corporate level (Board level committee on CSR, Level-1 committee & Level-2 Committee for screening and approval of proposals) along with unit level CSR Committee. Company supports numerous social initiatives across the country targeting poor, needy and economically weaker sections of society through specialized agencies such as NGOs, govt. agencies etc. in line with the CSR Policy. BHEL has undertaken several CSR

initiatives in the field of health, education, Swachh Bharat, environment protection, vocational training, skill development programmes, infrastructure development and community development programmes, which ultimately contributed to holistic welfare and inclusive growth of the society. CSR projects are closely monitored and supervised with an objective to provide maximum benefits to the society and to ensure fruitfulness of the initiatives undertaken

In supply chain, BHEL has been supporting Micro and Small Enterprises (MSEs) as they tend to employ a larger share of the vulnerable sectors of the workforce; such as women, youth, and people from poorer households. Company has around 6000 registered MSEs catering to its various Units/ Plants / Divisions. MSEs represent approx. 30% of the supplier base of BHEL. As mandated in the Public Procurement Policy for Micro and Small Enterprises (MSEs) Amendment Order, 2018 (issued by the Ministry of MSME, Government of India), more than 25% of BHEL's total procurement has been made from MSEs in the past few years.

During FY 2022-23, total procurement of goods and services from MSEs stand at 32.6%, from SC/ ST MSEs at 0.06% and from women owned MSEs at 0.41%. Together SC/ ST MSEs and women MSEs constitute less than 2% of total registered suppliers. The low procurement shares of SC/ ST MSEs and women MSEs are due to the fact that participations of these type of entities in BHEL tenders are low and moreover such supplier entities many times do not declare their category status in the tenders/ MSE Certificate despite provision being available in the Udyam Registration Certificate.

Further, BHEL has on-boarded itself on the Trade Receivables Discounting System (TReDS) platform to support MSEs. Programs are in place to encourage MSE suppliers to use TReDS platform wherein they can avail early payments by discounting their bills. During FY 2022-23, the acceptance/ rejection of invoices of Goods & Services by BHEL through TReDS was at 100%.

During the last two years, BHEL has enhanced its procurement through Government e-Marketplace (GeM). During FY 2022-23, 58.94% of company's goods and services have been procured through GeM.

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Not applicable

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Not applicable

3. Describe the mechanisms to receive and redress grievances of the community.

Community raises their grievances through Centralised Public Grievance Redress and Monitoring System (CPGRAMS)/ Public Grievance Portal which are then assigned to Public Grievance Officer in BHEL.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/ small producers	32.6%	29%
Sourced directly from within the district and neighbouring districts	10%	10%

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Not applicable

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

Amount spent on CSR projects in designated aspirational districts during FY 2022-23 are

S. No.	State	Aspirational District	Amount Spent (in ₹ Lakh)
1	Uttarakhand	Haridwar	33.60
2	Odisha	Kandhamal	25.17
3	Pan India	Pan India	31.28

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized / vulnerable groups? (Yes/No)

Yes

(b) From which marginalized / vulnerable groups do you procure?

Company has been supporting Micro and Small Enterprises (MSEs) as they tend to employ a larger share of the vulnerable sectors of the workforce, such as women, youth, and people from poorer households. Regular Vendor Meets and Supplier development programs are being organized by BHEL units, specifically for MSEs (including local suppliers) as well as specific to SC/STs, which serve as a platform for identification of needs and formulation of action plan for mutual benefits. Further, preferences as mandated in the Public Procurement Policy for Micro and Small Enterprises (MSEs) Order for MSEs (issued by Ministry of MSME-Gol), are followed.

(c) What percentage of total procurement (by value) does it constitute?

BHEL procured 32.6% of its procurement from MSMEs in FY 2022-23.

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year) based on traditional knowledge:

Company does not own or acquired intellectual property based on traditional knowledge. However, company has invested in Research & Development in the field of engineering which has yielded intellectual properties owned by BHEL. During FY2022-23, BHEL has filed 503 patent & Copyrights.

The revenue (benefit) earned by BHEL from patents & copyrights cannot be quantified in isolation as these patents & copyrights result out of the processes, technologies & products development. These IPRs result into competitiveness of BHEL products and expand product offerings. It also provides technological edge for long-term benefit and secure the business interests of the company. Approx. 19% of the company’s revenue has been achieved from its in-house developed products, systems and services.

Refer Annexure –VI to the Board’s Report of Annual Report, Research & Development and Technological achievements

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes where in usage of traditional knowledge is involved.

No dispute related to Intellectual Property rights emerged during FY 2022-23.

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	“Heal A Soul - IV” - Providing Free Anti Hemophilic Factor (AHF) to Persons & Children with Hemophilia (P & Cwh) across India	160	100%
2	Providing financial support for running three Mobile Health care Unit in Noida, Bikaner, Satpura	40000	100%
3	Construction of Boys & Girls Hostel buildings at Govt. Polytechnic	304	100%
4	Financial support to “MISSION SMILE” for cleft surgery of cleft patients in Haridwar	200	100%
5	“JAN AROGYAM” Community Healthcare Programme in Nuh, Haryana	11000	100%
6	Providing medical assistance for 200 children suffering from cancer across India	500	100%

Principle 9: Customer value

Essential Indicator

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Customer value is an integral part of BHEL’s culture which is reflected in our Vision, Mission and Values statement. Company is constantly working towards creating value for customers through products and services. Every product offering of BHEL is labelled with detailed product labels/ name plates/ test certificates as per the requirement and terms of contracts with customers besides the mandatory statutory requirements.

Complaints of customers are received through various channels like letters, emails, phone calls and during meetings. The complaints are subsequently escalated for resolution.

All major quality issues reported are being taken up for Root Cause Analysis (RCA) and are being resolved through RCA committees. Apart from complaints, customer feedback is taken through customer satisfaction surveys, customers’ meets, face-to-face interactions, video-conferencing and appreciation letters.

2. Turnover of Products and/services as a percentage of turnover from all products/services that carry information about “Environmental & social parameters relevant to the

product”, “Safe and responsible usage” and “Recycling and/or safe disposal”

BHEL products are capital goods and hence have long operating life of 25 years. The products/ systems are offered to customers with manuals covering safety, operating in environmental friendly manner etc. The same aspects are covered in training of customer personnel by BHEL.

3. Number of consumer complaints in respect of the following:

	FY 2022-23		Remarks	FY 2021-22		Remarks
	Received during the year	Pending resolution end of year		Received during the year	Pending resolution end of year	
Data privacy	0	0	-	0	0	-
Advertising	0	0	-	0	0	-
Cyber-security	0	0	-	0	0	-
Delivery of essential services	Not applicable					
Restrictive Trade Practices	0	0	-	0	0	-
Unfair Trade Practices	0	0	-	0	0	-
Other	-	-	-	-	-	-

4. Details of instances of product recalls on account of safety issues:

There are no instances of product recall that happened on account of safety issues

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes. BHEL is in B2B business and does not deal with individual customers. Hence, any individual customer data is not stored.

Refer 'Data and Cyber Security' in Report of the Board of Director

6. Provide details of any corrective actions taken on Underway on issues relating of advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

Not applicable

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

Information on products and services of BHEL can be accessed from www.bhel.com

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

Operation Manual and Training on products or systems are provided to customers as per the contractual requirements.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

BHEL is in regular touch with its customers and any disruptions (e.g. due to COVID-19 in the recent past) are informed by emails, letter and any other communication means agreed to in the Contract/ Purchase Order. Further, proactive interactions with customers based on Performance Monitoring reports of the installed machines or customer feedback, helps in averting disruption of operations at the customer premise. Periodic communications in form of letters or other digital means are issued to customer about their machines which are due for overhaul or mandatory inspections.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Yes. All the required and standard information are displayed/ stenciled on the products dispatched by BHEL.

Yes. BHEL conducts customer satisfaction survey for major products/ services.

5. Provide the following information relating to data breaches:

a. Number of instances of data breaches along-with impact

NIL

b. Percentage of data breaches involving personally identifiable information of customers

Nil

**For and on behalf of the Board of Directors of
BHARAT HEAVY ELECTRICALS LTD.**



Dr. Nalin Shinghal
Chairman & Managing Director

Place: New Delhi
Date: July 28, 2023