



DCM SHRIRAM

Growing with trust



**HEALTHY ECOSYSTEMS
AND PROSPERITY
FOR ALL**

**SUSTAINABILITY
REPORT 2022-23**

DCM SHRIRAM LTD.



Adopting Holistic Approach Towards Development



BIODIVERSITY

We are committed to safeguarding biodiversity by creating a suitable habitat for variety of flora and fauna around our manufacturing sites.



WATER SECURITY

Water security is paramount for our industry and we recognize it. Sustainable water management practices and robust infrastructure has been one of the key focus areas for DCM Shriram.



SUSTAINABLE AGRICULTURE

Embracing efficient resource utilization and supporting resilient farming systems to ensure greener future for the farmers.



GREEN ENERGY

Our commitment to renewable power sources drives sustainability and reduces carbon footprint, ensuring a greener future for all.



CIRCULAR ECONOMY

Unlocking value through circularity and by adopting approaches to maximize resource utilization and minimize waste generation to enhance overall environmental stewardship, ensuring a sustainable and profitable future.



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ABOUT THE REPORT

It is our shared responsibility as global citizens to strike a balance between our social and environmental ecosystems. On this note, DCM Shriram Limited presents its fourth sustainability report to summarize the work done towards the stakeholder value creation. For the purpose of this report, DCM Shriram Limited is referred to as “the Company,” “this Company,” “we,” “our,” and “us”. As we have reflected on our long-standing commitments, multi-pronged approach, different strategies, and performance, everything that we do covers all the stakeholders. The key material topics that were identified by stakeholder engagement and acted upon by multiple programs and strategies is the basis of the contents covered in this report. We have also tried to reflect upon while doing business, the stakeholders’ concerns were noted and through our actions, all were addressed.

Reporting frameworks

DCM Shriram has reported in accordance with the GRI Standards for the period 1st April, 2022 to 31st March, 2023. The report’s quality and metrics are in line with the GRI’s principles. Additionally, the UN SDGs and the UNGC principles serve as the basis for the report.

Reporting boundary

The financial and non-financial metrics presented in this report are for the period of 1st April, 2022 to 31st March, 2023. The information presented here pertains to all units of DCM Shriram Limited that were in scope and boundary. These units covers the business segments of Agri-Rural, Chlor-Vinyl, and Value Added Business operations in India. The data points for the report have been sourced from the respective business units (excluding overseas units) located in Uttar Pradesh (Ajrapur, Rupapur, Hariawan, and Loni), Gujarat (Bharuch), Rajasthan (Kota and Bhiwadi), Telangana (Hyderabad), Tamil Nadu (Chennai) and Odisha (Bhubaneswar). The reporting boundary does not include associate companies, joint ventures, and subsidiaries over which the Company has no operational control. As per the applicability, the report provides an explanation of all involved calculations and underlying assumptions.

Reports accessibility

DCM Shriram is been publishing its sustainability report since past 4 years. All of the previously published reports are available on our website at <https://www.dcmshriram.com/sustainability/sustainability-reports>. These reports are in addition to the Annual Reports. The consolidated financial statements for the entities covered is part of the Annual Report 2022-23. This and previous reports is accessible on the website at <https://www.dcmshriram.com/investors/annual-report>.

This report reflects our unwavering intent to work on the material topics we have identified and create value for the stakeholders. It talks about our performance and strategy to reduce carbon footprint, promote socially inclusive growth and good governance followed by the company.

Our sustainability report has been externally assured by an independent third-party assurance provider – KPMG Assurance and Consulting Services LLP, based on the International Standard on Assurance Engagements (ISAE) 3000 (Revised) – limited assurance criteria. The assurance statement can be found on page 127.

We welcome our readers’ valuable feedback to further enrich the quality of our report. We encourage you to share your views and insights with sustainability@dcmshriram.com.

CHAIRMAN AND VICE CHAIRMAN MESSAGE



Mr. Ajay S. Shriram, Chairman & Senior MD and Mr. Vikram S. Shriram, Vice Chairman & MD

It is with great pleasure, we present the fourth edition of DCM Shriram's Sustainability Report based on GRI Standards. It captures our efforts towards Environment, Social and Governance (ESG) performance, including contribution of farmers, value chain partners and the unwavering support of our dedicated employees.

Over the past five years, the concept of sustainability has undergone significant change. At DCM Shriram, our aim is to adopt best practices as that will ultimately result in creating value across Six Capitals: Financial, Manufacturing, Human, Intellectual, Natural, and Social & Relationship.

During the year, our business grew substantially with a 22.6% increase in revenue over the previous year, and our efforts on sustainability kept pace with the growth. As an outcome of our efforts for improving ESG performance, the company received several awards from reputed institutions that rate companies' performance in this area. This year we were placed amongst the top 7% most sustainable global chemical companies in the S&P Global Corporate Sustainability Assessment – a recognition of our commitment to ESG and its integration across our operations. We were also honored with the CII Award for Excellence in Environment Management for adopting outstanding sustainable business practices during the financial year.

Some of our key achievements during the year are:

- Water conservation continued to be top of our mind. This year, our water consumption dropped by 10% compared to the previous year. Aligned to the UN Sustainable Development Goals (SDGs), we have undertaken various water conservation initiatives including rainwater harvesting and recycling of waste water using cutting edge technologies across our plants. Our farmers have been at the forefront of adopting this change embracing best agricultural practices to enhance crop quality while using water judiciously. These collective efforts resulted in making the company 12 times water positive.
- We have planted over half a million trees till date creating green space and fostering nature conservation – a pledge we made as a founding member of the CII's Indian Business & Biodiversity Initiatives (IBBI). The lush green forest created at Abheda Biological Park has not only helped as a carbon sink at Kota, Rajasthan, it is now home to hundreds of birds and insects protecting the ecosystem.
- We are committed to India's decarbonization journey. Our sugar business is 100% Biomass powered – derived from Bagasse. Our proportion of direct green energy has grown to 42% of overall energy mix in 2023, a ratio that we strive to improve steadily.
- During the year we continued to sustain paperless processing of invoices across our businesses by leveraging SAP operating system in digital mode resulting in reduced GHG emissions.
- There has been further growth in the production of ethanol as well as supply of ethanol for blending in petrol, under the Ethanol Blended Petrol Program.

These measures have made substantial contributions to India's clean energy goals. Through our investments in agricultural R&D and collaborations with international organizations, we have been able to introduce hybrid seeds which are adverse weather resistant, drought resistant, pest and insects resistant that utilizes natural resources efficiently and are resilient to climate change.

Giving back to local communities is a deep rooted philosophy for over 130 years at DCM Shriram. In 2023, INR 18.76 crores was spent across our corporate social responsibility (CSR) endeavors. This allowed us to make a positive contribution to the lives of over 1.35 Lakhs beneficiaries through programs in the areas of health, education, sanitation, environment, sustainability, and rural development.

During the year, the Company has enhanced focus on Diversity, Equity & Inclusion (DEI) with various initiatives emphasizing gender and generational diversity. This approach lays the groundwork for "Share Our Strength" by enhancing everyone's inclusion. The Diversity Council at each business level is driving various initiatives and carries out review of DEI metrics regularly.

Safety is a key focus area as part of our Sustainability efforts. We have pledged zero harm across the organization – assuring the protection of individuals, assets, and the environment. Additionally, we place significant emphasis on supporting the physical and emotional well-being of our employees. To ingrain a culture of safety within the organization, we invested nearly 87,000 human hours in training our employees on Environment, Health & Safety (EHS) during the year. Internal controls that impact ESG have been further strengthened.

The Company has robust and comprehensive ESG related policies which is followed across all businesses. This will continue to serve as the bedrock of our operations and guide us in making responsible and sustainable business decisions.

We would like to sincerely thank you for the unwavering trust you continue to place on us as we strive to deliver business outcomes with a positive impact on our people, the planet and our shareholders.



Mr. Ajay S. Shriram
Chairman &
Sr. Managing Director



Mr. Vikram S. Shriram
Vice Chairman &
Managing Director



HISTORY

With an annual turnover of INR 12079.51 crores, DCM Shriram is a leading business conglomerate. DCM Shriram, a spin-off from the trifurcation of the reputed erstwhile DCM Group in 1990, is managed by Mr. Ajay S. Shriram, Chairman & Senior Managing Director, Mr. Vikram S. Shriram, Vice Chairman & Managing Director and Mr. Ajit. S. Shriram, Joint Managing Director along with a highly professional executive team.

In the last few years, DCM Shriram has grown immensely by acquiring other businesses and expanding into diverse sectors of the economy; the company has observed an average of 14% of top-line growth in the last 18 years. The company is looking forward to inducing relevant and conscious global trends in the near future. This includes climate change, digitization, data analysis, and the demand for making more green choices. DCM Shriram has well-defined processes in all its manufacturing facilities. Continuous improvements are made through global benchmarking, Total Quality Management (TQM), Total Productive Maintenance (TPM) etc. There is a strong and proactive focus on environment, health and safety which has led some of our facilities to international recognition such as the British Safety Council Sword of Honour.

Our manufacturing facilities of fertilizer, chloro vinyl, and cement manufacturing are in Kota (Rajasthan) and Bharuch (Gujarat). The company owns and operates 263 MW of coal-based captive power facilities in

Kota and Bharuch (Gujarat). In Kota and Bharuch, the chlor-alkali plant has a capacity of 524 TPD and a production capacity of 1345 TPD, respectively. DCM Shriram Sugar factories, located in Ajbapur, Rupapur, Hariawan, and Loni, have a combined installed capacity of 41,000 TCD (tonnes crushed of sugarcane daily) and a power-generating capacity of 166 MW. Additionally, two distilleries with a combined capacity of 560 KLD have been added over last four years. The hybrid seed operations 'Bioseed' began in Hyderabad (India) and have a worldwide impression with a presence in South-East Asia with research facilities.

There are fabrication facilities for Fenesta windows & doors in Bhiwadi, Hyderabad, Bhubaneswar, and Chennai. ISO 9001 and ISO 14001 (Quality & Environment Systems) and ISO 45001 (Occupational Health and Safety Standards) are in place at all its main line locations.

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JOURNEY OF DCM SHRIRAM



2023

- 32850 TPA Anhydrous Aluminum Chloride expansion at Bharuch
- Fenesta fabrication site at Hyderabad and Bhubaneswar
- 8000 TCD Sugar Refinery and 3000 TCD Sugar expansion at Hariawan and Ajbapur
- 120 KLD mutlifed distillery expansion at Ajbapur



2020

- Commissioned 43 TPD Stable Bleaching Powder expansion at Kota



2018

- Set up a distillery at Hariawan

2014

- Entered into a Joint Venture with Axiall and launched Shriram Polytech Pvt. Ltd.

2009

- Doubled the capacity of Chlor Alkali plant at Bharuch

2006

- Commissioned expanded PVC resin capacity at Kota

2005

- Capacity expansion of PVC, Carbide, Chlor Alkali, Cement & Power

2003

- Launched Fenesta

2002

- Started Hariyaali Kisaan Bazaar

2002

- Entered into MoU with Zurich Financial Services and formed a joint venture

1999

- Commissioned solid hazardous waste facility

1997

- Started Sugar Plant at Ajbapur

1996

- Commissioned Shriram Alkali & Chemicals at Bharuch

1992

- Expansion of power from 40 to 70 MW



2021

- Commissioned Fenesta Aluminum Doors and Windows Unit at Bhiwadi and expansion of Distillery at at Ajbapur to 300 KLD

2019

- Commissioned 332 TPD Chlor Alkali expansion at Bharuch and commissioned 2nd Distillery unit of 200 KLD at Ajabapur. Expansion of PVC by 40 TPD and commissioned 66 MW power plant at Kota.

2017

- Doubled capacity at Bharuch

2011

- Established Bioseed, Indonesia

2007

- 100% takeover of Bioseed

2006

- Established 2 new sugar plants- Loni & Hariawan

2005

- Commencement of commercial operation of Chlor Alkali plant at Kota

2002

- Acquired Rupapur sugar plant

2002

- Acquired majority control of Bioseed Global

2001

- The capacity of Chlor Alkali was expanded to 102050 MT

1998

- Started Energy Services Business

1997

- 18MW DG set based captive power plant at Bharuch

1995

- Tie up with Zeon Kasei Company of Japan for PVC



OUR MANAGEMENT PHILOSOPHY

“Management in business is essentially a matter of human relations” – Sir Shri Ram (Founder)

DCM Shriram believes that businesses can generate substantial social value in addition to economic gain. With this fundamental conviction, which is profoundly ingrained in our history, we are committed to creating a dynamic, expanding and robust organization. Every employee at our organization is expected to uphold the highest standards of accountability and transparency. This is made possible by our unwavering commitment to lifting the spirits of our staff members and our natural faith in their abilities. Our greatest asset is our workforce. Over the past three decades, DCM Shriram has prospered because of the interconnected ties created by supporting motivated people, a commitment to providing meaningful customer experiences, and our goal of gradually constructing a sustainable society. In this regard, our management philosophy is quite important.



Management Philosophy

Businesses can create significant social value alongside economic value



Vision

Vibrant growth with trust, energized employees and delighted customers



BUSINESS

Enhancing economic value together with all stakeholders by maintaining accountability



PEOPLE

Build an environment of innovation, teamwork and respect embedded in Company's values



ENVIRONMENT

Innovate business models to amalgamate people, planet and profit

Our Values

I **NTEGRITY**

Uphold ethical standards.
Be socially responsible. Deliver on promises.

A **GILITY**

Act with speed.
Adapt continuously. Deliver results.

C **USTOMER-CENTRICITY**

Listen to customers.
Build long lasting relationships.

T **EAM WORK**

Foster collaborative working.
Promote meritocracy.
Practice empathy & humility.

O **PENNESS**

Encourage diverse views.
Build external orientation

N **EWNESS**

Be innovative.
Be Creative.



Industry Associations

DCM Shriram is a member of multiple national and state level industry associations. Apart from the business associations, we are also a part of agriculture and chemicals focused associations. Being a market leader and having a deep understanding of the sectors, we contribute to the relevant policies and practises that have potential to make a positive impact. These associations helps us to monitor risk and opportunities pertaining to a particular region or the overall sector. Additionally, DCM Shriram tries to promote the shared goals of Environment, Social and Governance (ESG) in these associations

DCM Shriram Ltd. is a member of the following industry associations:



Accreditations and Certifications

DCM Shriram gives highest importance to product quality while ensuring a safe environment for everyone involved. To ensure this, the Company has taken multiple internationally recognized certifications. These standards guides us to become sustainable and more efficient in our operations. The certifications that the Company has are listed here:

APPLICABILITY	CATEGORY	CERTIFICATIONS
Manufacturing Facilities: <ul style="list-style-type: none"> • Bharuch • Kota • Hariawan • Ajbapur • Loni • Rupapur Businesses: <ul style="list-style-type: none"> • Shriram Farm Solutions • Shriram Bioseed • Fenesta Building Systems 	Integrated Management System (IMS)	
Shriram Alkali and Chemicals, Bharuch and Kota	Environment, Health and Safety	 
Shriram Alkali & Chemicals, Bharuch	Chemical Industry Initiative	 



Our Products

Agri – Rural Business

- Urea
- Sugar
- Farm Solutions
- Hybrid Seeds



Sugar:

Our sugar business encompasses 4 plants in Ajbapur, Rupapur, Hariawan, and Loni in Uttar Pradesh with a total power cogeneration capacity of 166 MW. It is also supported by 560 KLD of Distillery capacities at Hariawan and Ajbapur in Uttar Pradesh. The total sugar manufacturing capacity is 41,000 TCD (tonnes of sugarcane crushes per day).

Shriram Farm Solutions (SFS):

Agri-input solutions such as Hybrid seeds, Pesticides, Bulk fertilizers, Micronutrients, and other value-added inputs are part of SFS. There are over 3000 channel partners and 35000 retailers. SFS also provides high-quality agronomy services aimed at increasing farmer productivity. The bulk fertilizer business has been rationalized.

Bioseed:

Bioseed consists of the hybrid seed business. It is headquartered in Hyderabad. It contributes to expertise across the entire seed value chain such as R&D Lab Testing, Production, Processing, and Farm Extension activities. Strong distribution network across South and South-East Asia, providing quality seeds to farmers- both vegetable and field crop seeds in India. In the Philippines, Vietnam, and Indonesia, the company provides corn crop seeds.

Fertilizer:

Our fertilizers have an expansive presence in rural markets. We manufacture urea in a dual feed plant using natural gas with a capacity of 3.79 Lakh TPA at our integrated manufacturing facility in Kota.

Chlor-Vinyl Business

- Caustic Soda, Chlorine, Calcium Carbide
- Aluminum Chloride
- PVC Resins, PVC Compounds
- Power and Cement



Chlor-Alkali:

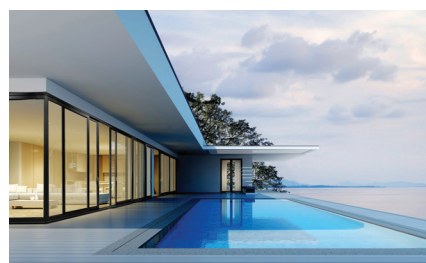
There are 2 manufacturing plants, one of which is located at Kota (Rajasthan) having a caustic soda capacity of 524 TPD and the other one is at Bharuch (Gujarat) with a caustic soda capacity of 1345 TPD. Our Company's combined Chlor-Alkali production capacity is 1,869 TPD making us the second largest player in India. We also produce Aluminium Chloride at our Bharuch plant.

Plastics business:

This includes a highly integrated business at Kota involving the manufacturing of PVC resins and Calcium Carbide with captive production of Acetylene, Chlorine, Raw carbide capacity stands at 330 TPD and PVC capacity stands at 220 TPD.

Value Added Business

- Fenesta Building Systems - uPVC & Aluminium Windows & Doors



Fenesta Building System:

We deal with 100% customized uPVC/Aluminium windows and door systems, which minimize energy loss due to fenestration and help reduce energy bills by almost 7-15%. Produced and installed over 4 million windows that can withstand India's extreme climatic conditions. Fenesta today has a presence in more than 200 cities across the country.

Cement:

Our Company produces cement products such as Shriram Nirman (PPC), Shriram 53, and Shriram Silver (PPC). All our cement products are manufactured at the state-of-the-art Shriram Cement Works Plant at Kota which has an installed capacity of 4 lakh tonnes of cement per annum.




PVC Compounding:




Shriram Polytech Limited is a wholly owned subsidiary of DCM Shriram Limited w.e.f. October 2021. Earlier, it was an Indo-US 50:50 joint venture between DCM Shriram Ltd. & Axiall LLC, USA (A West Lake Company). In October 2021, M/s DCM Shriram Limited acquired the entire 50% of the paid-up share capital held by Axiall LLC (The Joint Venture partner) in SAPL. PVC compounding capacity is 32,564 MT per annum.

Hariyali Kisaan Bazaar:

Hariyali Bazaar is presently engaged in the sale of fuel (petrol, diesel, LPG, etc.). The Retail operations were rationalized in 2013. The Company has limited its current operations to fuel retailing, which is also being rationalized.

Performance Reporting across Six Capitals of Integrated Reporting Framework

CAPITALS	CATEGORY	INPUT	OUTPUT
 <p>Financial Capital A well balanced cost effective funding mix (debt and equity) deployed for sustaining, supporting and creating value across all capitals</p>	<p>Focus Area</p> <ul style="list-style-type: none"> • Governance & Compliance • Taxation • Economic Performance <p>Relationship with other capitals</p> <ul style="list-style-type: none"> • IPs and patents • Employee Satisfaction • Increased Productivity • Regulatory Compliance 	<p>Cash & Cash Equivalence: INR 450.15 Crores</p> <p>Net Worth: INR 6147.31 Crores</p> <p>Net Debt: INR 680.98 Crores</p>	<p>Revenue: INR 12079.51 Crores</p> <p>EBITDA: INR 1726.10 Crores</p> <p>Growth in Revenue: 22.6%</p> <p>Current Long Term Credit rating by ICRA: AA+</p>
 <p>Manufacturing Capital Foundations like plants, warehousing, logistics, facilities, and actual assets in which we have contributed monetary cash flow to guarantee productive activities and create long haul returns</p>	<p>Focus Area</p> <ul style="list-style-type: none"> • Operational Excellence • Capital Investment <p>Relationship with other capitals</p> <ul style="list-style-type: none"> • Improved Performance 	<p>Domestic manufacturing facilities: 11</p> <p>Regional Offices: 75</p> <p>Overseas offices: 3</p>	<p>Growth in Chlor-Vinyl Sales: 9.3%</p> <p>Growth in Sugar Business: 21%</p> <p>Growth in Fertilizers Business: 49.8%</p> <p>Growth in Fenesta Business: 31.6%</p>
 <p>Human Capital The knowledge, abilities, experience, and inspiration of our workers help us to create value and grow.</p>	<p>Focus Area</p> <ul style="list-style-type: none"> • Learning & Development • Inclusion & Diversity • Employee Well being • Health & Safety • Human Rights <p>Relationship with other capitals</p> <ul style="list-style-type: none"> • Talent Attraction • Increased Revenue Generation • Efficiency Enhancement of Members 	<p>Permanent Employee: 5869</p> <p>Contractual Employee: 8436</p> <p>Total Training hours: 126,922</p> <p>EHS Training Hours: 86,675</p> <p>Total Spend on Employee Benefits: INR 890.64 Crores</p>	<p>LTIFR:</p> <p>Permanent employees: 0.11</p> <p>Contractual employees: 0.26</p> <p>Employee Engagement Survey: 97%</p> <p>Reportable incidents: 7</p>

CAPITALS	CATEGORY	INPUT	OUTPUT
 <p>Intellectual Capital The knowledge, abilities, experience, and inspiration of our workers help us create value and grow.</p>	<p>Focus Area</p> <ul style="list-style-type: none"> • Research & Development <p>Relationship with other capitals</p> <ul style="list-style-type: none"> • Customer retention through satisfaction and attraction of new customer • Revenue from increased sale of modified or new products 	<p>Investment in R&D: INR 71.98 Crores</p> <p>Number of R&D team members: 187</p>	<p>Patent Granted till date: 38</p> <p>Plant Variety Protection (PVP) registrations filed till date: 158</p>
 <p>Natural capital Using both renewable and non-renewable natural resources in our operations to produce social and have a positive impact on the environment</p>	<p>Focus Area</p> <ul style="list-style-type: none"> • GHG emission reduction • Circularity of material and issues • Energy Efficiency • Water Conservation • Biodiversity <p>Relationship with other capitals</p> <ul style="list-style-type: none"> • Operational cost reduction • Regulatory Compliance • Long term value creation for stakeholders 	<p>Total Direct Energy Consumption: 38,349 TJ</p> <p>Total Water Consumption: 12.76 Million m3</p> <p>Raw Material Consumed: 73,43,449 MT</p>	<p>Direct Green Energy Consumption: 16,119 TJ</p> <p>Green energy consumption as % of total direct energy consumption: 42%</p> <p>Water Harvested and Conserved: 175 Million m3</p>
 <p>Social & relationship capital We appreciate our supply chain partners, customers, and communities for the welfare initiatives and collaborative healthy relationship.</p>	<p>Focus Areas</p> <ul style="list-style-type: none"> • Human Rights • Community Welfare • Responsible Supply Chain <p>Relationship with other capitals</p> <ul style="list-style-type: none"> • Long term value creation for stakeholders • Brand Reputation • Reduced Environmental Impact • Value creation for communities 	<p>CSR spent across programmes: INR 18.76 Crores</p>	<p>Total number of beneficiaries impacted: 137,347 people benefited</p>

SUSTAINABILITY AT OUR CORE

What the business world is experiencing today is an ever-evolving set of challenges posed by multiple internal and external factors. Unprecedented situations arising from extreme weather events are leading to multiple physical and operational risks. New government policies and regulations, across the world have been coming into force with a wider scope of applicability.

Organizational resilience, the ability to adapt, and agility are the keys to becoming sustainable. Over the years, DCM Shriram has successfully navigated the challenges posed by multiple factors and evolved as a company with strong sustainability principles. Working with an approach to achieve operational excellence, the company is working towards cutting down on its carbon footprint. However, to become a sustainable Company in all aspects, DCM Shriram took a proactive approach towards environmental aspects as well. Water and waste management have been at the top of the list of priorities.

Furthermore, the Company kept people's well-being and giving back to society at the core of their sustainability strategy. The company is committed to developing a sustainable business with growth. The intention is to make positive social impact by addressing the well-being, growth and progress of its stakeholders. By working on the different material topics, the Company tries to address all possible targets of the multiple Sustainable Development Goals (SDGs).

The company was able to achieve a 14% reduction in water consumption and 12% reduction each across GHG emissions and energy consumption per tonne of product as compared to previous year through a coordinated and structured set of interventions. The Company will scale up actions for climate change mitigation in the coming years. The key focus would continue to be on the circular economy, energy efficiency, water conservation, sustainable agriculture, and biodiversity.



“Sustainability is central to all activities at DCM Shriram Ltd. In the Sugar business, our multipronged approach with sugarcane farmers is based on training and capacity building which is aimed at, increasing productivity, conservation of water and promoting soil health”

ESG at a Glance

Environment



42%

Direct Green Energy Consumption, reducing total energy consumption by 8%



10%

Reduction in total water withdrawal and 14% reduction in water intensity



Absolute GHG Emissions reduced by

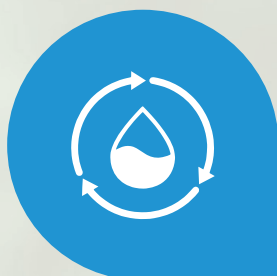
8%



Maintained

Zero

Liquid Discharge in Distillery



12 times

Water positive



Total waste reduced by

17%



25%

Materials recycled as key raw materials



70%

Plastic packaging recycled

Social



Permanent Employee Training
2 days per Employee per year



INR 72 Crores
 invested in Research and Development



INR 18.76 Crores
 Spent on CSR initiatives



Manhours worked
32 Million Hours



97%
 customer satisfaction



Achieved **11%**
 diversity in leadership positions



Positively impacted more than
1.35 lakhs people



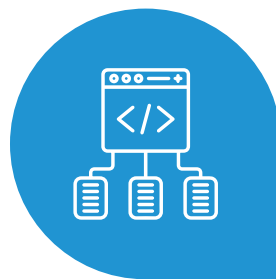
15%
 Employee turnover rate

Governance



Human Rights Policy

Extended to key stakeholders including value chain partners



BRSR framework

in place following the 9 Key NGBRC (National Guidelines on Responsible Business Conduct) Principles.



ESG Assessment of

100% of Tier 1 Value Chain Partners



Amongst **7%** Top Global Chemical Companies
Received ESG Score of

57/100 by S&P Global*



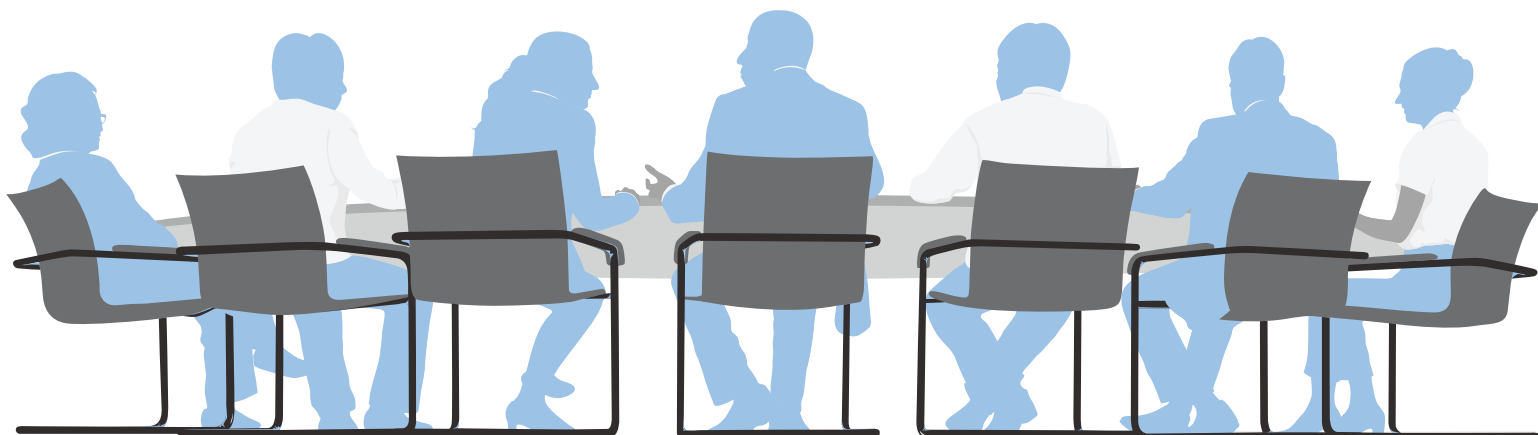
ESG Performance

Disclosed in Annual Financial Report



Complinty e-Software tool

Monitors, Reports and Tracks Legal Compliances



*As on 17th March, 2023

ESG Philosophy

To move ahead with a wider and deeper ESG impact across our value chain, the company follows the ASCRIBE framework. Sustainability is ingrained in our ASCRIBE framework and is an essential component of our business. It is a holistic strategy for all stakeholders, including customers, suppliers, investors, employees, the societies we serve, and the planet. The company strives to address material topics in order to support inclusive economic opportunities. This would help the

company foster a culture of trust, empowerment, and growth, and ensure that our people and businesses remain resilient and relevant for the future.

The framework has helped to draft best-in-class ESG policies and an implementation roadmap. The ESG principles have been infused at all levels across the organization.



We aspire to the “**ASCRIBE**” motto on ESG to highlight what we are committed to working on, with transparent and attainable objectives.

A	Action for Climate Change
S	Sustainable Procurement Practices
C	Circularity in Products for Eco-Efficiency
R	Reliable Data Systems for Data Privacy and Security
I	Inclusivity and Diversity in Hiring and Communities' Development
B	Business Ethics and Corporate Governance
E	Efficient Health and Safety Management Systems/ Eco-Efficiency

Seven dynamic and ever-evolving fields of action serve as the foundation for the ASCRIBE framework and are the driving forces behind our sustainability strategy. We are setting clear priorities and goals for material ESG topics within our operations. Our definition of sustainability is in line with the same fundamental principles that reflect the understanding of our stakeholders.

	PROGRESS	WAY FORWARD
A	<ul style="list-style-type: none"> 12% reduction in specific GHG emissions per tonne of production wrt to FY22. Around 42% of total direct energy is from green sources. Around 26 Lacs tCO₂e emission reduction through various initiatives across the businesses. 	<ul style="list-style-type: none"> Agreement for the procurement of 50 MW Renewable power for the Bharuch Site.
S	<ul style="list-style-type: none"> Assessment of new vendors on ESG parameters and specific ESG related terms and conditions for all vendors. Communication about Environment, Safety & Human Rights as part of all Purchase Orders (PO) 	<ul style="list-style-type: none"> Enhancing collaborations with the value chain partners to further ESG initiatives in operations while doing long term value creation.
C	<ul style="list-style-type: none"> 100% compliance with Extended Producers' Responsibility (EPR) 25% recycled-reused materials to total input materials 	<ul style="list-style-type: none"> Even with the increase in production, a minimum share of 25% of recycled and reused materials in the pool of total raw materials to be maintained.
R	<ul style="list-style-type: none"> Maintain great confidentiality of data and integrity of data management systems. 	<ul style="list-style-type: none"> Conduct internal audits on periodic basis to keep the data security systems updated.
I	<ul style="list-style-type: none"> Increased focus on Diversity, Equity & Inclusion (DEI) through business-wise targets More than 1.35 Lacs beneficiaries from various community development projects 	<ul style="list-style-type: none"> DEI targets for each business Strengthen the monitoring and evaluation systems for the CSR projects and conducting Impact Assessment of flagship projects which have completed at least 3 years.
B	<ul style="list-style-type: none"> More than 950 programs were conducted for awareness of various ESG aspects across employee groups including BoD. More than 2.25 lacs farmers were covered under the awareness programs for value chain partners Life Cycle Assessment (LCA) conducted for all the products manufactured at the Bharuch site Secured place in the top 7% of global chemical companies as per the S&P Global Corporate Sustainability Assessment 	<ul style="list-style-type: none"> Conduct LCA for products manufactured at other manufacturing sites Work towards further improving the ESG score under Corporate Sustainability Assessment by S&P Global (DJSI) Initiate reporting and disclosures on other international sustainability forums
E	<ul style="list-style-type: none"> All manufacturing sites are ISO 45001 certified 	<ul style="list-style-type: none"> Continue to conduct and further strengthen the internal audits on periodic basis to improve the effectiveness of the certification

AWARDS & RECOGNITIONS

Received the prestigious CII Environment Excellence Award as a testament to DCM Shriram's commitment to preserving the environment and making a positive impact on the community



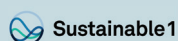
DCM Shriram Ltd.
Chemicals

S&P Global ESG Score 2022

57 /100

As of March 17, 2023
Scores are industry specific.
Learn more at spglobal.com/esg/scores

S&P Global



Amongst top 7% global chemical companies in S&P Global Corporate Sustainability Assessment 2022

Our Hariawan plant was selected in India for Pre-Congress tour of 31st ISSCT Congress as an appreciation of our organizational approach towards sustainability





Received the 26th Bhamashah Award for the outstanding work undertaken in the Government schools of Kota district as a part of the CSR initiatives.

Presented with a 'Beyond the Fence' award at the 8th International Water Summit by CII.



The 'Efficiency in Energy Usage' award was presented to DCM Shriram at the Chemical and Petrochemical Awards held by FICCI.

2nd among Diversified Sector and 38th among India's Top 200 Most Sustainable Companies by Business World in 2023.





CORPORATE ACHIEVEMENTS

- **Fenesta has been the recipient with 7 brand recognition awards:**
 - ET Iconic brand Recognition
 - DMAI Sparkies Award for Enhancing Personalized Customer Experience via ChatBot
 - RD Trusted Brand
 - Marksman's Most Preferred Brand
 - WCRC - World's Best Emerging Brand
 - Gold Award in OCFI Competition
 - Quality circle Competition/ Poke- Yoke Competition
 - 2 awards by Realty+INEX: Brand of the year for Windows and popular brand of year
 - DMAI ECHO Award for Awareness, Engagement and Acquisition Through Mobile
 - Super Brand Award
- Best Nutrition Company award - for "Best Novel Nutrition Company"
- Most Preferred Workplace - Corporate
- Best Employer Award by "The Employers Association of Rajasthan"



SUSTAINABILITY AWARDS

- CII Environment excellence award
- 2nd Rank in the Diversified sector and 38th Rank overall amongst top 200 India's Most Sustainable Companies awarded by Business World (BW)
- S&P Global ESG Score amongst top 7% global chemical companies
- 26th Bhamashah Award - for construction/renovation of toilet blocks in the Government Schools of Kota district.
- FICCI Chemicals & Petrochemical Awards 2022 - in Energy Efficiency category for Jhagadia Bharuch site.
- Sugar Technologists' Association of India (STAI) Award 2022 - for Hariawan Sugar unit on "Efficiency Award"
- CII National Award for Excellence in Water Management for Hariawan unit
- Sustainable Agriculture Award - FICCI for Sugar Business
- Green Crest - Water Conservation and Energy Conservation Award from Green Maple Foundation for Bharuch unit.
- Best Procurement Transformation Project Award for Shriram Farm Solutions
- Recognition of Sugar Business for sustainable initiatives by National Sugar Institute for Sugar Business



OCCUPATIONAL SAFETY AWARDS

- Safety Award to Fenesta Building Systems, Kota on 51st National Safety Day by the office of Factories inspectors & Boilers, Govt. of Rajasthan.
- Certificate of Merit - Safety Excellence Award - Frost & Sullivan for Loni unit
- Safety Award - Fertilizer Association of India (FAI) for Fertilizer unit, Kota
- Behavior Based Safety Award for Loni and Rupapur
- Safety Award by National Safety Council for Hariawan unit

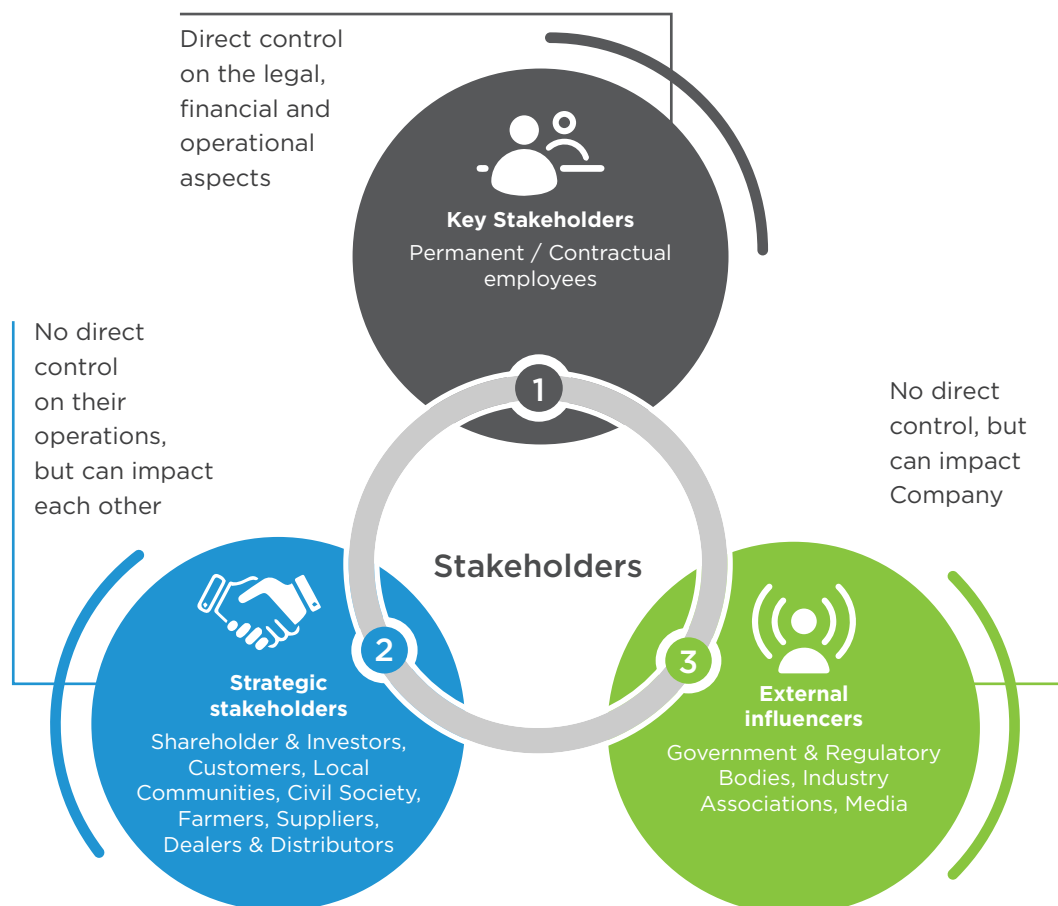












MATERIAL TOPICS AND FOCUSED PRIORITIES

Engaging Stakeholders For A Better Future

The Company is committed to addressing the suggestions and challenges of our stakeholders to build a strong relationship. This further reinforces our standing as responsible corporate citizens. DCM Shriram engages with their stakeholders on a regular basis and seeks feedback, which helps to make the right decisions and prioritise actions. By acting on the inputs we receive from our stakeholders, allocation of resources gets done in a more efficient and impactful manner.

DCM Shriram is accountable to all its stakeholders, and establishing partnerships with them is a core element of its stakeholder engagement plan. By taking the liability and control approach, the company broadly classified the stakeholders into three groups - key stakeholders, strategic stakeholders, and external influencers.



	STAKEHOLDER GROUP	IMPORTANCE OF STAKEHOLDER GROUP
	Employees	Employees are one of the key stakeholders and an important asset at DCM Shriram. All the achievements and progress that the company has made are attributed to its dedicated workforce.
	Government & Regulatory Bodies	They guide the company on the laws of the land and other regulations to which we need to adhere while creating value.
	Shareholders and Investors	Shareholders & Investors are critical to the functioning of DCM Shriram. They provide capital, expertise, and accountability to the Company. Moreover, by associating with reputed investors and shareholders, DCM Shriram can attract new investors and customers.
	Customers	Customers are essential to us since they are the ones who purchase and use the products and services that DCM Shriram provides. Our customers generate a large part of our revenue, which sustains our businesses.
	Suppliers, Dealers, and Distributors	Because of the nature of our business, vendors, and suppliers form an important part of the supply and value chain. They enable us to do our business in a more coordinated and sophisticated manner while working towards sustainable development.
	Farmers	Farmers are our other critical value- chain partners. We engage with them regularly to seek their support in improving the larger ecosystem in which we operate.
	Local Communities	Nearby communities play an important role in the long-term success of the company as they enable us to get the Social License to Operate. They form a part of our workforce as well.
	Civil Society	This is another key stakeholder for DCM Shriram. In our endeavor to give back to society through community development projects, civil society plays an important role.
	Industry Associations	Industry associates are important from a business perspective and for learning as well. They provide us with an opportunity for networking, cross-sector collaborations, information sharing, and advocacy.
	Media	To talk about our good work and products and services through advertisements and promotions, the media plays a key role.

DCM Shriram has developed a structured framework to guide our continuous engagements with stakeholders. The company keeps making changes to the engagement methods to keep them more relevant and broad enough to capture their suggestions, challenges and vision.

While there is a wide variety of stakeholders, which brings in diverse perspectives, the engagement approach also has to be unique. DCM Shriram follows a customized approach for each stakeholder based on their nature and level of influence. However, the fundamental principles of ensuring transparency in information disclosure and accountability for our actions remain at the core of them.

The detailed process that the company follows for the stakeholder consultation has been illustrated below:



COMMUNICATION MEDIUM	FREQUENCY	PURPOSE
Employees		
<ul style="list-style-type: none"> • Intranet facilities, • Internal newsletters, • Communication meetings, • Leadership site visits and interactions, • Employee engagement survey, • Induction and regular training programs, • Toolbox talks, • Regular drills on safety 	Continuous	<ul style="list-style-type: none"> • Vision and mission of the company, • Business performance and plans, • Welfare, • Health and safety of the employees and their families, • Assuring support of management to employees, • Work place hazards and controls, • Skill development, • Rewards and recognitions

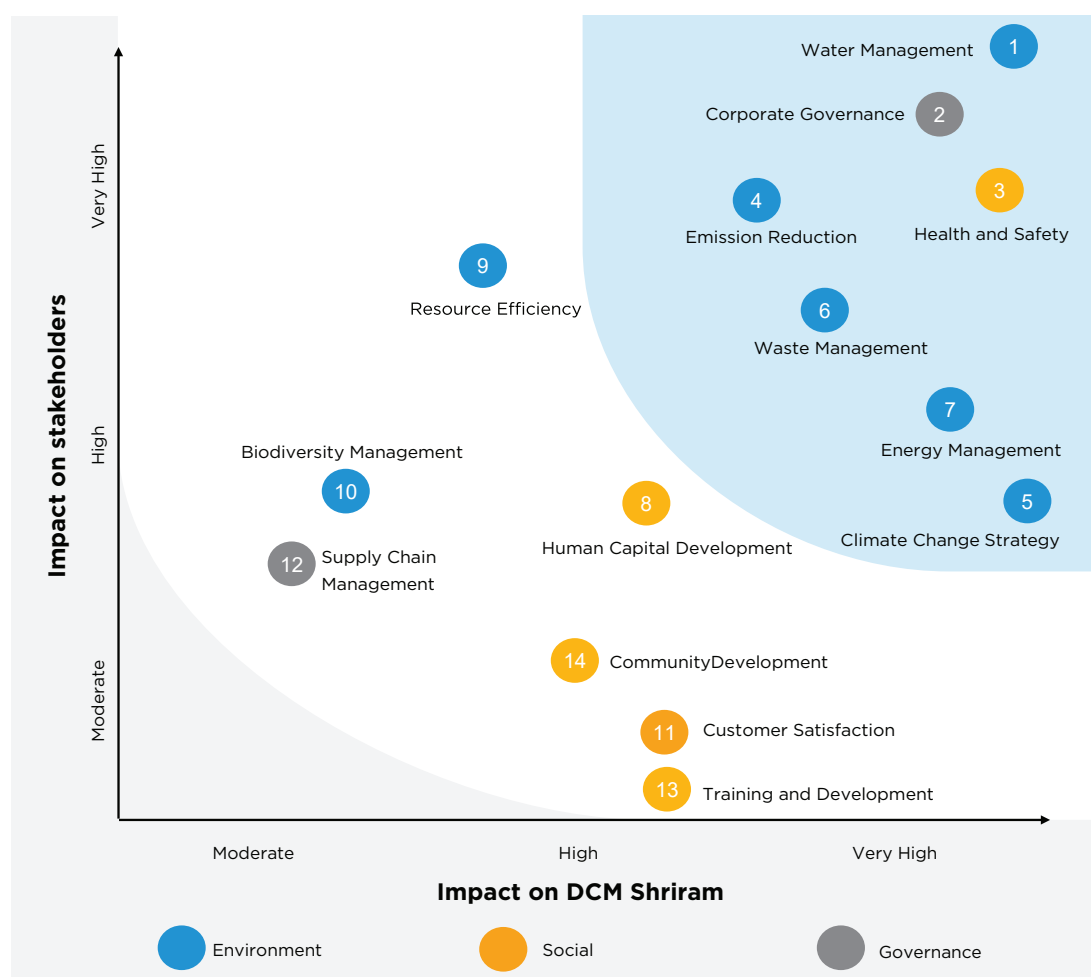
COMMUNICATION MEDIUM	FREQUENCY	PURPOSE
Government and Regulatory bodies		
<ul style="list-style-type: none"> Regular inspections, Periodic Reports, Regular direct and indirect interactions through industrial associations and other bodies 	Continuous	<ul style="list-style-type: none"> Compliance of rules and regulations, Submission of reports under various statutes at specific intervals, Response to any issues raised by the government and regulatory authority, Tax revenues, Ease of doing business through sound corporate governance mechanisms.
Shareholders and Investors		
<ul style="list-style-type: none"> Annual General Meeting, Corporate Website, Annual Report, Social Media, Grievance Redressal Mechanism, Newspaper, Publications, Emails & Text Messages 	Periodic	<ul style="list-style-type: none"> Improved profitability and growth of organization, Transparent and effective communication, Investor servicing, Sound corporate governance mechanisms.
Customers		
<ul style="list-style-type: none"> Regular personal Interactions and discussions, market surveys, customer surveys, plant visits by customer 	Continuous	<ul style="list-style-type: none"> Customer Satisfaction, Prompt response to customer complaints, product and service quality and timely delivery, building trust among the customers through plant visits.
Suppliers, Dealers and Distributors		
<ul style="list-style-type: none"> Annual Meet with suppliers and customers, plant visits and interactions on a regular basis. 	Periodic	<ul style="list-style-type: none"> Share best practices among industries, competency development of local vendor, rewards and recognitions.
Farmers		
<ul style="list-style-type: none"> Need based regular interaction by Cane & CSR function, awareness camps on good agricultural practices 	Continuous	<ul style="list-style-type: none"> Sustainable sugarcane production, improved livelihood and income of farmers, easy, affordable and reliable access to inputs such as quality seeds, fertilizers etc.

COMMUNICATION MEDIUM	FREQUENCY	PURPOSE
Local communities		
<ul style="list-style-type: none"> Open dialogue with local communities, need based surveys to understand community requirements, awareness meets and health camps, celebration of cultural festivals and occasion (Environment day, Safety day etc.), Public hearing for greenfield and expansion projects 	Periodic	<ul style="list-style-type: none"> Health and hygiene in rural community, education & infrastructure, good agricultural practices, water conservation and waste management
Civil Society		
<ul style="list-style-type: none"> Collaboration of various CSR projects 	Periodic	<ul style="list-style-type: none"> Community developmental needs such as Healthcare, Education & Rural development etc.
Industry Associations		
<ul style="list-style-type: none"> Meetings, Seminars, Workshops 	Periodic	<ul style="list-style-type: none"> Networking, Industry collaborations, establishing best practices
Media		
<ul style="list-style-type: none"> Advertisements and Promotions, Press 	Continuous	<ul style="list-style-type: none"> Publishing reports, releasing relevant reports regularly

Materiality Matrix

DCM Shriram values stakeholder opinions and preferences the most. Engaging with the key stakeholders is a critical factor in identifying the material topics. Through various means, we keep engaging with our stakeholders to strengthen our relationship and understand their expectations. Such engagements help us identify the most pertinent material issues and the measures to optimize the ESG strategies to work towards them.







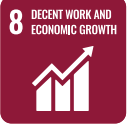






To further update and keep the materiality matrix relevant, we revisited the mapping this year as well, and identified the issues that were deemed material. This exercise allowed us to assess the relevance of the material issues identified in the previous year and update the matrix for the current reporting period. For the company, revisiting the materiality matrix is an ongoing and iterative process with constant monitoring and periodic assessments.




RANK	MATERIAL TOPICS
1	Water Management
2	Corporate Governance
3	Health and Safety
4	Emission Reduction
5	Climate Change Strategy
6	Waste Management
7	Energy Management

RANK	MATERIAL TOPICS
8	Human Capital Development
9	Resource Efficiency
10	Biodiversity Management
11	Customer Satisfaction
12	Supply Chain Management
13	Training and Development
14	Community Development

S. NO.	MATERIAL TOPICS	ACTIONS TAKEN	SDG MAPPING
1	Health and Safety	Focusing on a safe work environment, emergency preparedness, and proper and regular digitized reporting. Working on targets like zero harm or No fatalities, safety assessments and audits, and data analytics.	
2	Community Development	Having positive relationships with the communities residing near our manufacturing units. We make certain that our activities are safe for the communities. We are making efforts to raise their socio-economic status by providing opportunities to earn, focusing on health and wellness, and encouraging education. Additionally, assistance is provided in the event of an emergency.	   
3	Emission Reduction	We use a comprehensive strategy to reduce and eliminate carbon emissions. This includes focusing on putting resources into low-carbon energy, waste into energy, etc. To lessen our carbon footprint and the risks associated with it, we continuously measure, control, and mitigate emissions.	 
4	Waste Management	Waste is not viewed as a burden to us; rather, we view it as a resource that has the potential to generate long-term advantages not only for our company but also for human and environmental health. We are committed to a circular economy, which will improve ecosystems.	
5	Resource Efficiency	Dedicating ourselves to our work to become more resource efficient in all of our operations and to become a more safe and ethical firm.	
6	Water Management	DCM Shriram employs a comprehensive strategy that takes into account a wide range of aspects of water conservation and rejuvenation, including water management and reporting practice, locating and repairing water leaks, implementing new technologies that reduce water consumption, building structures that harvest rainwater and utilizing ponds for water storage. This multitude of drives is in accordance with our obligation to stay water positive.	  
7	Biodiversity	DCM Shriram has made it a priority to preserve and restore biodiversity. We launched an initiative to enhance India's vegetation and safeguard the country's biodiversity. It not only addresses the dangers posed by climate change, but it also promotes improved socioeconomic benefits and supports opportunities for earning a living.	

S. NO.	MATERIAL TOPICS	ACTIONS TAKEN	SDG MAPPING
8	Corporate Governance	Our stakeholders trust and collaborate with us because of our reputation for honesty and ethical behavior. We adhere strictly to our Code of Conduct and have a policy of zero tolerance for unethical behavior. Human rights, anti-bribery and anti-corruption, and sexual harassment policies, among others, are discussed with all of our supply chain partners. To improve our governance practices, we constantly compare ourselves to global best practices and frameworks.	
9	Climate Change Strategy	DCM Shriram has combined climate science with emission and carbon footprint reduction to ensure growth in the future. We are additionally contributing our part in the worldwide battle against the environmental change.	 
10	Energy Management	To contribute to the sustainable development goals and mitigate climate change risks, energy efficiency is essential. DCM Shriram focuses on energy efficiency and renewable energy in tandem. These initiatives will assist in mitigating climate risks and lowering energy costs.	 
11	Human Capital Development	People who have the right skills and are ready for the future are essential in a constantly changing and challenging environment and to achieve this, we run several learning and development programs.	 
12	Training and development	We impart regular training for our employees and workers on OHS, CoC training for all new employees, etc. Enhancing people's capabilities by implementing training and career development programs to deliver the next generation of leaders.	 
13	Supply chain Management	Developing a robust supply chain network with upstream and downstream network integration, training them and looking forward to working on a sustainable supply chain.	 
14	Customer Satisfaction	We are a business that values its clients. We regularly solicit clients to discuss their problems and ensure timely services. To make it simple for people to connect with us, we also employ digital media. These initiatives help to boost client retention and happiness.	 

ECONOMIC PERFORMANCE



For a company to continue creating value and reinvigorating it periodically, a stable and strong economic foundation is necessary. After a long period of building resilience and recovery, in FY 2023, the company built upon the foundation and translated its learnings into action. In this journey of growth, everyone played their part while we delivered on our commitments. This thereby establishes the linkage of DCM Shriram's robustness in its economic indicators to the strong leadership and commitments of its people for the company's growth.

Regularly, economic performance is evaluated in accordance with set rules and regulations. The Finance team, led by the Chief Financial Officer (CFO), is responsible for accurately recording and reporting all economic statistics. The Finance Team works with various departments within the organization to improve economic performance. On a consolidated basis, the revenue from operations for FY 2022-23 was INR 12,079.51 Crores, a rise of 22.6% over the previous year's revenue of INR 9849.41 Crores.

DCM SHRIRAM'S CONSOLIDATED FINANCIAL DATA INCLUDES THE FOLLOWING ENTITIES:

S. NO.	NAME OF THE HOLDING / SUBSIDIARY / ASSOCIATE COMPANIES / JOINT VENTURES	HOLDING / SUBSIDIARY / ASSOCIATE / JOINT VENTURE	% OF SHARES HELD BY THE LISTED ENTITY	COUNTRY OF INCORPORATION
1	Bioseed India Limited, India	Subsidiary	100%	India
2	DCM Shriram Infrastructure Limited, India	Subsidiary	100%	India
3	DCM Shriram Credit and Investments Limited, India	Subsidiary	100%	India
4	DCM Shriram Aqua Foods Limited, India	Subsidiary	100%	India
5	Fenesta India Limited, India	Subsidiary	100%	India
6	Hariyali Rural Ventures Limited, India	Subsidiary	100%	India
7	Shriram Polytech Limited (Earlier known as Shriram Axiall Private Limited, India)*	Subsidiary	100%	India
8	Shriram Bioseed Ventures Limited, India	Subsidiary	100%	India
9	Bioseeds Holdings Pte. Ltd., Singapore	Subsidiary	100%	Singapore
10	Bioseed Research Philippines Inc., Philippines	Subsidiary	100%	Philippines
11	Bioseeds Research USA Inc., USA	Subsidiary	100%	USA
12	DCM Shriram ProChem Limited	Subsidiary	100%	India
13	DCM Shriram Bio Enchem Limited	Subsidiary	100%	India
14	DCM Shriram Ventures Limited	Subsidiary	100%	India
15	Shriram Agsmart Limited	Subsidiary	100%	India

The financial statements of the subsidiaries namely DCM Shriram Foundation and Shridhar Shriram Foundation, incorporated under section 8 of the Companies Act, 2013 are not considered for consolidation since the objective of control in these companies is not to obtain economic benefits from its subsidiaries.

Direct Economic Value Generated And Distributed:

The economic value generated has been distributed in a manner detailed below:

ECONOMIC VALUE DISTRIBUTED	INR CRORE
Total Expenses	10786.06
Total Other Equity – opening balance	5470.45
Total Other Equity – closing balance	6162.40
Tax Expense	502.29
Dividend Paid	238.59
Community Investments*	18.76

* INR 3.5 Crores has been transferred to unspent CSR account for the projects as per section 135(6) of The Companies Act. These projects are 'Ongoing Projects' as defined under the CSR Amendment Rules which are running in a continuous mode with year-on-year goals and budgets which are accounted and audited

Being a responsible organization, we offer our employees various benefits through our initiatives, which include medical insurance, life insurance, personal accident insurance, maternity leave, paternity leave, and provident fund. In FY 2022-23, we spent INR 890.64 Crores on employee expenses which was 13.7% higher than the previous year. The details of contribution to defined benefit plans are provided below:

DETAILS OF CONTRIBUTION TO DEFINED BENEFIT SCHEME	INR CRORE
Salaries, wages, bonuses, gratuity, commission	799.85
Expense on employee stock purchase scheme	6.03
Contribution to Provident and other funds	49.11
Staff welfare expenses	35.65
Total Employee Benefits Expense	890.64

Key Financial Highlights:

The details of key financial highlights are provided below:

PARTICULARS	CONSOLIDATED (INR CRORE)		YEAR-ON-YEAR GROWTH (%)
	FY 2022-23	FY 2021-22	
Revenue from operations	12079.51	9,849.41	22.6
Profit before finance cost, depreciation, and tax	1726.10	1,888.33	(8.6)
Profit after tax (PAT)	910.84	1,066.13	(14.6)
Staff welfare expenses	35.65	27.37	30.2
Total Employee Benefits Expense	890.64	783.29	13.7

The following are the key features of financial performance in the financial year 2022-23:

- Total revenue accrued from operations is INR 12079.51 Crores compared to INR 9849.41 Crores last year. During FY 2022-23, the company continued to witness a strong operating and financial performance despite multiple national and international disruptions.
- The company witnessed an overall strong operating and financial performance, despite the challenges arising from high energy prices, inflationary pressures and supply chain disruptions. The Russia-Ukraine conflict added to the uncertainties. Despite these challenges, our Chlor-Alkali, Shriram Farm Solutions and Fenesta businesses did well; however, Vinyl and Sugar businesses had lower earnings.

Chlor-Vinyl

- Chemical revenue was higher by 27% as compared to FY22 driven mainly by historic higher realizations especially in first nine months led by global supply chain disruptions, higher energy prices and stable demand.
- Vinyl business reported a decline in earnings driven by higher energy prices and sharp reduction in PVC and Calcium Carbide prices from their historic highs last year.

Sugar

- Revenue increased by 21% as compared to FY22. The increase was attributable mainly to higher domestic and export sugar sales and better realization.

Agri Input Business

- Shriram Farm Solutions business registered a growth rate of ~9% in revenue led by better realizations in all verticals.
- Fertilizer business revenue also witnessed a growth of ~50% due to higher gas prices which is a pass through.
- Revenue for Bioseed business was higher by ~19% driven by volumes.
- Overall, Agri inputs business revenues were up 31% as compared to FY22.

Fenesta Business

- Fenesta building systems business is our B2C business wherein, revenues were higher by 32% led by higher volumes and prices.

STRATEGY AND GOVERNANCE



DCM Shriram has always respected all the laws of the land and the different regulations of India and the other countries where we have our operations. With no exception, we comply with the regulations that apply to the company. Under the leadership of the Chief Financial Officer (CFO), the team keeps track of the tax positions as per which the company has to operate. There is a dedicated tax policy / tax framework that governs our commitment to deliver on the following parameters.

- We endeavor to comply with the spirit as well as the letter of the tax laws and regulations in the countries of operation.
- We endeavor not to transfer value created to low-tax jurisdictions.
- We endeavor not to use tax structures without commercial substance.
- We endeavor to undertake transfer pricing using the arm's length principle.
- We endeavor not to use secrecy jurisdictions or so-called "tax havens" for tax avoidance.

The overall tax functions at the DCM Shriram is largely driven by the following tax principles:



Tax Reporting

The details of key financial highlights are provided below:

S. NO	PARTICULARS	INDIA	PHILLIPINES	USA	SINGAPORE
1	Names of all the resident entities	DCM Shriram Ltd	Bioseed Research Philippines Inc.	Bioseed Research USA Inc.	Bioseeds Holdings Pte. Ltd.
2	Primary activities	Manufacturing	Research, production, distribution, and trading of commercial hybrid seeds and other crops	Seed and Biotechnology Research	Loans and investments in subsidiaries engaged in seeds business
3	Number of employees	5423	111	0	0
4	Revenue (INR Crores)	9984.19	104.68	0	0.33
5	Profit (Loss) before tax (INR Crores)	1674.92	26.23	(0.016)	(9.65)
6	Income tax paid (INR Crores)	282.38	52.38	0	0

The above information is for FY21-22

Effective Tax Rate

A comparative analysis of effective tax rate in current year vis-à-vis in last year is tabulated as under:

PARTICULARS	FY 2022-23 (INR CRORES)	FY 2021-22 (INR CRORES)
Earnings before tax	1413.13	1564.98
Reported taxes	502.29	498.85
Effective tax rate (in %)	35.54 %	31.88 %
Cash taxes paid	328.33	275.84
Cash Tax rate (in %)	23.23 %	17.62 %



CONTRIBUTION TO **SUSTAINABLE DEVELOPMENT**

The “Climate Change 2023: Synthesis Report” released by the Intergovernmental Panel on Climate Change (IPCC) this year has reaffirmed that the “Pace and scale of climate action are insufficient to tackle climate change”. Further, the report has highlighted the adverse impacts that we could face in the future, some of which are related to water scarcity, food production, health and wellbeing, ecosystem, and species range shifts. DCM Shriram has always acknowledged the fact that climate change is real and for decades we have been constantly implementing initiatives to mitigate the impacts of climate change.

By making constant innovations in the products and processes across the business portfolio, DCM Shriram strives to work towards a sustainable future. In everything that we do, the way it will impact people and the planet is always taken into consideration. The nature of the products that we manufacture presents an opportunity to make a larger impact on society. We are constantly refining our products to make a positive impact.

We work towards becoming leaders in our sector by acting as responsible corporate citizen. This gets reflected in the multiple initiatives that we have taken to reduce our carbon footprint, be energy efficient, promote a circular economy, staying water positive, creating health ecosystems leading to rich biodiversity, strong EHS policy setting the highest standards in plant design, equipment selection, maintenance, and operations, and have a robust EHS Management System.

The major initiatives that DCM Shriram has taken to put our climate action agenda into force are explained below:

Ethanol Blending For Petrol

Across the world, governments and companies are working towards decreasing their carbon footprint by shifting to options that consume less fossil fuels or have a lower net calorific value. The government of India has also set a target of becoming Net Zero by 2070 and is taking multiple initiatives to work towards the same. With a target of 20%, government has planned to

increase percentage of ethanol blending. DCM Shriram is been working towards supporting this initiative of the government by producing ethanol at two of its plants in Uttar Pradesh, at Hariawan and Ajbapur. This is a bioethanol that is produced from sugarcane molasses by fermentation.

Because of the properties of the Ethanol, it improves the combustion in engines, and thus the emissions are comparatively lower. Depending on the quantity in which it gets mixed with the fuel, the quantum of emissions varies. Other than the reduced carbon footprint, the production of ethanol has helped the sugar mills manage their waste in a more productive manner. This has helped them generate an alternate source of revenue as well.



DCM Shriram has developed an action plan to meet the target of 20% blending by 2025 as part of the Ethanol Blended Petrol (EBP) Program. Currently, the blending is being done at a 10% rate. By working on the ethanol blending process, we are moving towards an affordable, accessible, sustainable, efficient and secure energy. Ethanol produced from molasses used for blending in petrol thus serves as a green fuel, mitigating climate change risk and reducing 3,31,690 tCO₂e in the reporting year.

Biomass/Bagasse based cogeneration power plant

To work towards reducing our carbon footprint, we have been generating clean energy through our internal systems. This year, such power contributed to 39% of the total energy consumption of DCM Shriram. Our in-house energy demands for integrated Sugar business unit (which comprises a sugar mill, distillery and power plant) were completely met by power generated from the cogeneration power plants that operate on Biofuel. The captive power at the sugar plant and distillery plant was met by the electricity generated from Biofuel powered boilers. Bagasse, which is a by-product of sugar cane, was used as fuel for the electricity consumed at the sugar plant. For the distillery plant, a mix of slop (by-product of Ethanol) and bagasse was used. To operate the boilers efficiently, work has been done on distributed generation of electrical and/or mechanical power, waste heat recovery and seamless technological integration for specific consumption. To

ensure the optimum output from the power plant and increased avoided emissions, further measures like the installation of a flue gas scrubber were taken. This helped to increase the calorific value of the Bagasse. The efforts resulted in increased overall efficiency of the power plants and the utilization of waste heat, which eventually resulted in an efficiency of up to 90%. The surplus energy that we generated was sold to the grid for further distribution. The waste that gets generated from these boilers acts as organic manure because of its high mineral content. We continued to distribute the manure among our farmer community.

Cement production using waste lime sludge and fly ash

One of the core sustainability principles that DCM Shriram focuses on is the circular economy. To work towards it we explored the means to utilize the different sludges and other waste products generated at one of our site in Kota in an efficient and environment friendly manner. Eventually, a cement plant was set up with technical support from Lafarge Coppee Lavalin, France. This plant helped us manufacture cement by recycling waste and conserving resources. We replaced cement with fly ash (30-40%) and sludge (8-10%) from the concrete mix to produce a concrete that is light weight and strong. The use of fly ash helped us ensure its reuse and also increased the concrete strength, improved sulfate resistance, decreased permeability, reduced water requirements, and improved the overall workability of the concrete. Different types



of sludges that have been used in this are Hydrated Lime Sludge or Calcium Hydroxide Sludge (generated during Acetylene production) and Sludge (solid waste generated from wastewater treatment). This safe and environment friendly disposal of Hydrated Lime Sludge was a major challenge that was addressed through this process. This setup has helped to produce safe and light weight concrete that has multiple applications, such as roadbeds and filling materials, which lead to sustainable applications. The consumption of low grade limestone used in the cement is also reduced by 10%, and specific energy consumption is reduced by 4% during the year.

Co-generation as energy efficiency initiative

We have implemented a cogeneration system at our Kota site, that efficiently utilizes steam produced by condensing turbines. In this system, the steam is carefully maintained at the necessary pressure in the intermediate stage. This intermediate stage allows the steam to be utilized by the process units, while the remaining steam is condensed. DCM Shriram generated 431 Million units, leading to the abatement of around 340,619 tCO₂e this year through the cogeneration system at the site.

Blue Hydrogen as an alternative fuel

Hydrogen is considered one of the key solutions to address the ongoing energy crisis, as it enables the clean and efficient production of power and heat from a range of primary energy sources. The concept of the hydrogen economy presents a compelling opportunity to address our concerns about supply security and climate change in a distinct and innovative manner. In pursuance, DCM Shriram has initiated the production of blue hydrogen as a by-product of the Chlor-Alkali plant processes, which is then used as fuel in the furnaces of the plant as a substitute for fossil fuels. This cycle has helped the company to achieve its collective vision of using emerging green technologies in its value chain. 30,165,290 Nm³ of hydrogen was utilized as an alternative fuel, leading to an abatement of around 80,095 tCO₂e. This has immensely helped the company to step towards a sustainable future by integrating sustainable fuel systems into its value chain.

Urea production using agri-sourced CO₂

Urea manufacturing involves controlled reaction of ammonia gas (NH₃) and carbon dioxide (CO₂) at elevated temperature and pressure. During the year, around 8% of the total urea manufactured was produced using agri-sourced CO₂ resulting in reduced GHG emission by 32,558 tCO₂e.



GOOD GOVERNANCE



Corporate Governance

At DCM Shriram, our fundamental principles and values are deeply rooted in our heritage, reflecting our unwavering commitment to building a dynamic, flourishing and resilient organization. We firmly believe that corporate governance is the cornerstone of sustained performance, and we uphold a longstanding legacy of accountable, ethical and transparent governance practices. Our Company is dedicated to upholding the values of Integrity, Agility, Customer-Centricity, Teamwork, Openness and Newness, with a focus on creating enduring value for both people and the planet, fostering

resilient growth. Our unwavering commitment to compliance with all relevant laws and regulations is coupled with the highest ethical standards in every decision we make. We embrace our social responsibility and fulfill our promises to all stakeholders, ensuring that our actions align with our company's values. Our board of directors takes swift action and promotes resilience by empowering all stakeholders to adapt to the ever-changing business landscape. They embrace a governance approach that fosters the right culture and processes for risk management, while upholding the utmost ethics, justice and equality. The board's decision-making evolves in response to emerging business changes, always taking into consideration the needs of our customers and stakeholders, and ensuring equitable opportunities for all.

As evidenced by our diverse and highly capable board of directors, DCM Shriram exemplifies a well-structured and independent organization. Many of our leaders, who have played pivotal roles in the growth of our organization, continue to contribute to our ongoing journey across various business segments. The Chairman & Senior Managing Director, Vice Chairman & Managing Director and Joint Managing Director lead the board at its core. The board is organized into two distinct groups: the Group Management Board (GMB) and the Corporate Management Board. The GMB consists of key leaders within DCM Shriram, representing the breadth and depth of our exceptional human resources across different business segments. They collaborate on strategies and plans to drive the company's growth. The corporate management group includes the Group Management Board (GMB) members and a broader range of individuals from various businesses who have collectively contributed to the development of our organization into the prominent conglomerate it is today.

The most effective strategies for successful corporate governance have the full support of our board. To uphold our values, the Selection Committee appoints Independent Directors who serve on our Company's Board of Directors through a complex selection process that includes the introduction of experienced professionals and subject matter experts. Through their extensive field experience, our functional directors guide management on operational issues, system adoption, and best practices. We are of the view that a good diversity of skills and experience forms part of the board of the company. Also, while appointing the directors, company does not discriminate against the employees on the ground of gender, religion, caste, ethnicity etc. The person to be appointed on the board shall fulfil the appointment criteria and be qualified to be appointed to the position. The Company's Board of Directors comprises of two female members out of twelve members.

Board of Directors



Mr. Ajay S. Shriram
Chairman &
Sr. Managing Director



Mr. Vikram S. Shriram
Vice Chairman &
Managing Director



Mr. Ajit S. Shriram
Joint Managing
Director



Mr. Aditya A. Shriram
Deputy Managing
Director



Mr. Pradeep Dinodia
Non-Executive
Independent Director



Mr. Sunil Kant Munjal
Non-Executive
Independent Director



Mr. Vimal Bhandari
Independent Director



Ms. Ramni Narula
Independent Director



Mr. Pravesh Sharma
Independent Director



**Justice (Retd.)
Vikramajit Sen**
Independent Director



Ms. Sarita Garg
LIC Nominee



Mr. K.K. Sharma
Whole Time Director
- EHS

Group Management Board



Mr. Ajay S. Shriram
Chairman &
Sr. Managing Director



Mr. Vikram S. Shriram
Vice Chairman &
Managing Director



Mr. Ajit S. Shriram
Joint Managing
Director



Mr. Aditya A. Shriram
Deputy Managing
Director



Mr. K.K. Kaul
Sr. Executive Director



Mr. Roshan Lal Tamak
Executive Director &
CEO - Sugar Business



Mr. Vinoo Mehta
Executive Director &
Resident Head- Kota



Mr. Sabaleel Nandy
Executive Director &
CEO - Chemicals



Mr. Amit Agarwal
Executive Director &
Group Chief Financial
Officer



Mr. Sandeep Girotra
Executive Director &
Group Chief Human
Resource Officer

Corporate Management Board



Mr. Ajay S. Shriram
Chairman &
Sr. Managing Director



Mr. Vikram S. Shriram
Vice Chairman &
Managing Director



Mr. Ajit S. Shriram
Joint Managing
Director



Mr. Aditya A. Shriram
Deputy Managing
Director



Mr. K.K. Kaul
Sr. Executive Director



Mr. Roshan Lal Tamak
Executive Director &
CEO - Sugar Business



Dr. Paresh Verma
Executive Director
& Chief Executive-
Bioseed South East
Asia & Research
Director-BRI



Mr. K.K. Sharma
Whole Time Director
- EHS



Mr. Vinoo Mehta
Executive Director &
Resident Head- Kota



Mr. Sanjay Chhabra
Executive Director
& Business Head-
Shriram Farm
Solutions



Mr. Saket Jain
Executive Director
and Business Head-
Fenesta Building
Systems



Mr. Sreekanth Chundi
Executive Director
& Business Head,
Shriram Bioseed
Genetics



Mr. Sabaleel Nandy
Executive Director &
CEO - Chemicals



Mr. Amit Agarwal
Executive Director &
Group Chief Financial
Officer



Mr. Sandeep Girotra
Executive Director &
Group Chief Human
Resource Officer



Mr. Ankush Kaura
Executive Director
& Chief Information
Officer



Mr. B.M. Patel
President and Unit
Head- Shriram Alkali
and Chemicals,
Bharuch



Mr. Sanyog Jain
Sr Vice President -
Accounts & Finance &
Dy. CFO



Mr. Anand A. Shriram
Sr Vice President
- Shriram Farm
Solutions



**Mr. Devdatta
Sirdeshpande**
Country Head-
Bioseed Philippines



Mr. Sridhar Namburi
President & Head-
Internal Audit



Mr. Sameet Gambhir
Vice President-
Corporate Law &
Company Secretary



Ms. Aman Pannu
Vice President
- Corporate
Communications &
CSR President- DCM
Shriram Foundation



Mr. Bineet Khurana
Vice President & Head
Legal



Mr. Pranav V. Shriram
Chief Digital Officer
- Fenesta Building
Systems



Mr. Varun A. Shriram
Chief Strategy Officer
- Sugar Business

Committees of the Board of Directors

Board Audit Committee

1	Mr. Pradeep Dinodia	Chairman
2	Mr. Sunil Kant Munjal	Member
3	Ms. Ramni Nirula	Member
4	Mr. Pravesh Sharma	Member
Mr. Sameet Gambhir		Secretary

Nomination, Remuneration & Compensation Committee

1	Mr. Pradeep Dinodia	Chairman
2	Mr. Ajay S. Shriram	Member
3	Mr. Sunil Kant Munjal	Member
4	Mr. Vimal Bhandari	Member
Mr. Sameet Gambhir		Secretary

Stakeholder Relationship Committee

1	Mr. Pradeep Dinodia	Chairman
2	Mr. Ajay S. Shriram	Member
3	Mr. Vikram S. Shriram	Member
4	Mr. Ajit S. Shriram	Member
Mr. Sameet Gambhir		Secretary

Corporate Social Responsibility Committee

1	Mr. Ajay S. Shriram	Chairman
2	Mr. Vikram S. Shriram	Member
3	Mr. Ajit S. Shriram	Member
4	Mr. Sunil Kant Munjal	Member
5	Mr. Pravesh Sharma	Member
6	Justcie (Retd.) Vikramajit Sen	Member
Mr. Sameet Gambhir		Secretary

Board Risk Management Committee

1	Mr. K. K. Sharma	Chairman
2	Mr. Vimal Bhandari	Member
3	Mr. R.L. Tamak	Member
Mr. Sameet Gambhir		Secretary

Board Finance Committee

1	Mr. Ajay S. Shriram	Chairman
2	Mr. Vikram S. Shriram	Member
3	Mr. Ajit S. Shriram	Member
Mr. Sameet Gambhir		Secretary

Code of Conduct

DCM Shriram's core values, such as Integrity, Agility, Customer Centricity, Teamwork, Openness and Newness form the six pillars of our code of conduct. All our directors, senior management members, and employees adhere to the company's code of conduct. Necessary safeguards are in place as part of our corporate governance structure and the code of conduct to avoid any conflicts of interest. Required registers are maintained to document the respective interests of all our directors with reference to conflicts of interest based on our regulatory requirements. It is mandatory for our management to also confirm that they are not engaged in any material transaction that could have a potential conflict of interest with our business. Provisions are in place for our management to take action on any incident of conflict of interest, as per our code of conduct. The Code of Conduct is available on DCM Shriram's website at the following link:

[https://www.dcmshriram.com/sites/default/files/CODE%20OF%20CONDUCT%20-%20BRD%20MEMB%20&%20SR.%20MGMT%20-%20Final%20\(BM%2004.10.2014\)%20.pdf](https://www.dcmshriram.com/sites/default/files/CODE%20OF%20CONDUCT%20-%20BRD%20MEMB%20&%20SR.%20MGMT%20-%20Final%20(BM%2004.10.2014)%20.pdf)

Policy Positions And Guidelines

DCM Shriram ensures adherence to all applicable regulatory or statutory compliance in business operations and functions. The company has set up a vigorous compliance management process for ensuring and monitoring the conformance of these compliances. Company has also formulated policies on the applicable statutory provisions to strengthen its commitment to comply with them. Some of the important policies formulated and adopted by the company are:

- BRSR Framework
- Related Party Transaction (RPT) Policy
- Remuneration Policy
- Human Rights Policy
- Environment, Health & Safety Policy
- Divident Distribution Policy
- Code of Fair Disclosure
- Vigil Mechanism
- Material Subsidiary Policy

The board of directors and each stakeholder are responsible for ethical business behavior. We are proud of our workforce for producing high-performance outcomes and ethical work practices. We have put in a lot of effort to establish a foundation of trust, integrity, transparency, and good governance. We have policies and mechanisms at DCM Shriram to make sure that our employees and everyone in our supply chain act ethically in business. The following highlights a few significant policies:

POLICY	DESCRIPTION
Code of Conduct (CoC)	DCM Shriram's code of conduct enables the organization to be transparent and accountable by clarifying the rules and regulations of interactions with our stakeholders, along with methods to ensure honesty and feedback. These values form the core of CoC and further elaborate upon the concept of zero-tolerance towards issues like bribery, corruption, and dishonesty.
Human Rights Policy	<p>DCM Shriram respects diversity and upholds a long-standing commitment to promoting equality of opportunity. We are committed to upholding a work environment that is free from harassment and discrimination based on race, religion, sex (including pregnancy, childbirth, and conditions related to those events), color, age, nation of origin, sexual orientation, medical condition, disability, etc.</p> <p>Our organization and all our employees continue to respect, support, and promote human rights. We conduct business in a manner that is legal and respects the dignity of all involved, including stakeholders. We respect and follow internationally recognized human rights and our human rights policy is linked with the UN Declaration of Human Rights, ILO's Declaration of Fundamental Principles and Rights at Work, and the UN's Guiding Principles on Business and Human Rights & Global Compact.</p> <p>The following human rights are granted to each employee, to ensure a safe and secure work environment: the right to safety; the right to be heard; the right to be informed; and the right to be redressed. We further ensure that we are not using any child labor in our supply chain, and our employees and contractors have the freedom of association and the right to organize and collective bargaining.</p>

POLICY	DESCRIPTION
Related Party Transaction Policy	Related party transactions simply mean transactions carried out between two individuals who are related to each other. If one of the individuals is from the workforce and the other is from the party with whom DCM Shriram is conducting business, then the rules governing the engagement along with verifying the legality of the engagement will be found under this policy.
Code of Fair Disclosure	<p>The Code of Fair Disclosure is responsible for the prevention of insider trading by implementing practices, procedures and conduct to oversee the fair disclosure of unpublished price-sensitive information.</p> <p>Additionally, we have a stringent anti-money laundering policy that outlines a process to screen and identify all entities with whom we have business relations, to ensure transparency in all our business transactions.</p>
Policy on directors' appointment and remuneration	<p>Following its charter, the Nomination and Remuneration Committee (NRC) develops the standards for judging the credentials, desirable traits, and independence of directors. The committee considers factors like a candidate's educational and professional background, general knowledge of the business dynamics of the company, professional standing, personal and professional ethics, integrity, and values, as well as their willingness to invest the necessary time and effort in effectively carrying out their duties and responsibilities.</p> <p>The committee also evaluates the independence of directors at the time of their appointment or reappointment based on the standards established by the SEBI Listing Rules, the rules adopted under the Companies Act of 2013, and the requirements of the Act itself.</p>



Research, Development And Innovation

Our way to deal with research and development moves us to look past our products, enabling our workers, and exploiting the information accessible in this present reality.

As we prepare our business to lead the way towards a sustainable future, we encourage an open culture of innovation by looking for ideas outside of our primary R&D centers and supporting open innovation from any part of our organization.

To encourage innovation and incorporate technology into the business value chain, we at DCM Shriram have identified our primary focus areas. Through consistent product and service innovation that is in line with the ever-evolving aspirations of customers, we have established and maintained our leadership position. At DCM Shriram, we consider intellectual capital to be the key to unlocking the untapped potential of markets, products, and individuals.

We rely on leading scientists who are committed to advancing our industry to lead the sustainable transformation of our industry. Building on our 'Share the Strength' ethos, we work to spread this message across our various departments. Our open culture of innovation encourages ideas not only from research and development but also from any part of our organization. We provide our scientists with cutting-edge research facilities, bringing together our R&D and Manufacturing teams from all our sites to make this process easier.

In today's age where digital connectivity is most important, this connectivity and awareness have helped grow the aspirations of most of the Indian population. Therefore, we are focusing on its digital transformation through AI and machine learning. The company is also continuously working on capacity building and upskilling our people, to face future challenges and benefit from new opportunities.

OUR R&D CENTERS SPECIALIZE IN THE FOLLOWING FIVE AREAS:	OUR TARGETS FOR RESEARCH, DEVELOPMENT, AND INNOVATION:
<ol style="list-style-type: none"> 1. Manufacturing technology 2. Analytical services and quality 3. Product development 4. Process innovation 5. Material innovation 6. Digitization across business 	<ol style="list-style-type: none"> 1. Deliver circularity 2. Opportunities beyond our products 3. Developing our products for a sustainable future 4. Better opportunities for our suppliers and customers



Innovation Management

Value creation and market dominance depend on innovation. It makes it easier for us to create green chemistry solutions that capitalize on sustainability as a competitive advantage. With the assistance of a group of scientists and through partnerships with world-class academic and other institutions, we accomplish this goal.

Enterprises are progressively speeding up their hybrid cloud procedures to future-proof their businesses, to make it possible for customers to safeguard resources, encourage innovation, and ensure business continuity.

Some other initiatives taken under Research and Development are:

- **Chemical Marketing Team at CPHI & PMEC India 2022, Noida:** Exhibition attended by both large and small major domestic and international pharmaceutical companies to facilitate greater knowledge sharing and market comprehension. Helped make connections with dealers and potential customers.
- **Navratna Felicitation & Product Launch meetings:** Two gatherings held in Punjab and Bihar saw participation from more than 250 distributors. SFS also introduced two brand new internal research wheat varieties. Along with this, Shriram Super 5-S-05 and Shriram Super 3-SR-72 were launched in a few parts of the country.
- **To strengthen in-house R&D on Wheat crop,** our team visited Morocco for collaboration with the International Centre for Agricultural Research in the Dry Areas (ICRADA) and visited the R&D farms of ICRADA.
- Visited Vietnam to work in collaboration with the High Agricultural Technology Research Institute for Mekong Delta (HATRI), held meetings with domain experts for collaboration on rice research and visited their research farms.
- Attended the Asian Seeds Congress held in Bangkok, a mega event of the seed industry held after 2 years. 1004 participants from 503 companies, government agencies and seed associations. Through this event, the Vegetable Business team could meet 18 existing business partners and 8 new companies to explore new channels of sourcing and collaboration.
- **Going “DIGITAL”:** By partnering with Fasal – “Grow More, Grow Better™”, a pioneer in the Indian digital precision farming space, Shriram Bioseed Genetics, a division of DCM Shriram Ltd. took yet another step towards adapting to the digital way of life. Our efforts in Research and Development (R&D) and new product development would benefit from this partnership.
- **KRISHIFY and Bioseed** have partnered up to establish trust and provide knowledge about the product line to their farmers.
- **Launch of Shriram Protobuz:** Shriram Farm Solutions (SFS) has launched “Shriram Protobuz”, a product for protein enrichment. This product was developed by Shriram’s in-house R&D – Center for Advanced Plant Nutrition (CAPN).
- **Tolling facility of Crop Protection Formulation:** The Company has initiated manufacturing crop protection products through a Tolling facility at Gandhinagar, Gujarat. About 25 products are being produced in the facility and few more are planned in future.



- **1st Shriram Research Conference:** A 2-day event conducted at Ludhiana, where Wheat, Rice, and Specialty Plant Nutrition Research teams deliberated on the research development and future strategies, followed by a visit to the laboratories of Shriram Agricultural Research Station (SARC) and R&D Farm.
- **Bioseed Business Partners Summit:** It was held in Hyderabad, for Telangana and Andhra Pradesh. We recognized the business catalysts among our trade partners for their efforts and businesses. Also launched one Corn and three Paddy products during the summit.



Sustainable Supply Chain Management

The supply chain strategy of DCM Shriram relies heavily on synergy with value chain participants who follow sustainable business practices. Wherever feasible, local procurement is prioritized as it encourages reducing the environmental footprint and generates local employment.

Our aim is to source environmentally friendly products and services that offer the finest combination of features in terms of value, performance, delivery, and technology. Our suppliers are crucial to our growth across the board and serve as partners in our success. In keeping with our vision and strategy, we want to make collective efforts to strengthen their capacities on environmental, social, and economic fronts in order to establish a shared value chain for all of our stakeholders.



Procurement

To establish a sustainable supply chain, we engage in partnerships with vendors whose products and services align with our core principles and rigorous standards. In line with our SoPs and guidelines on anti-corruption and anti-bribery, the company maintains an ethical and transparent procurement process.

We exclusively collaborate with value chain partners who go above and beyond on upholding labor laws, no child labor, no forced labor, operational safety, fair wages, working conditions, and other human rights issues. DCM Shriram strives to uphold effective procurement practices that adhere to the principles of good governance.



Suppliers

DCM Shriram prioritizes local suppliers and Micro, Small, and Medium Enterprises (MSMEs) to address procurement needs in production processes. Additionally, the company extensively relies on regional suppliers for plant maintenance and operations.

Specifically, for regular supply items like carbide packing drums, which constitute approximately 15% of the materials used in our production units, we actively support local vendors. The Fenesta sector's unit, in particular, sources around 70% of its supplies from local vendors.



Monitoring & Engagement

DCM Shriram regularly monitors the performance of its suppliers, ensuring their compliance with applicable laws, regulations and corporate rules through compliance monitoring. Our long-term plan aims to strengthen the fundamental aspects of our supply chain, enabling us to achieve company sustainability in the face of changing physical and transitional risks.



Contractual Agreement of Compliance

When engaging with new suppliers, we provide them with an overview of the company's expectations for suppliers and contractors in all procurement interactions. Our contract agreements clearly define provisions related to Environmental, Health and Safety (EHS), environmental management, labor standards, and social responsibility.

DCM Shriram places great emphasis on collaboration with value chain stakeholders who uphold sustainability best practices in their operations. Whenever possible, the company prioritizes locally available and India-based suppliers, aiming to generate revenue and employment within the ecosystem while promoting indigenous entrepreneurship and reducing the environmental impact. Procuring sustainable goods and services that offer the best combination of price, quality, delivery and technology is a key objective.

The integrity and dependability of our supply chain are the most fundamental requirements. To help our employees, business partners, and suppliers meet our standards, we have established solid internal standards and principles. Vendors, service providers, consultants, contractors, distributors, and agents are among our diverse business partners.

We are committed to corporate responsibility and hold ourselves accountable. We work to ensure that the materials used in our products are sourced ethically, and we expect our global supply chain partners to do the same. We expect our current and future suppliers to follow fundamental guidelines of social and environmental responsibility that are compliant with local law and consistent with international standards. In addition, we request that our suppliers adhere to these guidelines and communicate them to their suppliers.

As part of its long-term strategy, DCM Shriram aims to strengthen key members of its supply chain, enabling the company to foster business sustainability amidst changing physical and transitional risks. New suppliers are educated on the company's expectations and are provided with a summary of the requirements in all procurement dealings. Contract agreements incorporate clauses related to Environment, Health and Safety (EHS), environment management, labor standards and Human Rights, further reinforcing DCM Shriram's commitment to sustainable practices throughout its supply chain.

Suppliers are seen as partners in the company's success and contribute significantly to its growth across all endeavors. Aligning with the company's vision and strategy, efforts are made to enhance the capacities of suppliers in environmental, social and economic aspects, creating a shared value chain for all stakeholders.

Vocal for Local - Sustainable Society and Environment

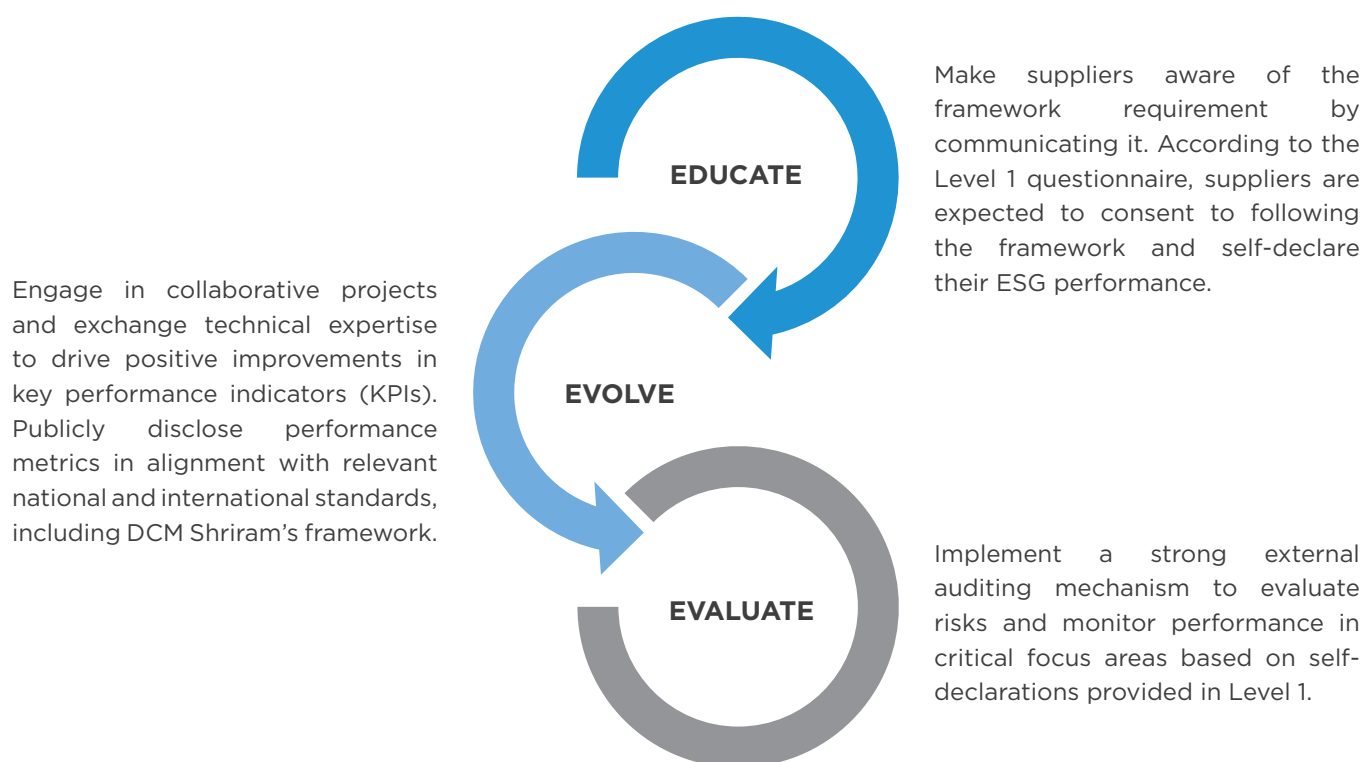
DCM Shriram Ltd. follows a business philosophy that emphasizes local opportunities, local products, and the upliftment of local communities. We believe that supporting local communities not only benefits them but also contributes to environmental sustainability in our business practices.

We prioritise procuring raw materials and services from local and small producers. In our Sugar business, we actively engage with farmers to source sugarcane, the key raw material for sugar production. We undertake various initiatives to support cane development, including providing free training to farmers, promoting the use of new agricultural technologies, educating farmers on increasing yields, and supplying quality seeds, bio-pesticides and bio-manure at subsidized rates to improve soil fertility. We also work towards developing regional micro-entrepreneurs who offer customized services to farmers, such as field preparation and crop transportation.

For the transportation of Ethanol to our customers, the Oil Marketing Companies (OMC), we outsource the logistics to local players, thereby supporting small local businesses. In our cement business, we source low-grade mineral limestone from nearby areas and upgrade its quality using calcium hydroxide sludge. We regularly conduct vendor development programs to promote the skills and development of local contractors and service providers through training and community

development initiatives. Across our sites, we strive to source engineering components and consumables locally from authorized distributors and dealers. We follow standardised and negotiated terms and conditions while procuring these items. By embracing a “go local” approach, we not only support local economies but also contribute to sustainability and community development in our business operations.

The program is split into three levels



Risks And Opportunity Management

Given the frequency and scope of activity, DCM Shriram views the risk identification and mitigation as a key factor in fostering company flexibility. Due to interdependencies at many levels, a perfect risk management system is necessary to manage the influence of the outside environment while maintaining effective and ecologically friendly operations.

In order to quickly handle both internal and external risks, the company built an integrated risk management system. This framework, which was adopted by its board, implements an extensive Enterprise Risk Management (ERM) system that incorporates risk identification, assessment, priority, and response mechanisms for risk mitigation. Risks associated with price volatility, regulatory changes, the availability of natural resources, sustainability, community, international trade, and other issues are faced by our company. Making DCM Shriram more adaptive and dynamic is the aim of the ERM. It enhances the driving power behind those initiatives by strengthening the checks between funding and risk management activities. It also enables the strengthening of company-wide risk management and the role of the negotiating window for stakeholders in new investment projects.

A robust risk management framework enables us to proactively manage risks emanating from the internal and external environment. The company has an

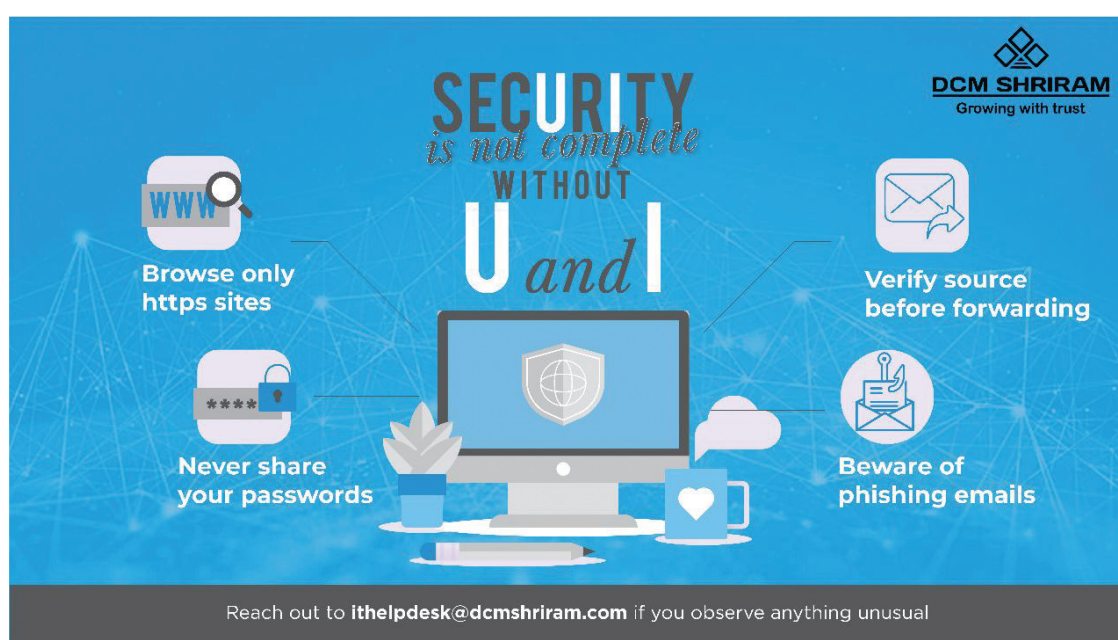
integrated approach to managing the risks inherent in various dimensions of business. The Risk Management Committee comprises two executive directors who are responsible for identifying and monitoring risk levels according to various indicators and ensuring the execution of mitigation strategies if required.

The Board has constituted the Risk Management Committee (RMC), in compliance with Regulation 21 of the SEBI (LODR) Regulations, 2015.

The committee consists of one Whole Time Director (WTD), one Independent Director and one senior employee as a member of the committee. The committee met twice during the year. The members of the committee are:

1	Mr. Vimal Bhandhari	Member	Non - Executive Independent Director
2	Mr. K. K. Sharma	Member	Executive Director
3	Mr. Roshan Lal Tamak	Member	Employee

Mr. Sameet Gambhir, Company Secretary, is the Secretary to the Committee.



Key Risks & Mitigation Strategies – Risk Management Framework

SL. NO.	MATERIAL ISSUE IDENTIFIED	INDICATE WHETHER RISK OR OPPORTUNITY (R/O)	FINANCIAL IMPLICATIONS OF THE RISK OR OPPORTUNITY (INDICATE POSITIVE OR NEGATIVE IMPLICATIONS)	RISK	TYPE OF RISK	MITIGATION MEASURES
1	Cyber Security Technology / Information Security	Risk	Negative	Risk of data loss, information security, and privacy breach can lead to accidental exposure of confidential information, resulting in regulatory non-compliance and attracting legal liabilities.	Transitional risk	<ul style="list-style-type: none"> • Robust information security controls and processes • A firewall with anti-virus and intrusion prevention system • Third-party assessments of IT infra • Vulnerability Assessment and Penetration Testing (VAPT) • Monitoring OEM support to the system • Developed Information Security Management System • Remote access to applications through encrypted VPN • Employee training and awareness on cyber security • Automated warnings for potential phishing attacks • Two-way authentication access to email system.
2	External Environment - Implications of Govt. Policies change in the Agriculture sector	Risk	Negative	Risk of potential non-compliance which can result in fines, penalties, and adverse impact on our brand reputation	Transitional risk	<ul style="list-style-type: none"> • Periodic changes in regulatory frameworks to ensure compliance • Working with government to ensure sustainable policies
3	Compliance Risks	Risk	Negative	Constant amendments to Corporate regulatory and legal landscape – Compliances becoming more onerous, stringent and complex due to frequent amendments to regulations.	Transitional risk	<ul style="list-style-type: none"> • Monitoring the amendments to framework • Providing adequate training for upskilling • Engagement with external experts • Monitoring on Insider Trading of shares • Imparting regulations and amendments on Insider trading • Online compliance tool implemented to strengthen the process.

SL. NO.	MATERIAL ISSUE IDENTIFIED	INDICATE WHETHER RISK OR OPPORTUNITY (R/O)	FINANCIAL IMPLICATIONS OF THE RISK OR OPPORTUNITY (INDICATE POSITIVE OR NEGATIVE IMPLICATIONS)	RISK	TYPE OF RISK	MITIGATION MEASURES
4	Natural calamities due to climate change	Risk	Negative	Increased frequency and severity of extreme weather events due to climate change can adversely impact our business continuity impacting parent seed production, hybrid seed production, and seed inventory for sales.	Physical Risk	<p>For Parent Seeds:</p> <ul style="list-style-type: none"> Two-year rolling plan for parent seed production. Buffer stock of parent seeds maintained for monsoon uncertainties for the coming season. Parent seed production is carried out in different locations. Carrying out R&D for developing seed varieties that sustain stressed weather conditions <p>For Hybrid Seeds:</p> <ul style="list-style-type: none"> Seeds production is spread over different climatic zones, viz. Andhra, Telangana, Karnataka and Gujarat. Adequate cold storage facilities tied up to store the surplus stock of seeds in a way that prolongs their life. Insurance coverage has been obtained for any climate-related calamities
5	Health & Safety	Risk	Negative	Handling and transportation of some of the products may pose a Health & Safety risk to employees and other stakeholders. In Transit leakages of Chlorine and other chemicals like Stable Bleaching Powder (SBP) might cause fire etc. and may create a hazardous situation. Process control failures leading to chlorine leakage may create a hazardous situation at the plant.	Physical Risk	<ul style="list-style-type: none"> Periodic equipment health checks and monitoring of bulk storage tanks. Regular safety audits by the British Safety Council on Five Star Safety System. Regular safety training sessions are conducted for employees including contract workers; Health and safety risk assessments are conducted regularly at both plants and when in transit. Chlorine storage and filling facility inspection and certification undertaken by CCE-approved agencies along with regular process safety audits. Physical verification is conducted for each incoming and outgoing vehicle for raw materials and finished goods based on a comprehensive checklist.

SL. NO.	MATERIAL ISSUE IDENTIFIED	INDICATE WHETHER RISK OR OPPORTUNITY	FINANCIAL IMPLICATION (POSITIVE OR NEGATIVE)	DETAILS	INITIATIVES UNDERTAKEN
1	Rising "Sustainability Risks"	Opportunity	Positive	Sustainability is embedded in the EHS policy by striving towards conserving natural resources and energy. The leadership team has set a clear direction and encourages every business to strive for and adhere to these goals. These are being incorporated in annual business plans. An MIS is in place for each site to monitor a few critical metrics that includes water consumed and effluent treated, energy consumed, wastes generated and disposed off, which are periodically reviewed by Corporate EHS.	<ul style="list-style-type: none"> Projects identified for Greenhouse Gases (GHG) reduction are under implementation. 50 MW RE power proposed at Bharuch as part of GHG reduction initiatives. Implemented supplier code of conduct: compliance to ethical conduct, statutes related to EHS, human rights, No child labor, Diversity etc. Creating awareness about ESG among key supply chain partners.

Internal Control System and its Adequacy

The SAP S4 Hana ERP platform, which offers high-level integration of all transactions, including financial transactions and statements, is used by the company to execute its integrated risk assessments. Vital business procedures and policies are documented. For all important procedures and commercial interactions, a Risk Control Matrix (RCM) has been established. Process adherence and compliance effectiveness of the control matrix are assessed at three levels: by the Business Accounts Team, the Corporate Internal Audit Team, and the Co-Sourced Internal Auditor. The statutory auditors also conduct audits on processes and internal controls in financial reporting. Internal audits are conducted on a regular basis in accordance with the audit committee's authorized plan. The audit observations are examined and monitored on a regular basis by the Corporate Office and the Audit Committee. The organization has already deployed Governance, Risk and Compliance (GRC) (Access Control Module) for SAP access management, as well as GRC (Process Control Module), which will allow for continuous monitoring of controls while enhancing the efficacy of internal control systems.

ENVIRONMENT CONSCIOUS **AT EVERY STEP**



We are responsible for keeping an eye on the emissions from our processes and reducing their negative consequences. Our strategies include investing in state-of-the-art equipment for reducing air pollution, raising plant energy efficiency and collecting energy so that it can be used again in our operations. We monitor our emissions and continue to invest in new technologies in order to make sure that we are in compliance with regional laws in the areas where we operate. There were no incidents of environmental non-compliance, which resulted in penalties for DCM Shriram in FY 2022-23.

Life Cycle Assessment (LCA) is a comprehensive method for evaluating the environmental impact of a product throughout its life cycle. It provides a systematic approach to assess the environmental aspects and potential impacts associated with all stages of a product's life, from raw material extraction, manufacturing, use, and disposal. During the year, we conducted LCA for all the products manufactured at our Bharuch site and also, plan to carry out for products from other sites in the future.

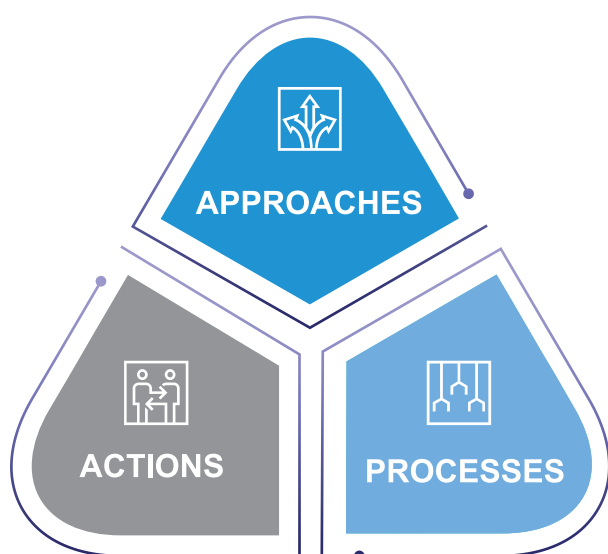
The cradle-to-gate approach is a specific application of Life Cycle Assessment (LCA) through which we are focusing on assessing the environmental impact of a product process from the extraction of raw materials (cradle) to the factory gate. This helps us align our stakeholders with our sustainability initiatives across stages.

Energy Consumption

DCM Shriram is continuously working to reduce the emissions in their operations and come up with new low- or zero- carbon solutions. With the increased integration of clean energy sources across all our plants, the company is trying to reduce carbon emissions. Energy efficiency through new initiatives is an impactful approach to reducing resource consumption. The

company has been regularly working on strategies to conserve resources and increase the efficiency of the setup. The Board of the DCM Shriram has a special focus on the energy management strategy. In terms of becoming efficient in the energy consumption per tonne of the product, the company has set well-defined targets and monitors it at the highest level.

To achieve the energy efficiency, we have been focusing on three aspects - Actions, Approaches and Processes.



APPROACHES	Quality meets the standards Technology enabled Environment friendly business operations
PROCESSES	Loss reduction Design optimization Avoiding sub processes Predictive maintenance
ACTIONS	Lower distribution losses Equipment efficiency Low carbon designs Regular monitoring and energy audits

To meet the energy requirements of the company, we currently rely on a mix of renewable and non-renewable sources, with the latter having the larger share. Over the years, we have been working to increase the share of renewable energy including non-fossil fuel energy in our operations. The pattern of our energy consumption and intensity is presented in the subsequent sections.

The initiatives taken by DCM Shriram for energy management and emission reduction are mentioned below:

Low Grade Heat recovery through installation of Vapour Absorption Machine at Fertilizer plant, Kota which is first of its kind installed in any Indian Fertilizer Plant

Collaboration with ReNew Power to set up a 50 MW hybrid wind/solar project at Bhavnagar for manufacturing facility at Bharuch, Gujarat

Installation of 5 KVA Solar Panel System at Sugar & Distillery unit in Ajbapur

Increased use of biomass in the energy mix at Bharuch and Kota Sites

Use of Bagasse and Slop for generating power at Sugar and Distillery Units

Renewable power including non fossil fuel energy at Kota and Bharuch Sites

Replacement of conventional light fitting with LED across the sites

Installed planetary drive at Pug mill, Magma mixer & Crystallizers in Sugar mills at Rupapur and Ajbapur Units

Operational optimization of Lime station after stopping equipment and mud pumping station in Sugar Mill at Hariawan

Replacement of Electrolyser A/B/C/D (FC Technology) into energy efficient Zero gap electrolyser



4.3% increase in biomass usage in power generation



26,28,600 tCO₂e of emissions reduced through the above initiatives.



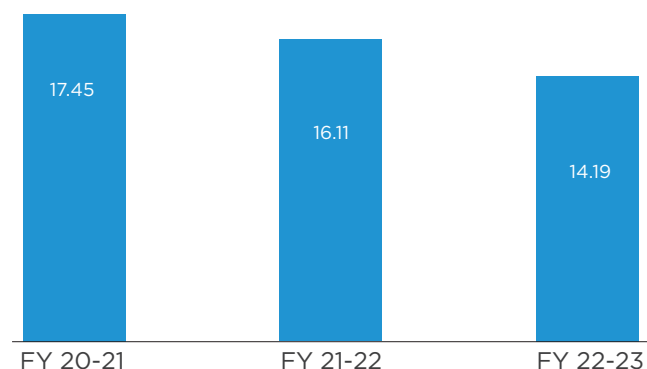
21% reduction in absolute Scope 1 GHG Emissions



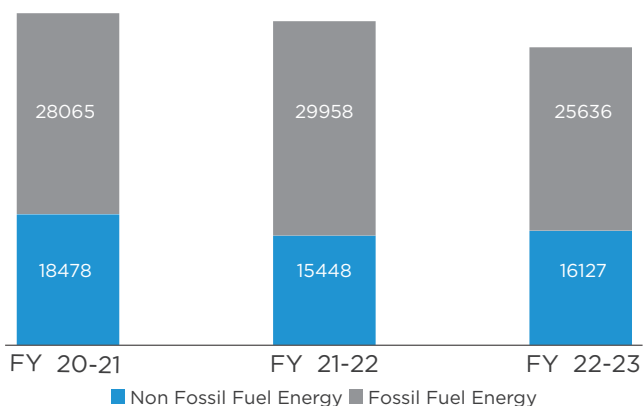
Measuring our Impact – Energy Management

As a result of the multiple initiatives listed above, we have been able to move closer towards our targets to become more energy efficient. The mix of renewable energy has increased, which has largely contributed to reduced emissions over the previous year (FY 21-22). The company has significantly increased its investments in green energy projects, because of which the direct green energy share has increased to around 42% this year from 36% in FY22. DCM Shriram has also started working on a 50 MW renewable power plant for the Bharuch site by setting up a hybrid renewable energy power plant in collaboration with Renew Power at Bhavnagar.

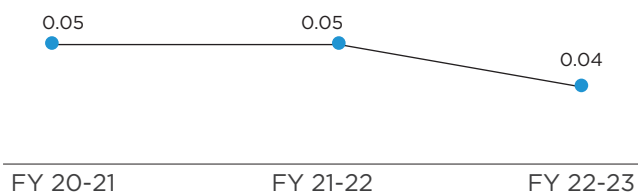
Energy Intensity (GJ/t Prod)



Energy Consumption (TJ)



Energy Consumption (TJ/Lakh INR Revenue)



GHG Emissions

Greenhouse Gas (GHG) emissions are the major factor in increasing earth temperature, which in turn is resulting into increased number of hazards globally. The intensity of the hazards is also increasing, causing serious challenges to the very survival of humankind. The intensity and impact of the emissions vary depending on the particular sector and type of industry. Agriculture is considered to be one of the most polluting sector, whereas cement is a hard-to-abate sector. DCM Shriram has major business operations across these sectors and faces challenges in effectively managing the concerns related to air quality and emissions.

DCM Shriram has been implementing multiple measures within and outside the plant premises to keep the air quality index in the green category. Advanced technologies have been put in place inside the plants to maintain the ambient air quality. A management plan has been developed to work on this and implement the initiatives in a more strategic manner. The company monitors the air quality inside the plant premises and outside as well to ensure the quality is well above the standards specified by the Central Pollution Control Board. Increased usage of renewable energy has further helped the company's agenda to cut down on emissions. The company is currently working on many more initiatives to further reduce emissions in our operations. All our plants are actively contributing to the planning and implementation of these initiatives.

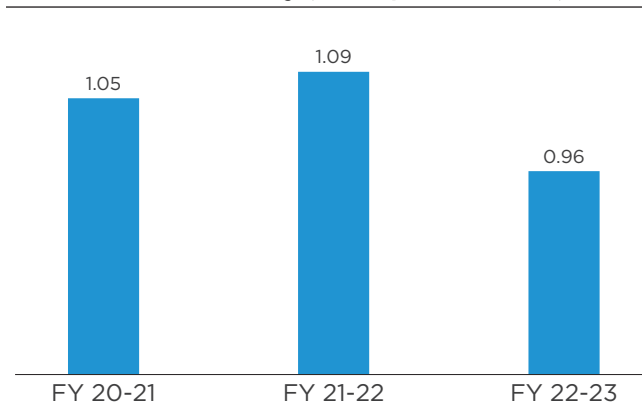
Measuring our Impact – GHG & Air Emissions

Our emissions for Scopes 1 and 2 have been validated by a third party under the GHG Protocol Corporate Standard. Scope 3 calculations have been done using the GaBI tool. Presently, Scope 3 accounts for the Cradle to Gate methodology for all products manufactured at Bharuch site. The Scope 3 emissions for the Company was 2,35,612 tCO₂e.

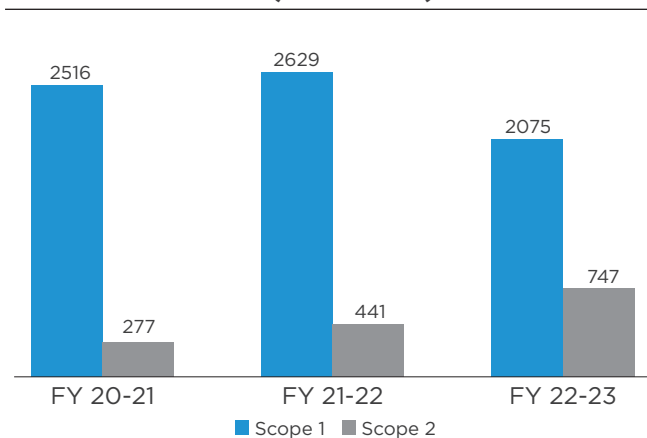
Through several energy saving initiatives, we have been able to achieve cumulative reduction of 26,28,600 tCO₂e of Scope 1 and Scope 2 emissions, in comparison to last year. This is 5% more reduction than what was achieved in the previous year (FY21-22).

During the year the recharge quantity of Chloro Fluoro Carbons (CFC-11) equivalent was 0.382 MT. The emission of Ozone Depleting Substances (ODS) are primarily from ODS-based refrigerants used in air-conditioners and chiller plants.

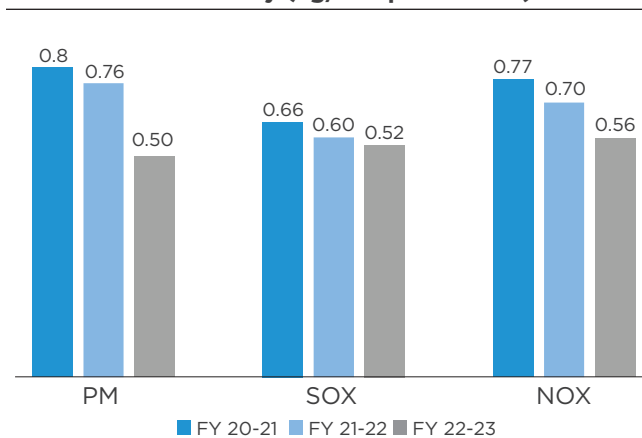
GHG Emission Intensity (tCO₂e/t Production)



Total GHG Emissions ('000 tCO₂e)



Air Emission Intensity (kg/t of production)



CASE STUDY

Increased Renewable Power in the Energy Mix

CHALLENGE

DCM Shriram is continually optimizing and strengthening its operational activities to reduce its greenhouse gas emissions. As a part of this commitment, several initiatives have been undertaken by the company in different domains of the business, which includes increasing renewable energy in the total energy mix and improving energy efficiency measures, amongst others.

ACTION

During the year, the Company signed an agreement with ReNew Power to set-up a hybrid (wind and solar) power project with a capacity of 50 MW in Bhavnagar, Gujarat is one of the largest hybrid renewable power supply deals in India under a group captive model.

OUTCOME

This will augment the renewable power supply to the Company and progressively result in reducing its total greenhouse gas emissions.



CASE STUDY

Low Grade Heat Recovery – Vapour Absorption Machine (VAM) (Fertilizer Plant)

CHALLENGE

DCM Shriram has been undertaking several initiatives, as part of its commitment to reduce its greenhouse gas emissions and implement energy-efficient measures in its operations.

ACTION

The company engaged and collaborated with one of its vendors for commissioning a low-grade heat recovery machine.

OUTCOME

The heat recovery unit resulted in cutting down on energy consumption, which in turn reduced 1,603 tonne/year of greenhouse gas emissions.



Water Management

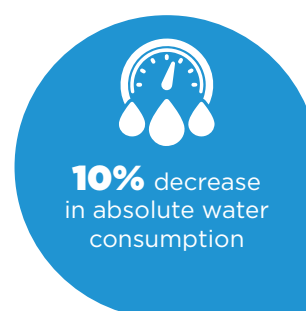
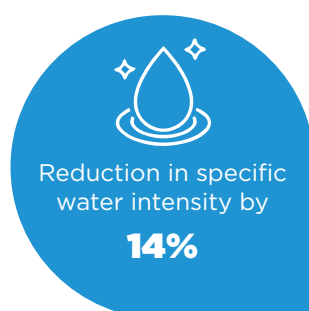


DCM Shriram is cognizant of the threats imposed by the increasing water scarcity in multiple regions of the country. As part of a long-term mitigation plan, multiple initiatives have been taken to reduce the withdrawal of groundwater and increase groundwater recharge. In our operations, we are continuously adopting new technologies that enable us to reduce our water consumption. Around our operations, we take multiple initiatives to create a long-term impact on surface-water and ground-water. This year also, the company was able to achieve a 12 times water positive status.

DCM Shriram will continue to reduce water consumption through various efforts, such as repairing leaks and optimizing processes to reduce water consumption wherever possible. Reusing water from testing fire sprinklers and harvesting rainwater are some of the ways to find alternative water sources or reuse water. The business has set measures such as using treated wastewater in place of fresh water for processes reducing consumption of fresh water.

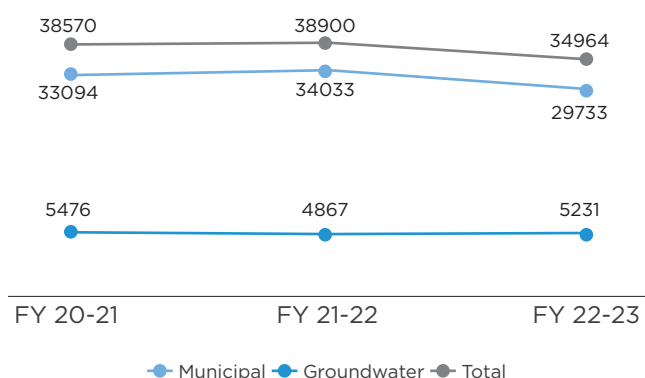
Some of the major initiatives undertaken for water conservation and rainwater harvesting are:

INITIATIVES	OUTCOME OF THE INITIATIVES
Water Harvesting Construction of a range of water harvesting structures in the vicinity of the manufacturing sites	<ul style="list-style-type: none"> • Availability of water round the year • Increased soil moisture • Increase in crop yield • Long-term impact on farmers livelihood
Nature Based Solutions (NBS) Replenish the nearby natural reservoirs through NBS and create additional new reservoirs	<ul style="list-style-type: none"> • Improving overall groundwater levels • Sufficient catchment areas for the local community
Desilting at Panai Jhabar (wetland) in Uttar Pradesh. 3 rain water harvesting ponds and 7 rain water structures have been constructed and 4 ponds were renovated and desilted.	<ul style="list-style-type: none"> • Helped in creating surface water holding capacity, • Recharging ground water aquifers, • Sustaining aquatic flora and fauna indigenous to the area, including the elegant Sarus Crane thereby improving biodiversity and ecosystem
Recycle system to reduce water consumption Recycle system of DM water in Scrubber supplies to reduce DM Water consumption at Ajbapur Distillery	<ul style="list-style-type: none"> • Save water consumption upto 8160 KL/annum
Cooling Tower blow down treatment Plant Installation Installation of Cooling tower blow down water treatment plant at Hariawan Distillery	<ul style="list-style-type: none"> • Around 28% reduction of specific water consumption in distillery • Reduced freshwater consumption for make-up
Water saving through promotion of best agri practices amongst farmers	<ul style="list-style-type: none"> • 165 Million m3 water saved • Availability of water round the year

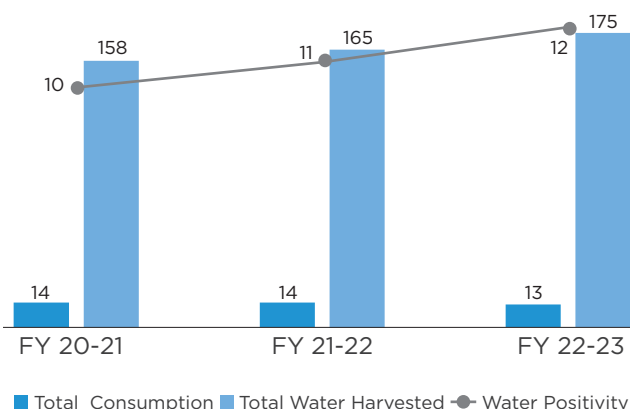


The trend of water withdrawal over three years is graphically represented below. Water withdrawal has been reduced by 10.12% from the previous year.

Water Withdrawal (KLD)



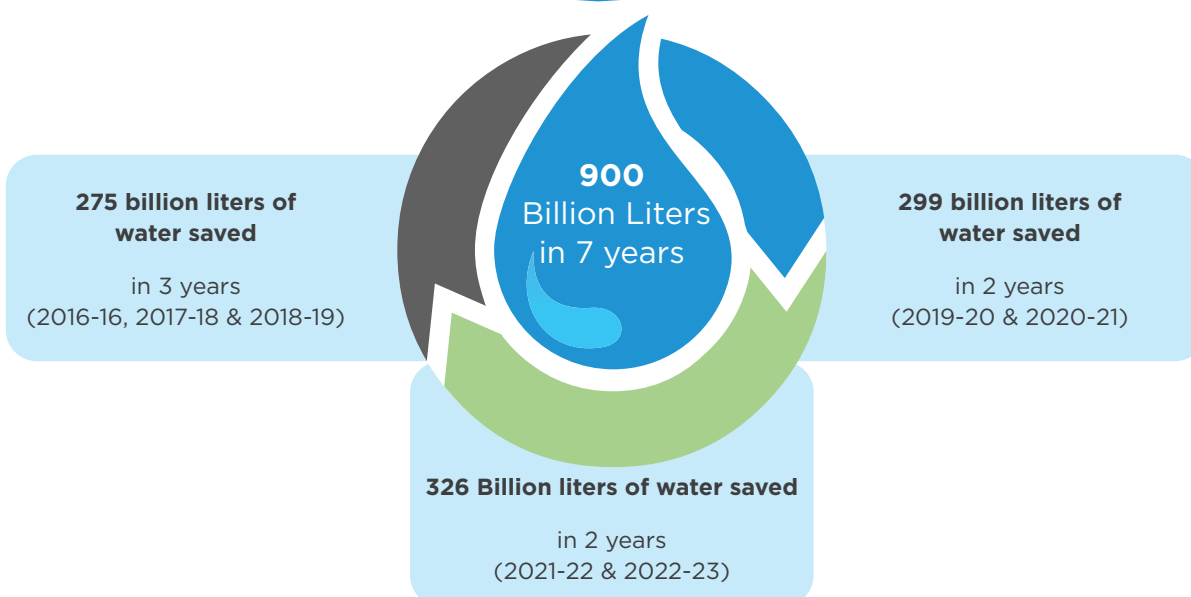
Water Conserved & Harvested (MCM)



*Increase during FY21-22 is attributed towards water consumption in the project expansion construction activities

Effluent Management:

INITIATIVES	OUTCOME OF THE INITIATIVES
Effluent Treatment and Reutilization The treated effluent from ETP (Effluent Treatment Plants) from our Sugar mills is reutilized for plant operations, greenbelt and cane farm irrigation	<ul style="list-style-type: none"> Reduction in the demand for groundwater extraction for irrigation Groundwater recharge
Zero Liquid Discharge Zero Liquid Discharge is maintained in two of the distillery units	<ul style="list-style-type: none"> Improved water security Decrease in groundwater pollution
Wastewater Monitoring Monitoring of wastewater on a regular basis	<ul style="list-style-type: none"> Ensuring water quality parameters are in permissible limits
Sewage Treatment Sewage generated at various manufacturing sites is also treated in STPs and utilised for horticulture inside the plant premises	<ul style="list-style-type: none"> No pollution due to discharge into water bodies Beautification of the plant premises



CASE STUDY

WATER CONSERVATION

DCM Shriram Foundation supported the construction of Water Conservation structure implemented by its partner Tarun Bharat Sangh in Mohanpura Village, Kota.

CHALLENGE

Due to its peculiar topography, the water runs-off easily and does not get sufficient time to seep into the ground. The traditional rainwater harvesting structures in the area lost their capacity to hold water and assist in aquifer recharge.

The villages face acute drinking water crisis. With no government water supply system in place, drinking water is supplied through water tanker.

ACTION

Mobilize and train Farming communities in Water Resources Management through exposure visits, formation of Village Water Councils, and 'Kisaan Jagruti Shivir' or awareness camps for farmers.

Implement Water Conservation with indigenous communities in the project areas for sustainable development and livelihood generation through the construction of Rainwater Harvesting Structures.

OUTCOME

We observed the impact it is creating post the monsoon season. About 250 persons from 50 families living in this village are benefitted from this structure. It is also a source of water supply for more than 1000 heads of cattle and wildlife living in the nearby area.



Waste Management



Improper waste management is one of the main causes of environmental damage; hence, at DCM Shriram, we take great care in managing our waste responsibly. We at DCM Shriram have a high focus on waste reduction and management.

Reducing the quantity of waste that we produce and ensuring that any waste we do produce is recycled or repurposed, either for the same or a different purpose, are the two goals of our plan. We make sure that waste is disposed of in the most ecologically friendly way possible and that our sites abide by all relevant EHS regulations. Our Waste Management Standard under ISO 14001 has been fully implemented and describes the internal requirements for the proper accounting, handling, transfer, storage, transportation, and disposal of solid and hazardous wastes produced during operations at our facilities.

We follow legitimately endorsed methodology and apply ecologically sound removal strategies for non-hazardous waste, while hazardous waste is sent to approved processors and recyclers. To achieve our goal of effectively managing wastes, we have undertaken a number of projects.

DCM Shriram aims for the seamless integration of resource optimization, usage of alternative resources and the maximization of 'recycle and reuse' through innovation. Some of the materials being recycled for gainful utilization are:

- Production of cement through the utilization of waste lime sludge from Calcium Carbide plant and fly ash from thermal power plants.



INITIATIVES TAKEN FOR WASTE MANAGEMENT	OUTCOME OF THE INITIATIVES
Replaced polyester filter bags with Homo Polymer Filter bags (Carbide plant Kota)	<ul style="list-style-type: none"> Increased the life of filter bags to 3 years, compared to previous average life of 1 year reducing virgin raw material consumption for filter bags
Utilizing fly ash from thermal plant and waste lime sludge from calcium carbide	<ul style="list-style-type: none"> Reduced disposal to landfill
In Sugar plant, entire press mud and ash are mixed and distributed to farmers	<ul style="list-style-type: none"> This mix is used as a manure for improving soil health
Molasses based distillery units, at 2 of the sugar sites, utilises the molasses waste generated from sugar mills.	<ul style="list-style-type: none"> Molasses waste is used in producing Ethanol which is used for petrol blending resulting in reduced emissions
Slop is mixed with bagasse, used as boiler fuel.	<ul style="list-style-type: none"> Reduction in usage of fossil fuels thereby reducing GHG emissions
Slop Boiler Ash is used as manure.	<ul style="list-style-type: none"> Waste reusing as manure improving soil health and preventing waste disposal to landfill
In-house recycling of waste profiling: waste collected at Fenesta (Kota) from fabrication shops is grinded and processed to be reused as new material.	<ul style="list-style-type: none"> In-house waste profiling reusing waste reduces environmental impact reducing virgin raw material consumption Cost effective Reduction in waste generation
Diluted Sulfuric Acid (78-80%), produced at Caustic Soda process plant, is used in nearby industries to recycle it completely.	<ul style="list-style-type: none"> Reducing hazardous waste generation Recycling of waste for gainful utilization
Intermediate products, plastic drums, used raw materials are repurposed.	<ul style="list-style-type: none"> Repurposing wastes reducing virgin raw material consumption



17%
reduction in waste



4,02,422 MT
non hazardous waste
recycled



24%
reduction in plastic



1354 nos.
of plastic drums were
reused during the
year

Hazardous waste

When it comes to the production of hazardous waste, the safe handling and storage of waste are the most essential steps. We handle, store, and dispose of our hazardous waste with the utmost care as a responsible business. Our manufacturing facilities are equipped with waste storage facilities to ensure that waste is disposed of properly and to eliminate any threats to the environment or the health of our workers. We ensure adherence to all pertinent regulatory standards for the handling and disposal of hazardous waste.

Additionally, we dispose of all hazardous waste to authorized waste processors and recyclers and a very small amount going to landfills - as per the regulatory approvals.

Non - Hazardous waste

Reducing waste is the main focus of our environmental management plan. In place of the linear economy of "take, make, and dispose," we wish to transition to a circular economy with efficient waste management strategies. We are continuously striving to attaining circularity throughout our value chain by working to reduce the use of virgin resources, starting with the procurement of raw materials.

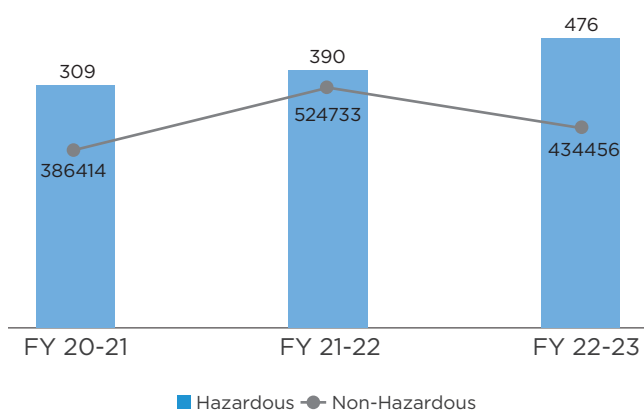
We have been able to reduce the quantity of waste that

is sent to landfills by recycling non-hazardous waste, such as metal scraps, plastic waste, and other materials. We have sold all of the non-hazardous waste produced in FY 2022-23 to authorized recyclers in the amount of 4,02,422 MT in accordance with the applicable laws.

To further optimize our efforts in this direction, we have tapped into the network of waste pickers, recyclers, and co-processors through our engaged plastic waste reprocessors registered with regulatory agencies.

The trend of waste management is presented below. A decrease in hazardous as well as non hazardous waste over the previous year can be observed here.

Waste Disposal (MT)



CASE STUDY

CARBONATION REACTORS

CHALLENGE

In the process of Acetylene production from Calcium Carbide, Calcium Hydroxide sludge is generated which contains 8-10% solids and rest 90-92% is water. Part of this sludge is pumped to the Cement Plant where it is decanted in the decanter and Solid content increases up to 14-15%. Underflow from the decanter is utilized in the Cement Process. This lower usage of sludge is due to higher moisture from the decanter as sludge is difficult to settle. The rest of the material is stored in the Lagoons. Complete usage of the sludge is not possible as maintaining the moisture is quite difficult.

ACTION

After carrying out various experiments for the process improvement, a breakthrough was achieved during in-house Experiments for 'Carbonation of Sludge' using flue gases from a kiln stack. The CO₂ gas present in flue gases when passed through the sludge converts Calcium Hydroxide to Calcium Carbonate. Calcium Carbonate being heavier than Calcium Hydroxide, settles fast and results in lower moisture from decanter. And after various tests, it has been confirmed carbonation of sludge and improvement in its settling.

OUTCOME

- Sludge consumption has increased to 21% from 14.5% during the previous year.
- Raw Mill throughput has increased by 17% and operation has become more stable.
- Molasses consumption has reduced significantly by 63%
- Observed improvement in slurry quality with respect to its flow characteristics.
- Due to increased sludge usage, there is a saving in power in limestone crushing and its handling.



Product Circularity

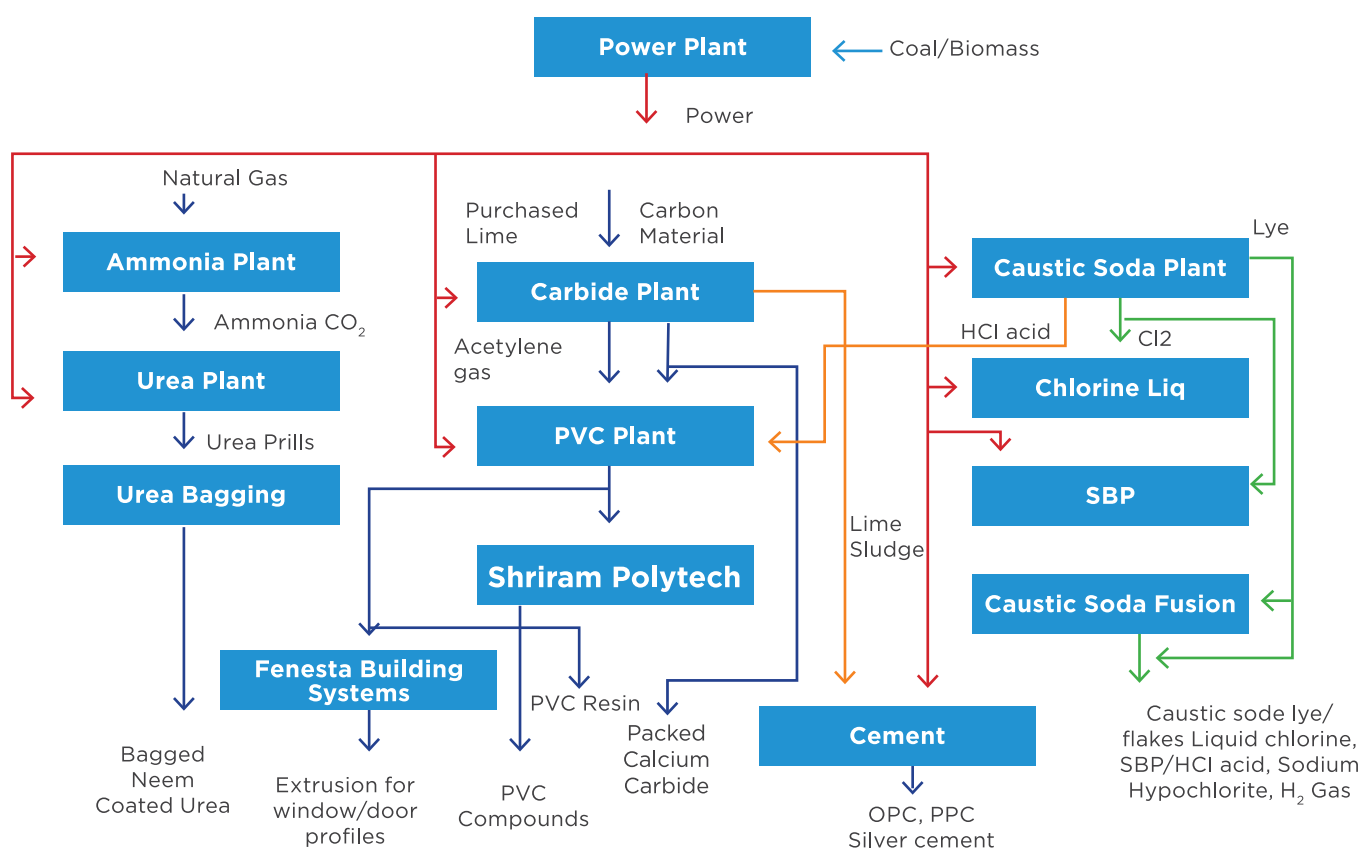
DCM Shriram's cement production is a sterling example of product circularity. Its cement production is an initiative primarily for waste recycle and resource conservation established with technology from Lafarge Coppee Lavalin, France. This initiative was developed in response to the challenge of disposing hydrated lime sludge (Calcium hydroxide) – a byproduct generated during production of Acetylene in the Company's chemical plant. The Company has also developed technologies to incorporate other waste and byproducts such as the sludge from water treatment plants, fly ash and waste sludge in the concrete mix. Cement produced in the Kota plant replaces cement by 30-40 percent fly ash and 8 to 10 percent sludge from concrete mix to produce light weight concrete. The utilization of fly ash not only ensures its recyclability within our operations but also increases concrete strength, improves sulfate resistance, decreases permeability, reduces the water

ratio required, and improves the workability of the concrete. Thus, DCM Shriram is ensuring environmental management in parallel to production of safe light weight concrete that can be used in applications like road-beds, filling materials which lead to sustainable applications.

Our actions for achieving circularity:

- Investing to improve plastics recycling infrastructure
- Partnering across the value chain to bring hard-to-recycle plastic into the circular economy
- Helping communities address waste management gaps and create job opportunities
- Helping customers design for recyclability
- Growing our circular and renewable business
- Scaling advanced recycling (technologies)

Process Integration at Kota Complex - A Circular Economy Model



Sustainable Agriculture



The growing population, economic growth, and changing diet behavior across the globe have increased the demand for food, water, and energy. The nexus between these three for current and future generations becomes the most critical aspect of sustainability. The complex linkages between the domains of food, water, and energy require a suitably integrated approach. DCM Shriram adheres to the Bonsucro Standard for producing sugar sustainably. DCM Shriram adopts various initiatives to address the issue and help its industry value chain achieve sustainable agricultural practices.

Our company is dedicated to creating awareness among farmers about the efficient utilization of water through the adoption of best agricultural practices, non-chemical pest control methods, and the promotion of bio-compost usage. These efforts not only contribute to higher productivity and water conservation but also enhance soil fertility while safeguarding the environment from unnecessary chemical usage. By prioritizing these initiatives, we aim to provide better returns to the farming community while ensuring sustainable agricultural practices. We are also educating farmers and trade partners through various extension programs on sustainable agriculture and its critical role in addressing the ever-growing demand for food and nutritional security in the country. These training programs regularly educate farmers on water usage reduction techniques like trash mulching, trench planting, press mud application, laser land levelling and bio-control measures for controlling pests and diseases in the sugarcane crop.

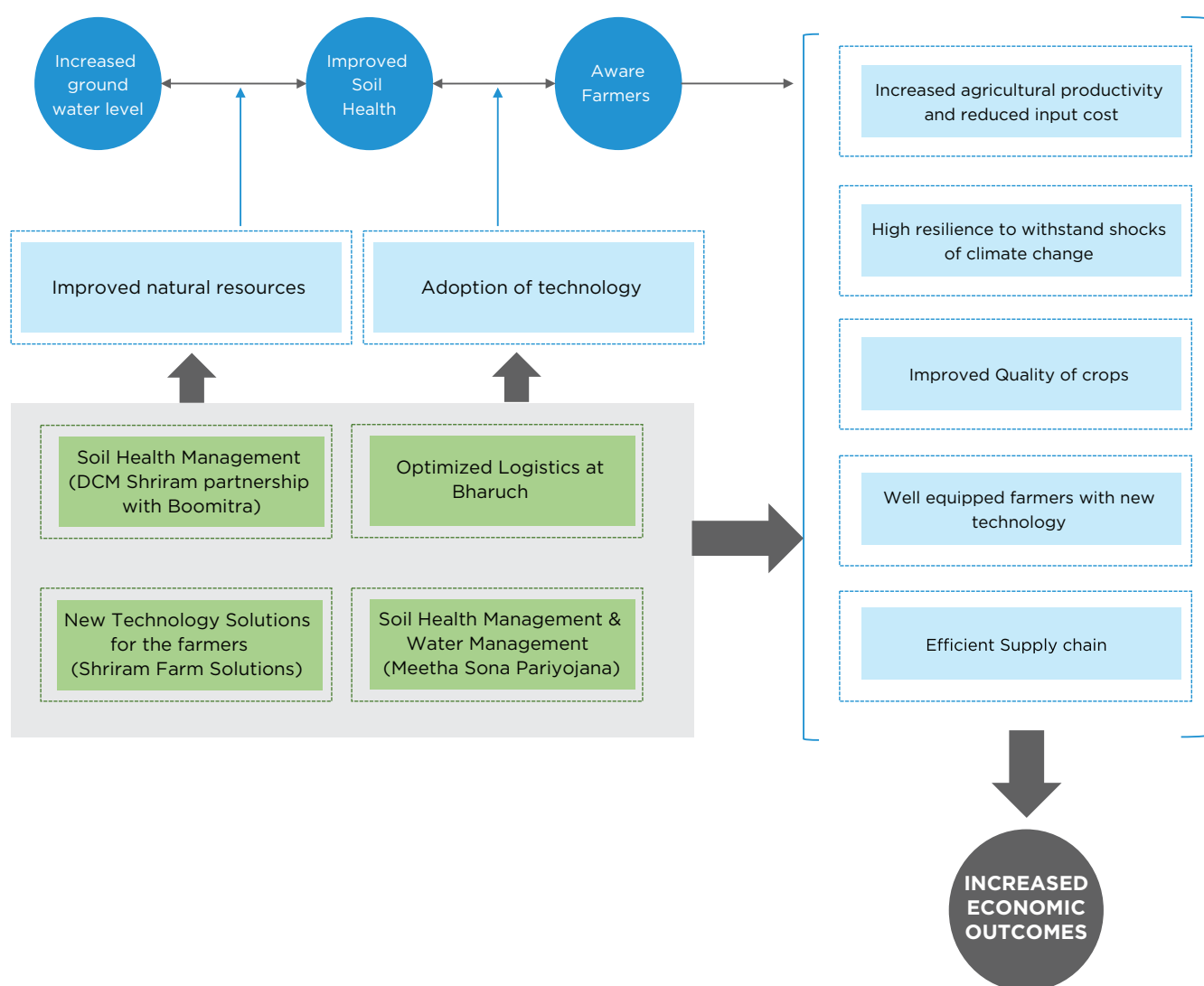
We are also pursuing partnerships in the Precision Farming and Digital Agriculture space for our farmers simultaneously to enable them to minimize wastage, reduce the carbon footprint efficiently. We also have an extension team who work as our Agronomic Advisors. We have reached out to 17 states with approximately 500 field staff. We have conducted over 55,000 activities reaching out to almost 1.2 million farmers. DCM Shriram Farm Solutions team also works in more than 10,000 villages to identify the needs of farmers and recommend the correct products for their crops. We also engage in pond rejuvenation and convert disused dugwells on farms into groundwater recharge structures. This initiative has been layered with an agri-

skilling program that aims to maximise the utilization of water for the croplands, titled 'Per drop more crop'.

Listed below are some of the major initiatives and programs taken to create opportunities for sustainable agriculture:

- Shriram Farm Solutions - Sustainable Technology Innovation
- Meetha Sona Pariyojana - Sustainable Sugarcane Production
- Partnership with Boomitra to increase Soil Organic Carbon (SOC)

Illustrative Value Map for collaborative impacts of initiatives taken by DCM Shriram



INITIATIVES	OUTCOME OF THE INITIATIVES
Shriram Farm Solutions – Sustainable Technology Innovation Focused on providing new technology solutions to the farmers	<ul style="list-style-type: none"> Co-creating new generation products and technology for farmers to deal with agricultural challenges Educated farmers Demand generation through field workforce and digital presence Low wastage, no harmful by-products, supply chain visibility and 24x7 online ordering facility for channel partners
Meetha Sona Pariyojana – Sustainable Sugarcane Production Focused on productivity enhancement, large-scale conservation of water resources and soil health enhancement	<ul style="list-style-type: none"> 900 billion liters of water use was saved in the last 7 years Increase in yield level up to 1656MT/ha Cane crushing increased from 600 lakh quintal to 652 lakh quintal wrt FY 21-22
DCM Shriram partnership with Boomitra Technology to measure actionable farm-level information such as soil carbon, soil moisture, and nutrients using satellite and AI. The project is registered with the Verified Carbon Standard (VCS) for certifying carbon emission reduction	<ul style="list-style-type: none"> Scaling Sustainable Climate Smart Agri Practices for DCM Shriram's Sugar Mills Crop-specific insights for farmers Increase in farmer's income
Optimized Logistics at Bharuch To supply pipeline for Chlorine, Hydrogen, and Caustic Iye in gaseous for nearby customers	<ul style="list-style-type: none"> Reducing truckloads of vehicular movement Reduction of energy required for conversion of transported liquid chlorine to gas
Partnership with Fasal – Grow More, Grow Better	<ul style="list-style-type: none"> Partnership to enhance the effectiveness of R&D and new development efforts through digital precision platform
The live telecast of Shriram Super 1-SR-14 Crop show: The Company is now conducting more 'Phygital' initiatives to increase mass outreach. This event was for the launch of our new product 'Shriram Super 1-SR-14'.	<ul style="list-style-type: none"> Attended by 4000 farmers and 90 dealers, gathering from around 41 different locations across Rajasthan and Madhya Pradesh The telecast was organized for the Shriram Mustard 1666, Bajra Shriram 8860, and Paddy Shriram 744, witnessed by 12000 farmers and 240 trade partners at 124 different locations



165 Billion litres
of water conserved
through best
agricultural practices



Sustainable
Agriculture practiced
over **192,000 Ha**
of land



260,000 farmers
impacted through
outreach program

Shriram Farm Solutions – Sustainable Technology Innovations

Overview:

The program has been focusing on providing new technology solutions to the farmers, covering a range from products to agronomy. SFS has been focusing on collaborating in house research and technology with global partners to deal with future agricultural challenges.

Key components:

- Launch of new differentiated products through advanced technology
- Outreach team to support farmers in the business
- Educating farmers to increase adoption of new products and technology
- A new generation genomic biostimulant platform named Shriram Gen-zed is intended to help the plant to target certain genes in order to drive specific functions and metabolic pathways, resulting in increased NUE, tolerance to abiotic stressors, and optimal produce quality.
- Suspension concentrates backed by smart flow formulation technology



Outcome:

- Eliminating the use of harmful chemicals in root development and utilising nutrient capital in soil
- Low wastage with no harmful by-products and an increase in productivity for farmers
- QR codes for supply chain visibility, 24x7 online ordering facilities for channel partners
- Increasing Nutrient Use Efficiency and minimizing environmental pollution

High adoption of products and technology for soil enhancement and production

Meetha Sona Pariyojana – Sustainable Sugarcane Production

An approach to enhance productivity, water conservation, and soil health. The program is defined by 3 'S' principles – **Suitability, Scalability, and Sustainability**

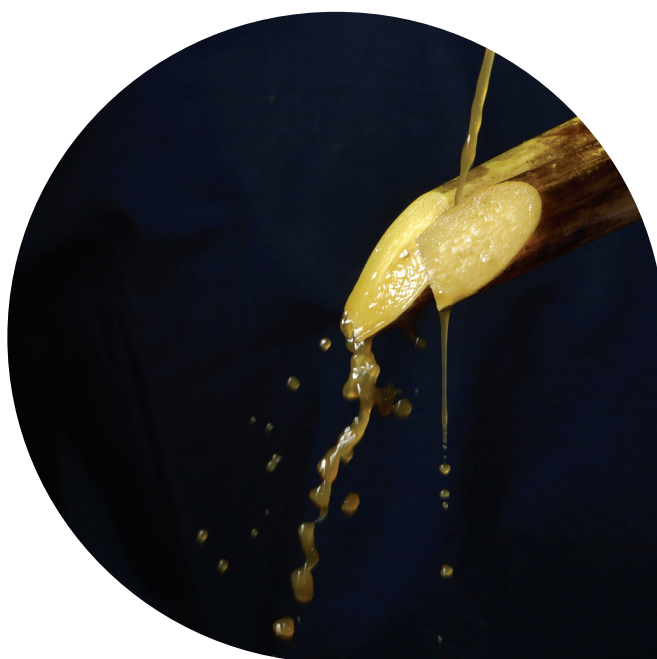
Key components:

- Enhancing productivity by training farmers to incorporate good agronomical practices
- Increasing organic carbon content in the soil
- Implementing efficient water management practices such as trash mulching

- Adopting intercropping to increase land use efficiency
- Biocontrol of pests and diseases through Integrated Pest Management (IPM)
- Monitoring the condition of the crop by satellite imagery supported by Mahindra & Mahindra
- Approximately 265 micro-entrepreneurs developed for sharing agriculture implements
- Bonsucro Certification for farmers

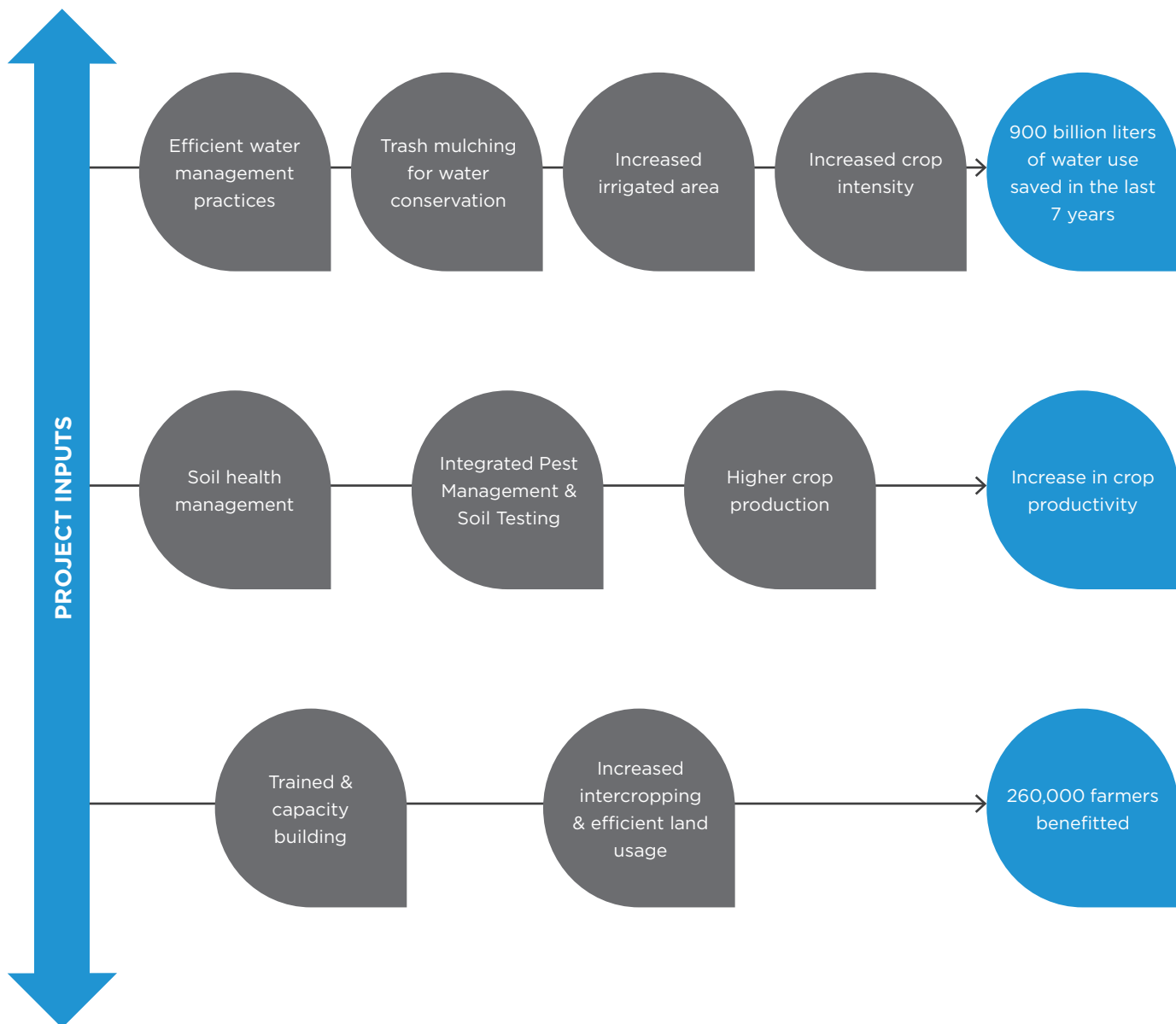
Outcomes:

- The Bonsucro certification has been received by 3 of our Sugar facilities and 5,000 small-scale growers. This is the largest smallholder farmer certification in Bonsucro's history.
- DCM Shriram has been awarded the CII National Award for Excellence in Water Management in "Beyond the Fence" category for saving 900 billion liters of water use in the last 7 years
- Increase in yield up to the level of 800 MT/ha obtained in Crop Cutting Yield of Govt. in the Vill Sharanju, Hardoi against 625 MT/ha in last 7 years
- Cane Crushing increased from ~600 lakh qtls to 652 lakh qtls in all four sugar units

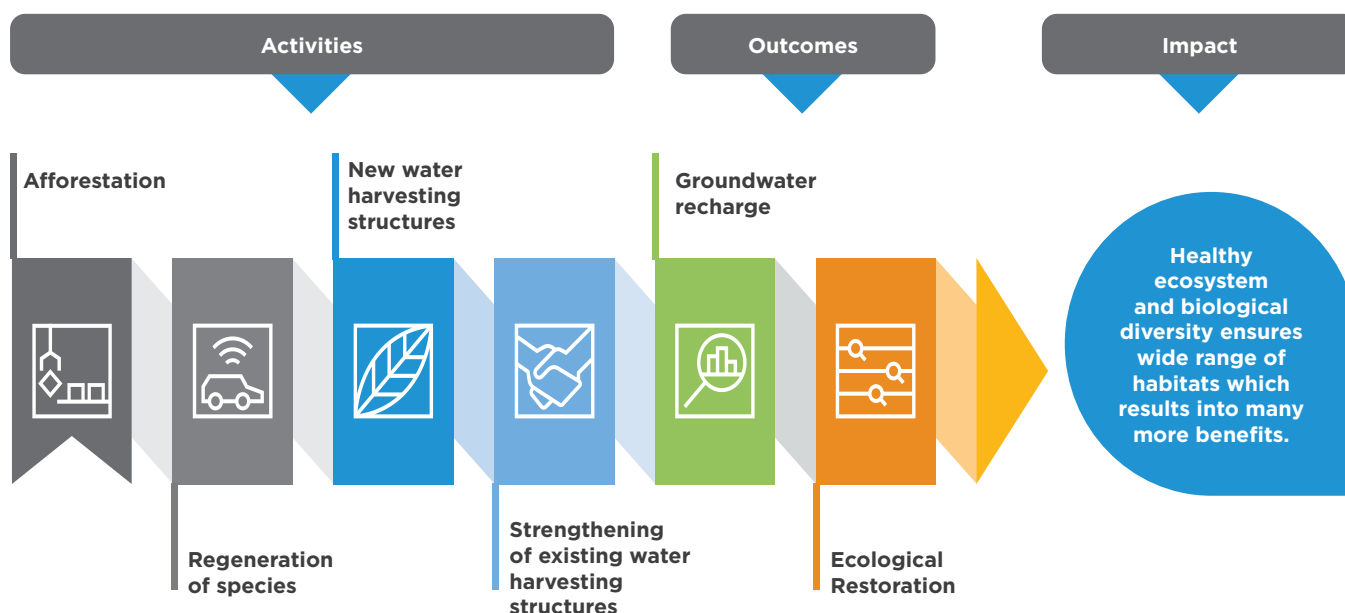


Theory of Change (ToC) of Meetha Sona Pariyojana – Sustainable Sugarcane Production

The Theory of Change (ToC) for the Meetha Sona Pariyojana Projects, revolves around the impact that DCM Shriram aims to achieve through selective inputs. The below ToC explains the chain of results the company has been able to achieve in Sustainable Sugarcane Production.



Biodiversity Management



Biodiversity is one of the key sustainability elements on which DCM Shriram has perpetually focused. We are giving biodiversity the greatest priority because we recognize that it plays a crucial role in the roadmap for limiting global warming. Since 2014, DCM Shriram has been a signatory to the India Business & Biodiversity Initiative. The word biodiversity refers to the variety of all forms of life and is essential to the existence and proper functioning of all ecosystems. Biodiversity provides unique environments in which species can exist; these include ecosystems of all types and sizes, rare ecosystems and corridors between habitats. We acknowledge that it takes years to nurture a healthy ecosystem that can support the existence and prosperity of various species. We have been working with this idea through our various initiatives over the years.

In the recent years, with the continued effort of our dedicated workforce at one of our oldest plants in Kota, we have started observing the positive impacts of a healthier ecosystem. We took multiple initiatives to develop a healthy ecosystem in and around the facility that can act as a habitat for multiple species. In our endeavour to create green cover, we planted more than 500,000 trees of varied endemic species over the years. Of the total plantation, ~50% is done inside the Kota plant premises. At DCM Shriram, tree plantation is a regular exercise. Other than the doing the plantations

as per the suitable period, we also take up this exercise on specific occasions such as World Biodiversity Day, Environment Day, and Earth Day. We have been following the Miyawaki Method for tree plantation, which will be continued further in Uttar Pradesh and Gujarat. We will be following the same method in Kota for the work being done in Abhedha Park. Abhedha Biological Park is a newly developed park spread over a large area with a significant presence of animals. In total, about 75 animals can be found in the park. DCM Shriram Foundation is providing several services in the park to create a wholesome experience, like providing tourist carts, bamboo huts, and equipment for playground facilities for the youth. Further, the Foundation will initiate water conservation and plantation activities to amplify the efforts.

In addition, as part of its water and soil conservation activities, we have partnered with BAIF to raise awareness amongst the community members in Bharuch through trainings on farm bunding, recharging of ponds and handpumps, improving the existing sources of water, drip irrigation and sprinkler systems. This program will strengthen our actions towards conservation of biodiversity as well as contribute to the sustainable agriculture practices.

To support a healthy ecosystem and rich biodiversity, the availability of groundwater and surface water is

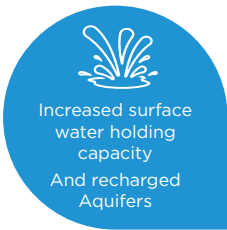
important. To address the challenges of declining groundwater and the scarcity of surface water, DCM Shriram worked on a rainwater harvesting pond. The catchment area of the pond was treated, which helped us increase the submergence area, eventually leading to an increased command area. Overall, our bid to support the endemic species and the increased availability of surface water helped to develop a natural habitat for multiple flora and fauna species.

Additionally, to scale up our water conservation initiative, desilting at Panai Jhabar (wetland) in Uttar Pradesh was done. This activity resulted in an increased submergence area, thereby increasing the availability of surface water. It further augmented the

recharge of shallow aquifers that could help increase the groundwater level. By working on a project to strengthen a wetland ecosystem, we tried to sustain the varied indigenous species of aquatic flora and fauna. One such species whose habitat was benefited by this intervention is Sarus Crane.

Other than this, over the year, DCM Shriram worked on multiple other water harvesting structures with the idea of increasing the groundwater recharge and the availability of surface water. The structures that we have worked on are the construction of 3 rainwater harvesting ponds, 7 other rainwater harvesting structures, and the renovation and desiltation of 4 ponds.

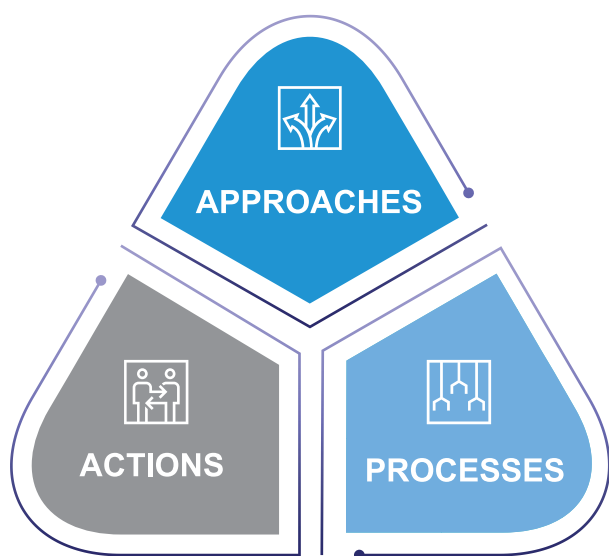
INITIATIVES TAKEN FOR BIODIVERSITY AND CONSERVATION	OUTCOME OF THE INITIATIVES
Water Conservation Initiative: Desilting at Panai Jhabar, UP (wetland) During the year, 3 rainwater harvesting ponds and 7 rainwater structures constructed and 4 ponds renovated and desilted.	<ul style="list-style-type: none"> Created surface water holding capacity Recharging ground water aquifers Sustaining aquatic flora and fauna indigenous to the area, improving biodiversity and ecosystem
Tree plantation using Miyawaki method: Reforestation activities were initiated using Miyawaki method in the Jhagadia GIDC area. Tree Plantation - Khushali Paryavaran: DCM Shriram Ltd, Sugar & Distillery Unit - Ajbapur planted tree saplings using Miyawaki techniques	<ul style="list-style-type: none"> 18,000+ trees have been successfully planted during the year



SOCIAL RESPONSIBILITY



At DCM Shriram, the entire value generation approach is driven by our people, who are the foundation of our business. In an ever-changing business environment, we must learn to evolve with our customers' needs. This includes ensuring that we are open and honest about our ongoing efforts to promote sustainability as well as soliciting feedback from our customers and acting on it to enhance our products. Throughout our operations, we make it a priority to conduct ourselves ethically and professionally.



APPROACHES	Quality meets the standards Technology enabled Environment friendly business operations
PROCESSES	Loss reduction Design optimization Avoiding sub processes Predictive maintenance
ACTIONS	Lower distribution losses Equipment efficiency Low carbon designs Regular monitoring and energy audits

Customer Engagement

We are steadfast with our customers; We can fulfill our Purpose because of our one-of-a-kind and productive global collaboration: to show the world how strong you are. By providing our customers with consistently high-quality products, excellent service, and supply security, we aim to cultivate and maintain open, trusting relationships with all stakeholders.

We aim to establish enduring relationships with our customers in order for both our and their businesses to thrive. Our clients must be aware of the stringent processes and procedures we employ in order to respond to their feedback as swiftly as feasible. Before compiling a comprehensive report, scientists from our

technology centers evaluate any product-related issues that come to our attention. Before responding to a customer's dissatisfaction with our products, sales, or supply chain, we thoroughly investigate all complaints. We respond promptly and acknowledge receipt of the concern raised by customers, but we thoroughly review the matter before making a final response.

Employees from our Quality and Technical teams, plants, lab services, and customer services teams collaborate on the process. We attempt to respond to every customer complaint in a targeted and timely manner by following these eight steps.



Customer Relation Management

Customer centricity is one of DCM Shriram's Core Values. We place a special emphasis on listening to our customers and strive to establish long-term relationships as part of this. Through innovative solutions, DCM Shriram strives to support customers' sustainability effectively and efficiently. The customer is one of the most significant stakeholders in the business; As a result, we adopt a strategy to ensure complete customer satisfaction.

Product information and labeling receive a lot of attention as part of our focus on customer centricity. We maintain Material Safety Data Sheets (MSDSs) per current standards and adhere to global standards for labeling practices. At DCM Shriram, some of the best practices are as follows:

- As a responsible Company, we ensure that customers are provided with product information on the product label, which includes information regarding safe handling and usage instructions.
- Additionally, we have adhered to the REACH (Registration, Evaluation, Authorization, and

Restriction of Chemicals) regulations of the European Union. Following REACH regulations, we have registered Sodium Hydroxide and Aluminum Chloride.

- A safety data sheet (e-SDS) has been created and is being distributed to the appropriate customers to help them comprehend the potential risk posed by their use.

We are a Company that cares about its customers. We consistently draw in customers to address their issues of significant worth-added items and guarantee responsive administrations. We also make use of digital platforms to make it easy for them to connect with us. Drives like meets with senior pioneers and joint business improvement plans are embraced to cooperatively develop organizations. We made efforts to address concerns raised by customers through a variety of feedback mechanisms, resulting in a significant improvement in customer satisfaction. These efforts also help ensure a higher retention rate and maximize customer satisfaction.



INITIATIVES TAKEN FOR CUSTOMER RELATIONSHIP MANAGEMENT

- 1st Customer Advisory Board Meeting for Vegetable Seed Business:**
 10 elite distributors of vegetable seeds alongside the senior management of SFS assembled and led the first entire day of Client Warning Executive gathering. The distributors offered helpful suggestions, feedback about the SFS business, and insights into the most recent trends in the vegetable seed industry.
- Customers and Dealers Event:**
 Annual cum Diwali meet of Shriram Cement dealers was organized during the year attended by almost 100 dealers from Rajasthan and Madhya Pradesh. Top performers were awarded. Some of the selected customers of Calcium Carbide team visited our plant and appreciated the manufacturing process.
- Fenesta Marketing Events:**
 To spread brand awareness and increase partnership engagement and influencers.
 - Archmat IIT, Mumbai
 - CREDAI, Kerala State
 - BuildTech Expo, Bagalkot, Karnataka
 - INS/OUTS 8th Arch Build Show, Chandigarh
 - ARCHMAT IIA, Tiruchirappalli
 - Family Interiors Exhibition, Erandwane
 - BigShow, Mangalore
- Customer Testimonials:**
 During the year, a total of 11 customer video testimonials were uploaded to social media.

Occupational Health And Safety

Safety culture encompasses the collective beliefs, attitudes, and practices observed in various business activities. A robust safety culture is nurtured through visible commitment from management and the active involvement and empowerment of employees at all levels. This creates a positive impact on stakeholders, leading to cost reductions, enhanced plant reliability and availability, decreased maintenance requirements, improved product quality, and other intangible benefits such as motivated employees and satisfied customers. Ultimately, this fosters a sustainable and profitable business. At DCM Shriram, safety is ingrained in our core values, and we prioritise the health and well-being of our workforce across all our locations. To promote safety, we actively engage in safe practices, conduct safety tours led by senior leadership teams, and facilitate safety tool talks at our sites regularly. We also conduct frequent mock drills covering various safety aspects. Employee health and safety always remain a paramount concern for our organization.

The Kota complex of our company has been honoured with the prestigious “Sword of Honour Award” and has consistently received a five-star certification from the British Safety Council since 2005. We prioritise minimum health, safety and environmental requirements, and strive to exceed both the statutory requirements and industry standards. Our ultimate goal is to achieve “zero accidents” and set a benchmark in the sector through our exemplary efforts.

At all our sites, we have a well-established Environment, Health, and Safety (EHS) function in place to effectively implement policies and protocols. We have successfully transitioned to the latest version of the ISO 45001 occupational health and safety standard across all DCM Shriram sites. Throughout the year, we diligently maintained our integrated management system to ensure effective mitigation of EHS risks.

The Corporate Environment, Health, and Safety (EHS) team actively monitors the safety performance of all our locations. We utilize both leading and lagging indicators to measure safety performance. In accordance with the guidelines of the Factories Act and rules, each location has a dedicated safety committee. These committees, consisting of representatives from the plant’s senior management, regularly convene to stay updated on the latest safety developments. To ensure widespread participation in our safety management practices, monthly departmental safety committees are conducted at various sites. These committees provide a platform for the workforce to actively engage in our safety initiatives. We prioritize employee training to foster motivation and achieve excellence in all aspects of safety. We strive to maintain a high standard of safety across our organization by promoting a culture of continuous learning and active participation organization.





The practice of standards and drills

- Occupational Health and Safety standards ISO 45001 certification at all the sites.
- Conducting frequent audits and mock drills to ensure compliance with standards.



Safety Management

- Safety tours by senior leadership teams
- Safety tool talks are conducted at all sites at regular intervals.
- Each location has a safety committee that reviews safety performance regularly.



Monitoring

- Departmental safety committee meetings are held on a monthly basis at various locations to ensure employee participation
- All employees are provided with training on the required safety modules.



Reporting

During FY22-23

Leading Indicators:

- 18,580 Safety observations
- 132 EHS reviews and Committee meetings
- 86,675 hours of EHS training

Lagging indicators:

- LTIFR: 0.22 incidents/ Mn manhours worked
- 7 reportable incidents

In the past year, we have unfortunately experienced five fatalities involving contract labourers at our various sites. Among these incidents, three occurred during the construction phase of project expansions at the Bharuch and Ajbapur sites, while the other two took place during bagasse handling at our Sugar mill and coal handling units in a power plant at the Kota site. These tragic events serve as a stark reminder of the importance of prioritizing construction safety. Following each incident, a cross-functional team conducted thorough investigations to determine the underlying causes. Based on their findings, we implemented the necessary corrective measures and preventive actions to minimise the likelihood of similar incidents occurring in the future. Furthermore, we have taken steps to share the knowledge gained from these accidents throughout our organization. This dissemination of information ensures that everyone is aware of the lessons learned, enabling us to implement appropriate corrective actions effectively. Some of the measures we have undertaken include:

- The impartment of refresher training
- Increased display of safety instructions
- Scrutiny of unsafe activities or behaviors

Our company remains dedicated to enhancing safety standards by continuously reviewing and adopting the best safety procedures and systems. We are committed to regularly conducting safety audits performed by external experts as we understand the significance of maintaining a safe workplace.



We are committed to prioritising the health and safety of our employees and workers at our premises. We believe health and safety improvement is an ongoing process, and thus concerted efforts are required from all parties for better results. We have undertaken several initiatives and all our locations regularly host safe acts and practices, safety tours led by senior leadership teams and safety tool talks. We frequently hold mock drills on various safety topics because the organization always places a high priority on employee health and safety. To ensure the health and safety of our employees, we strictly adhere to our policies and procedures. At each of our locations, an established EHS function helps to effectively monitor the implementation of all policies and protocols.



Hazard identification, risk assessment, and incident investigation

The importance of professional health and safety education is regularly emphasised. Throughout our company, various training and demonstration techniques are used to prevent any incidence of safety hazards. Boost preparedness is intended to provide knowledge on security and well-being to our employees. The fact that safety guidelines are displayed in our plants also raises staff awareness. Our lagging indicators are the Lost Day Rate (LDR) and the Lost Time Injury Frequency Rate (LTIFR).

An EHS MIS is in place to consolidate data on a monthly basis for all the manufacturing sites and share the learnings from various incidents reported to prevent the recurrence of such incidents by taking necessary

corrective and preventive actions.

Our Actions Toward Safety:

Integrated Environment, Health & Safety (EHS) Policy adopted by the company best describes the actions that influence workplace decisions and guide EHS actions.

- Zero harm to people
 - o Interdependent safety culture
 - o EHS improvements across businesses
- Zero harm to assets
 - o Long-term Asset Management (LAMP) SOPs, maintenance and routine inspection
- Zero harm to the Environment
 - o Eliminate adverse impacts on the community and environment
 - o Sustainable workflows and technologies
- Safety risks are evaluated, managed and reviewed regularly, and safety processes are improved with the help of trained functional teams.
- Incidents are reported, investigated and lessons learned are shared across the Board for corrective and preventive actions.



EHS Training

At our plants, we conduct safety assessments, evaluate plant conditions, and perform job safety analyses. We prioritize safety training in defensive driving, behavior-based safety, first aid, and safety inspection protocols. Mock drills are regularly conducted to enhance employee awareness and emergency preparedness. All necessary safety procedures, material safety data sheets, and local emergency plans are available in the local language at each operating site.

Employee health and safety are always top priorities for our organization. We encourage continuous learning and skill development among our employees, with training needs identified through collaboration between employees, line managers, and the HR function. Our permanent employees, including women and those with disabilities, undergo training during induction and periodically through classroom or web-based modules to upgrade their skills.

We also organize special courses as needed. Contractors are required to provide skill and safety training to their employees before assigning them to company projects. We provide safety training to contract workers when necessary, in addition to their induction training on safety.

We are delivering targeted interventions and training to employees in order to improve competency, behaviour, and safety. We have employed Cross-Functional Teams (CFTs) and joint management personnel committees with active participation from top management and employees for site-level Occupational Health and Safety (OHS) concerns.

We have carried out a few remarkable initiatives to advance safety culture among employees and workers including:



- Process safety and risk management (PSRM) at manufacturing sites, on-the-ground boots, a safety plan at all sites, and a safety hour at the R&D center placement - Contractor employee certification for key trades
- Maintaining the ongoing safety improvement programs
- Putting PSRM into place at all locations - Using lead indicators via PSI to measure systematic improvements
- Strengthening training modules for key trades that are associated with high-risk activities
- Expanding the use of digitalisation, IoT and AI in safety management.

INDICATOR	UNIT	PERMANENT EMPLOYEE	CONTRACTUAL EMPLOYEE
Total Workforce	Number	5,869	8,436
Total Man Hours	Hours	91,27,224	2,26,87,265
Fatality	Number	0	5
Lost Day Rate*	Days	4	1323
Lost Time Injury Frequency Rate (LTIFR)**	No. per million man-hours worked	0.11	0.26

*Lost Day rate is the number of man days lost for every million man hours worked.

** Lost Time Injury Frequency Rate is the number of reportable accidents per million man hours worked. A reportable lost time accident is defined as an accident due to which the injured does not return to work after 48 hours.

We centre around finding the main driver of hazard conduct and disposing of it as the most important move towards risk alleviation. To reduce any potential risks, it is essential to regularly carry out risk assessments. We conducted Hazard Accident Risk Prevention (HARP) personal risk assessments across various cadres with this notion. In addition, our workforce has successfully adopted the BBS (Behavior Based Safety).

Behavioral-Based Safety:

Over the past four years, behavioral-based safety (BBS) has become an integral part of our safety measures. The focus of BBS is on responsible safety behaviour, which can reduce or prevent harm from risky behavior. This confirms the decline in industrial accidents, traffic accidents and pandemic control, among other things. By making BBS a way of life, this will eventually increase human prosperity. We are adamant that the BBS can be effectively used as a tool to lower the risks connected to workplace health and safety problems as well as process safety issues. It was extended by DCM Shriram to the workers, their families and other significant members of our society, especially young people.

With the primary objective of 'Zero Harm to Anyone', a strong safety culture makes it a way of life to recognize and address at-risk behaviour without fear by ensuring that everyone feels empowered and responsible for safety. When employees feel appreciated, heard and genuinely cared about, their attitude on the company is positive in all other ways and filled with strong morale. This encourages our senior management to create an environment where staff members feel comfortable raising concerns about potential safety dangers or dangerous behavior. The core of BBS consists on proactive risk management and a focus on lowering the likelihood of accidents. BBS is applicable to everyone both inside and outside of the workplace (i.e., in our networks, schools, universities, and other social spots). We encourage transparency among our employees and ask them to report risky behavior openly and fearlessly using the "No Fault No Shortcoming No Name" strategy to help us change our routines and activities.

To enhance competency, behavior and safety, we are providing employees with training and carrying out targeted interventions. For site-level Occupational Health and Safety (OHS) areas, we have engaged Cross-Functional Teams (CFTs) and joint management workmen committees with active participation from senior management and workers.

Our goal is to establish a work environment in which all employees are aware of the dangers they face and actively care for others: at the point when somebody notices somebody in danger, we maintain that they should pause and make a move to help deflect mishaps and make workplace safer.

Process Safety Management

The progress of each element is reviewed quarterly with the steering team, providing a platform to evaluate the effectiveness of the cross-functional team. The rules and procedures committee has diligently developed life-saving rules for the site, focusing on the implementation and sustainability of the planned Process Safety Management (PSM) journey.

Wearing of PPEs (Safety Helmet, Safety Goggles, Safety Shoes) are must for everyone

- Non-Routine Work must be done by "Permit to work"
- MOC & PSSR must be followed for any modification
- Tobacco, gutkha and smoking is strictly prohibited
- All incidents must be reported and investigated

These practices are intended to protect personnel from injury and prevent significant environmental harm, property damage and business losses in support of QHSE Policy





EHSAAAS Meet

Every quarter, EHS meet is conducted to understand the best practices running throughout different industries.

The meeting also includes discussions about the effects and feasibility studies of incorporating the best EHS practices into the organization.



Road Safety Week Celebration

Celebrated by every employee at various unit locations to raise awareness of road safety and safe driving practices, including avoiding distractions while driving, adhering to speed limits, wearing helmets, and checking the vehicle's lights and others.

The programs included Road Safety Quiz Competition, Defensive Driving Training Program and a Nukkad Natak on Road safety for the employees.



Safety Week Celebration

A celebration across the organization which focuses on raising awareness on safety amongst employees, contractors, school children and all other stakeholders through quizzes, role plays, drawing competitions, exhibitions and demonstration.



Health Talk

A Health Talk on Dietetics and Nutrition is conducted for the employees, providing a comprehensive discussion on healthy living and dietary patterns in all the weathers.

The talk also holds a session on Postural awareness at workplace, to educate the employees about preventative measures regarding the bodily impacts of wrong posture and continuous sitting.

In addition to the above initiatives, we have taken several steps for the well-being of the employees. To achieve the best state of physical, mental and emotional health for our employees, we engage them in camps to rejuvenate periodically.

DCM Shriram is committed to the occupational health and safety of its employees in all possible ways. While entering into a relationship with all the vendors, suppliers, consultants and third parties, EHS expectations and compliance are part of the contract agreements.



HUMAN CAPITAL



Our employees can achieve excellence due to our inclusive workplace and clearly defined roles. Being true to our culture and values has always been a priority for our organization. When processes, goods, and services are improved, cutting-edge technology is utilized, and breakthrough outcomes are set and achieved, human capital plays a crucial role.

Human Rights

As far as we might be concerned, common liberties are non-debatable, and we perceive the significant job we can play in the security of these privileges. This strategy must be ingrained in all of our activities and relationships for the sake of our reputation and ability to operate. This covers our extensive supply chain as well. We are focused on regarding the common liberties of our labor force, networks, project workers, providers, and those impacted by our tasks, as per globally perceived systems.

To ensure that our commitments in this area are carried out in all aspects of our business, we communicate with employees at every level of our operations. Wherever we operate, we strive to adhere to international standards and Group Values, as well as to meet or exceed those standards. Our adherence to the UN Global Compact (UNGC) principles is outlined in our Human Rights Policy. Due diligence, employee and stakeholder engagement, diversity and equal opportunities, prevention of forced and child labor, and other important topics are covered in the Human Rights Policy.

Human rights are also an integral part of conducting business at DCM Shriram. The Company is committed to respecting and protecting human rights to address any negative impacts on human rights that the Company's endeavors may have. In addition, the Company has implemented the "Human Rights Policy" in line with the Company's Code of Conduct and adheres to the principles outlined in the Universal Declaration of Human Rights, the International Labor Organization (ILO), the Declaration on Fundamental Principles and Rights at

Work, and the United Nations Guiding Principles on Business and Human Rights.

We have a strong human rights policy and framework that focuses on good governance, our commitment to following all laws, making sure salaries are paid to employees on time, and making sure everyone has equal opportunities. Effective safeguards against child labor, forced labor, sexual harassment, discrimination, and other forms of harassment are provided by our zero-tolerance policy. By adhering to the minimum age requirement of 18 years across all of our operations, we also ensure that the outsourced processing centers with which we work comply with all of the legal requirements, including the laws governing child labor. We have developed a policy that prohibits all forms of discrimination and have established an efficient procedure for handling complaints of sexual harassment. With the implementation of our whistleblower policy, all of our employees are free to report any kind of suspected or actual misconduct within the organization. We adhere to human rights and awareness laws and regulations.

The policies and procedures implemented by DCM Shriram adhere to all applicable laws and uphold the spirit of human rights, as outlined in existing international standards like the Universal Declaration of Human Rights of the United Nations (UN), the Ten Principles of the United Nations Global Compact (UNGC), and the relevant Core Conventions on Labour Standards of the International Labor Organization (ILO).





Some other initiatives related to Human Capital/ Human Resources

- **In-house Performance Assessment & Dialogue** – Workshop on how to reflect on and evaluate their performance and concerns on Performance Management, attended by over 150 employees from various locations
- **Rewards and Recognition Awards , Digital Reward & Recognition portal-** In place to build a culture of appreciation.
- **Kshitij:** HR team get-together for updating the HR plan and various initiatives. The Culture and Engagement survey results were discussed and an action plan for next year was finalized. At the end of the session, 2 of the team members were Rewarded and Recognized for their valuable work.
- **DCM Shriram Premier League at Bharuch:** more than 150+ employees participated with rigor to organize and compete in the event. Women employees also participated in the tournament, and this led us to focus on gender diversity at Chemicals Business.
- **Employee Communication Forum** – Open House: an interaction between employees and their department heads along with HR, to get insights into their department and share their input on best practices, ideas for process improvement, and concerns.
- **Defensive Driving Training** the Corporate for employees and drivers
- **Quarterly R&R Ceremony at Chemicals:** Internal communication and R&R program “Sampark” is connected to our values which connote appreciation for our worker’s endeavors. “The Star Team”, “Employee of the Month”, and “Above and Beyond” were the categories under which awards were given out during the year.
- **MBMV Campaign II:** Bioseed team had a 5-day celebration on “freedom to grow and prosper” as a part of Azadi ka Amrit Mahotsav and 30 years of Bioseed’s growth in India. The campaign helped us connect with our Saathi farmers across all locations under the banner of “Mera Bioseed Mera Vishwas”.

- **Engineered Wooden Door Launch Campaign:** EWD launch done through newspaper ads, Advertorials, ads in magazines and newsletters, and emailers to influencers. The campaign received 2.5 million impressions on Google, 6000+ clicks on the ad, and 4225 unique website visits.
- **My Great Façade:** A unique platform for Architects to connect and celebrate their great work. Through this program, we have showcased 135 unique projects and have also garnered a total of 17.2 million views.
- **Leadership Connect:** We have launched Leadership Connect, a virtual connection between all employees and one of the organization’s leaders where they can share their thoughts, ideas, and suggestions about the function and assist them in better comprehending the function and future plans.
- **Launch of GRATIFI:** R&R platform in partnership with Gratifi was launched for Corporate employees, this would allow them to now reward and recognize their peers, subordinates, and seniors. Just in the first few weeks of the launch, 65% of the employees logged in on the platform and around 58% of the employees were recognized. This was also noted to be the first time that even the seniors were recognized by their team members. This led to an increase of 31% in formal recognition among employees

Some other Initiatives and Celebrations

- **Employee Engagement Initiatives:** To scale up the employee experience, curated learning content for its employees was delivered by Just Win Singh, a program for L-2 employees, helping them stay motivated and giving their 100%.
- **Wellness Diagnostics in partnership with ENVIRONICS:** A wellness program in partnership with Environics was organized at Sugar HO for all the employees and contractual staff. The program used cutting-edge non-invasive tech with testing that took 3-5 minutes requiring no blood/urine samples and the results/wellness index were immediately shared. The employees/workers were even provided with diagnostic and consultation sessions and the reports or the health updates were received regularly via mail or WhatsApp.

Learning And Development



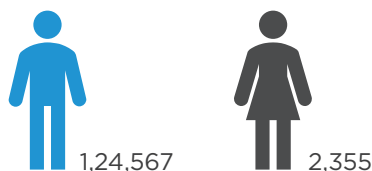
By providing its employees with exceptional learning and development support, DCM Shriram has diligently established a culture of continuous learning, innovation, and collaboration. This support is essential for enhancing employee capabilities and ensuring a competitive advantage. Simultaneously, it will assist workers with understanding their full potential. Through on-the-job assignments and an environment that empowers and supports, we place an emphasis on providing hands-on learning opportunities. The Company has a well-organized annual training plan that closely aligns with our organization's guiding values.

DCM Shriram has identified three types of training that are relevant for making its business ready for the future: technical, functional, and behavioral skills. Best-in-class learning and development assistance is provided to employees in the form of a mix of classroom, online, and in-person coaching, mentoring, and training, to encourage learning at any time and from any location. Our employees are coached and mentored by in-house experts based on their professional requirements. Furthermore, our company undertakes these training programs in collaboration with well-known institutions and industry specialists in order to mould our workers' leadership and strategic competencies. Learning curricular that are globally benchmarked are taught, and practical lessons in the form of business-critical application projects are used to supplement them. This approach guaranteed that interests in learning and improvement are applied and polished to convey better business results.

DCM Shriram encourages employees to self-nominate for various online courses that provide a diversity of topics and increase learning chances far beyond our learning curriculum in order to foster learning flexibility.

DCM Shriram Employees Training Hours In 2022-2023

Total training hours



Average training hour per employee



Initiatives taken for Learning and Development:

Some other initiatives taken under Learning and Development

- **Sampark** - CEO's Quarterly Interactive Connect: Town Hall on the sugar business growth agenda, new projects, and other business streams/options.
- **CANE Meet** - Digital Umang: A three-day meet on integrating our cane field staff to increase farmers' digital adoption and connectivity via various channels. 425 participants, including the senior leadership team, frontline field men, the zonal in charge, regional heads, and cane heads attended the program.
- **Learning and Development:** With nearly 510 Training Human Days, we have trained over 580 participants with an emphasis on employee and organizational growth and development. Key projects that were held included Enhancing Customer Experience, Tackling Competition, Personality Development, Technician Certification Program, and Communication Skills.
- **Leadership Competencies workshop:** Training program was organized for employees up to the Deputy Manager level at the Bharuch site. 70+ employees took part in the 4 various workshops.

- **XPLORE** - A knowledge-sharing platform, where interns at Sugar Business share thoughts and knowledge gained through primary and secondary research on their respective project domains.



Non-Discrimination & Anti-Harassment

Human capital investments are critical for the company's continued growth. Our talent competition is not always other businesses in the same industry. As a result, it is essential to provide ample opportunities for professional development for our employees while also cultivating talent. We continue to place a strong emphasis on maintaining positive relationships with our employees, implementing modern, employee-friendly policies and procedures, and meeting the aspirations of our employees.



We treat all our employees equally and offer the same benefits to all of them. As an equal-opportunity employer, DCM Shriram does not differentiate between men and women in terms of pay and benefits. Periodically, benchmarking is done across the entire industry, and the job roles are also taken into consideration when creating a compensation structure. When revising the compensation structure, all relevant stakeholders' perspectives are taken into consideration. We make it a point to check that every one of our units abides by the Factories Act, as well as all other prevailing regulatory requirements, as well as local and national laws regarding minimum wages and wage payment.

We are committed to eliminating all forms of harassment, including sexual, verbal, and psychological. The company has created sufficient protocols and systems to ensure that any such issues, if they exist, are effectively addressed. Businesses establish internal redressal committees and provide sensitization training to all employees. We strive to keep our female

employees' work environments safe and secure.

All employees at DCM Shriram have access to a time-limited grievance resolution mechanism. Participatory forums, communication meetings, and other methods are also used to record employee complaints. We ensure that employee rights are protected under human rights.

Our Actions For A Better Future:

Setting and achieving breakthrough outcomes, as well as enhancing procedures, products, and services and adopting cutting-edge technology, all depend heavily on human capital.

- Ample opportunities for professional development.
- Keeping up with representative relations and meeting their aspirational necessities.
- Safety and the well-being of employees, as well as encouraging a competitive spirit of collaboration among employees.

INITIATIVES	OUTCOME OF THE INITIATIVES
Womens Day and Men's Day Celebration A virtual Women's Day celebration program for all the women employees across the Organization was organized, and a Men's Day Celebration was organized	<ul style="list-style-type: none"> • Empower women to "Break the Bias" • Ensuring inclusion
Mechanisms to address harassment Suitable processes and mechanisms in place for the addressal of harassment, along with sensitivity trainings for the employees	<ul style="list-style-type: none"> • Increase in employee security and gradually employee retention • Sensitization of the employees
Women's Safety Initiatives Awareness Session by Circle Inspector of polices team about helpline for female protection and harassment and Self-defense training for women at Bharuch conducted	<ul style="list-style-type: none"> • Women Empowerment and Safety
Workplace Celebrations Team get-togethers and day outs, employee celebrations on various occasions like Independence Day, Diwali take place	<ul style="list-style-type: none"> • Bringing a sense of belongingness and community in the employees
Cane Engagement Recognition & Incentive Distribution Program Programs for employee engagements and incentive distribution are held	<ul style="list-style-type: none"> • Encouraging the employees to do better
Culture of Appreciation A platform to appreciate their peers for their contribution and exchange "Thank You" cards	<ul style="list-style-type: none"> • Bonding between the employees
PRAGATI- A Forum for Women Employees A day long interactive session for all the female employees of the company was held	<ul style="list-style-type: none"> • Increase in the sense of security in the women employees



Diversity Equity and Inclusion

At DCM Shriram Ltd. DEI vision is to create a workplace that embraces and celebrates Diversity, Equity, and Inclusion. We aspire to cultivate an environment where employees from all backgrounds, experiences, and perspectives feel valued, respected, and empowered. By doing so, we aim to foster innovation, drive organizational effectiveness, and ultimately contribute to our long-term success as a business.

We focus on DEI (Diversity, Equity, and Inclusion) for several reasons. Firstly, prioritizing DEI ensures that our talent pool is diverse and representative of the communities we serve, creating a robust talent pipeline. This approach allows us to access a broader range of skills, ideas, and perspectives, fostering innovation and driving our business forward. Secondly, we view DEI as a key component of our sustainability strategy. By embedding DEI principles into our operations, we promote social equity and contribute to addressing systemic inequalities, thus working towards a more sustainable and just society. Thirdly, a diverse and inclusive workplace has a positive impact on organizational effectiveness. It leads to improved problem-solving, enhanced creativity, and better decision-making. Lastly, a strong commitment to DEI increases productivity and retention. When employees feel included, respected, and valued, their engagement and productivity soar. Moreover, by prioritizing and embracing diversity, we can attract and retain top talent, as individuals seek out organizations that prioritize DEI.

The Four Pillars of Our DEI Strategy are:

1. **Recruitment:** We strive to attract and retain the right talent by implementing inclusive hiring practices. We actively seek candidates from diverse backgrounds, promote equitable opportunities, and provide resources to mitigate biases throughout the recruitment process.
2. **Retention:** We focus on building a sustainable ecosystem that nurtures and supports our employees. This includes fostering an inclusive culture, providing supportive infrastructure, and creating equitable policies and practices. We recognize the importance of fostering employee well-being and ensuring a sense of belonging to drive long-term retention.
3. **Rising:** We actively engage in talent and business initiatives to develop and advance our employees. We provide comprehensive training and development

programs that foster cultural competence, enhance leadership skills, and promote inclusive practices.

4. **Reinforcing:** Effective communication is vital to embed DEI principles throughout the organization. We strive to foster transparent and open channels of communication, ensuring that our employees are aware of our DEI initiatives, goals, and progress. We leverage multiple platforms to share success stories, promote awareness, and reinforce our commitment to DEI at all levels of the organization.

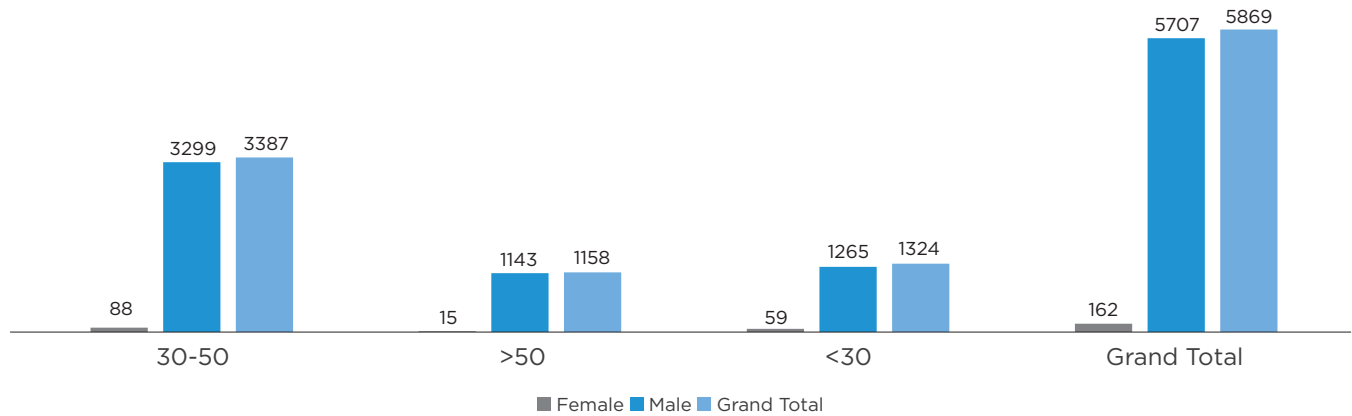
Through ongoing assessment, reflection, and action, we are continuously working to foster a workplace that exemplifies diversity, equity, and inclusion. Together, we are creating a more inclusive and sustainable future for all.

All our operations are also subjected to human rights reviews. There are no operations where the right to exercise freedom of association and collective bargaining is at risk. We also ensure safety of our employees at the workplace and strive to maintain a safe and secure culture for our women. DCM Shriram has a time bound Grievance Redressal Mechanism for all employees. Employee grievances are also captured through different channels like participative forums, communication meetings, employee organizational and others. We ensure that there is no human right violation of the rights of employees.

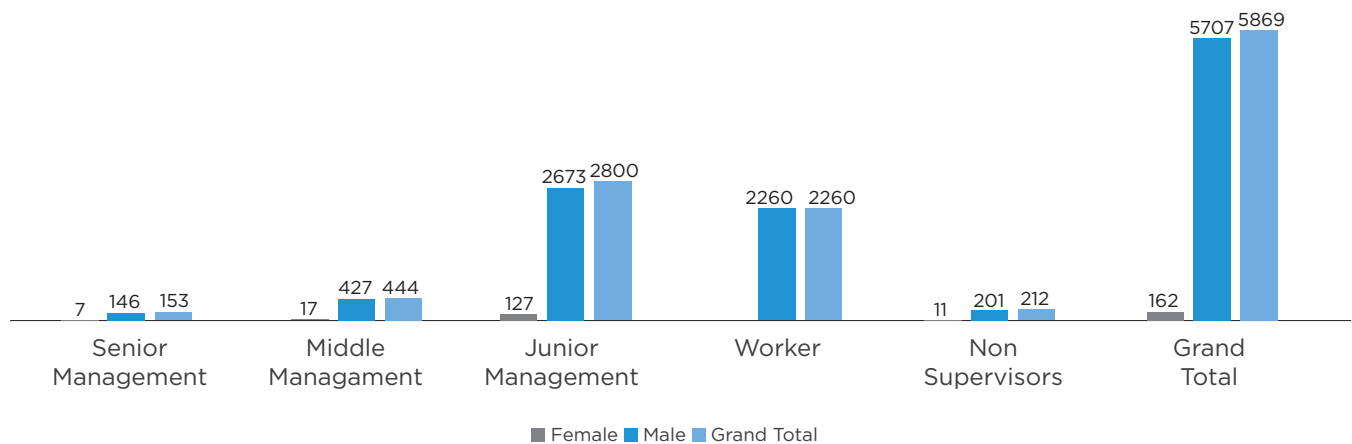


WORKFORCE BREAKDOWN

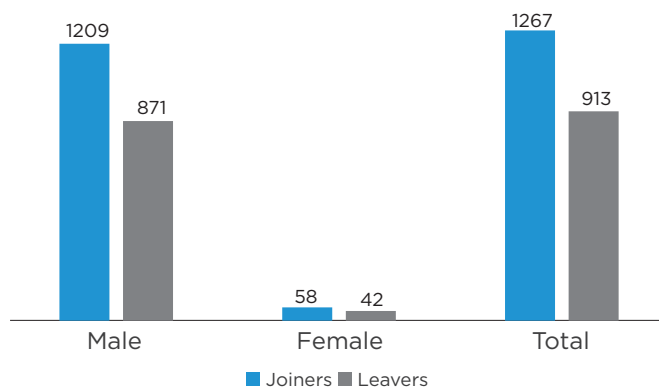
Employee Headcount by Age Group (years) and Gender



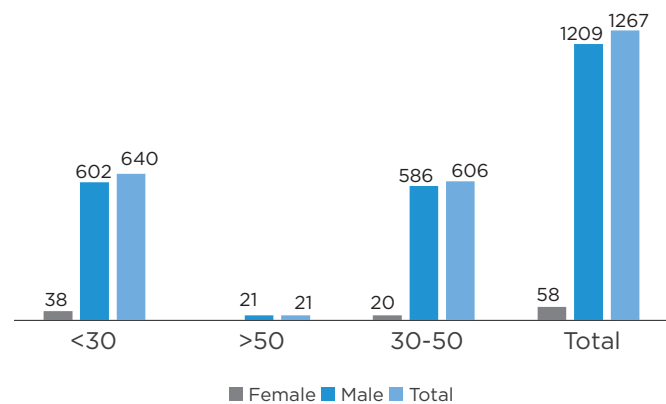
Employee Headcount by Employee Category and Gender



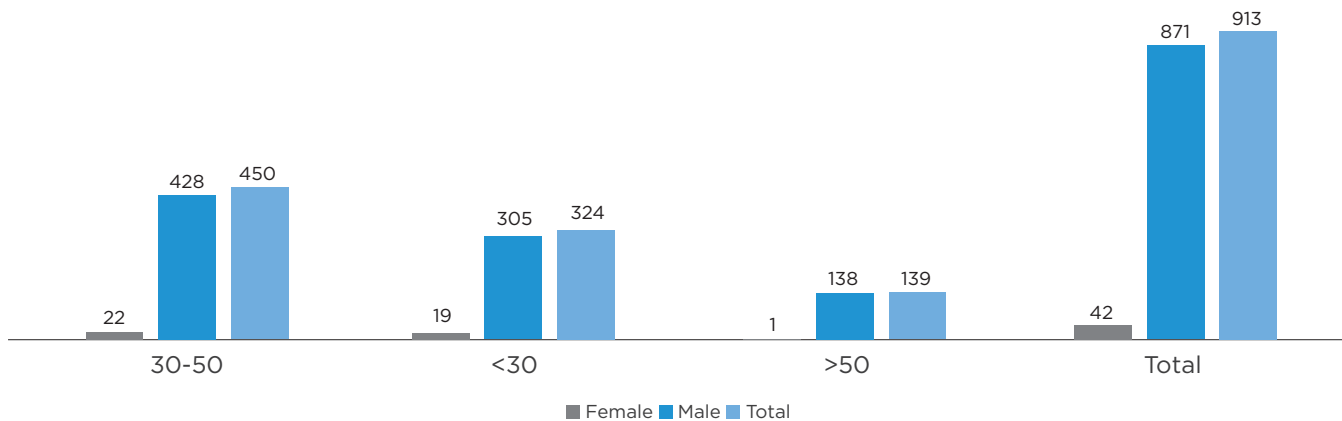
Total no. of Hired and Leavers by Gender



Total no. of Hired by Age Group (years) and Gender



Employee Turnover by Age Group (years) and Gender



Talent attraction and retention

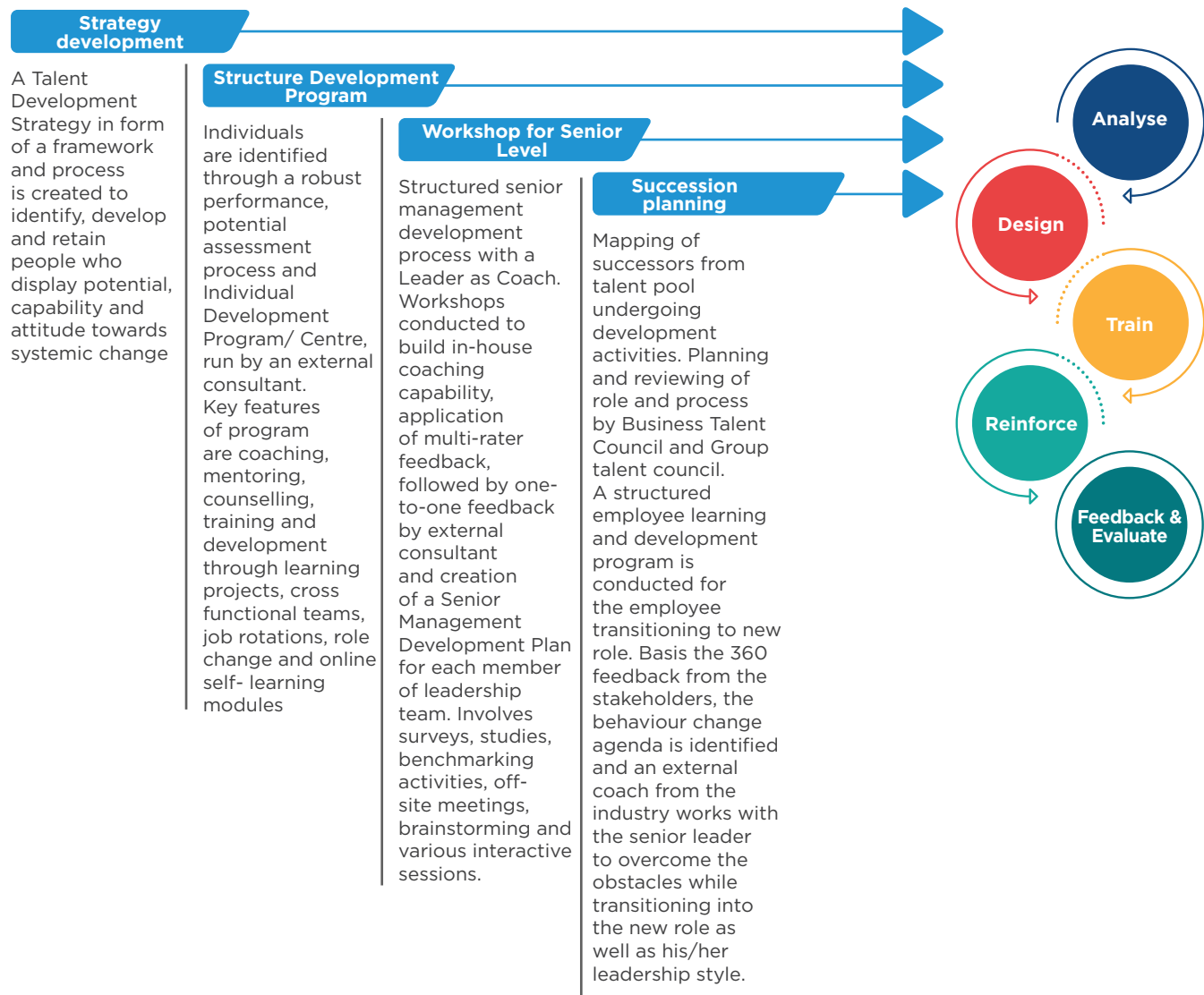
We are continuously evolving our HR systems to strengthen the relationship between business growth and employee development programs to stay relevant to new development. We are committed to employee growth and development through continuous engagement activities. The company has prioritized employee training as a key focus area.

We follow a robust Talent and Leadership Development process at corporate and business level with a view to building talent pipeline/leadership bench strength for the critical roles identified at corporate and business. Talent council, consisting of a leadership team at organization level, reviews the progress of each individual's growth journey. Employees are encouraged to pursue their

journey of individual growth and development with the help of business leaders, manager and HR team.

DCM Shriram has instituted various systems and interventions in place for the talent mapping and overall development of all the categories of employees. Successors are mapped to critical positions from the talent pool undergoing their individual development journey and action steps that are required to ensure a smooth succession. For organization level critical positions, this plan is finalized and reviewed by the Group Talent council. Similarly, for business level critical positions it is being done by Business Talent council who meet once in a quarter to monitor and track process effectiveness.





DCM Shriram is strongly working on the journey on becoming a strong business, by committing to creating new levels of growth while building up existing businesses. This mainly includes building deeply talented workforce and high-quality leaders and is devoted to creating substantial value for all stakeholders. At DCM Shriram, the practices for talent development aids in the development, maintenance, and enhancement of human capital capabilities to deliver essential outcomes on the vectors of strategic impact, operational efficiency, and financial productivity. Our HR department recruits talent from India's top universities and places them in high-impact positions that give them the chance to use their functional command and team management skills to solve problems, deliver operational excellence, and help develop the Company's strategic direction. Through immersive, complex problem-solving assignments that

require the application of domain expertise, these roles enable early career development of deep, functional expertise. When it comes to deploying our talent pool, domain experience plays a crucial role.

At DCM Shriram, we prioritize the professional growth and development of our employees by providing them with valuable opportunities to collaborate with our senior leadership to strategic projects and assignments. Through mentorship programs, our employees gain valuable insights and knowledge from experienced leaders. Our remuneration strategy is designed to align with performance, market competitiveness, and long-term goals, ensuring that employees are duly recognized and rewarded for their contributions, fostering loyalty and exceptional performance.

To stay ahead in our ever-evolving business landscape, we continuously enhance our HR systems to strengthen the connection between business growth and employee development initiatives. We are dedicated to engaging our employees through various activities that promote continuous learning, and employee training is a key area of focus. Our talent council, comprised of our leadership team, actively monitors and supports the growth journey of each individual, providing guidance and support from business leaders, managers, and HR teams.

At DCM Shriram we have established comprehensive plans and interventions for talent mapping and overall development across all categories of employees. We identify potential successors from our talent pool, where individuals are actively pursuing their personal

development and receiving appropriate training to ensure seamless succession planning.

We are committed to bolstering our business methodology by acquiring the necessary skills and measurement tools to enable a lean, multi-talented, and beneficial design. We are taking advantage of retirements as a chance to right-size and rethink skill profiles for roles that will be needed in the future. We are auditing our designs to adjust them to client and business needs and integrating best practices across geologies. We trust in supporting ability and establishing a climate where everybody can perform to their maximum capacity. Our employees can achieve excellence due to our inclusive workplace and clearly defined roles. Being true to our culture and values has always been a priority for our organization.

INITIATIVES TAKEN FOR TALENT ATTRACTION AND RETENTION	OUTCOME OF THE INITIATIVES
Igniting a passion for excellence: A one-day workshop for creating a workforce that excels at all levels and passionately accomplishes business objectives	<ul style="list-style-type: none"> To create a learning and meritocratic organization
Recruitment Drives : Targeted walk-in drives organized in Bharuch to meet the manpower requirements of projects at the Bharuch Site	<ul style="list-style-type: none"> 9 walk-in drives conducted 71 were recruited
Summer internship Program 2022: "Early in Career" program	<ul style="list-style-type: none"> 19 summer interns from B-schools across the country
Agri-Management Trainees: Trainees joining Shriram Farm Solutions, graduating from the top Agriculture colleges across the country.	<ul style="list-style-type: none"> A batch of 9 management trainees were welcomed
Campus hiring: GET Batch 2023: We partnered with eight premier engineering campuses across India for hiring GET batch of 2023, with a special focus on employing social media employer branding.	<ul style="list-style-type: none"> Over 600 students were evaluated in multiple rounds using AI-based proctoring and 44 GETs (including 8 females) were offered for placement.



9 Management graduate trainees welcomed to SFSS

19 summer interns from top B-school of India

19 summer interns from top B-schools of India



9 walk-in drives caused more candidate to apply for opportunity and **71** talented and deserving candidates were recruited.

Recruitment of **71** deserving candidates through **9** walk-in drives





Developing leaders is an important imperative for any organization. Numerous studies have pointed to the importance of emphasizing career and development opportunities for employees across the organization. Our own DCM Shriram experience (from employee surveys and exit interviews) tells us that career planning and development are important for our employees.

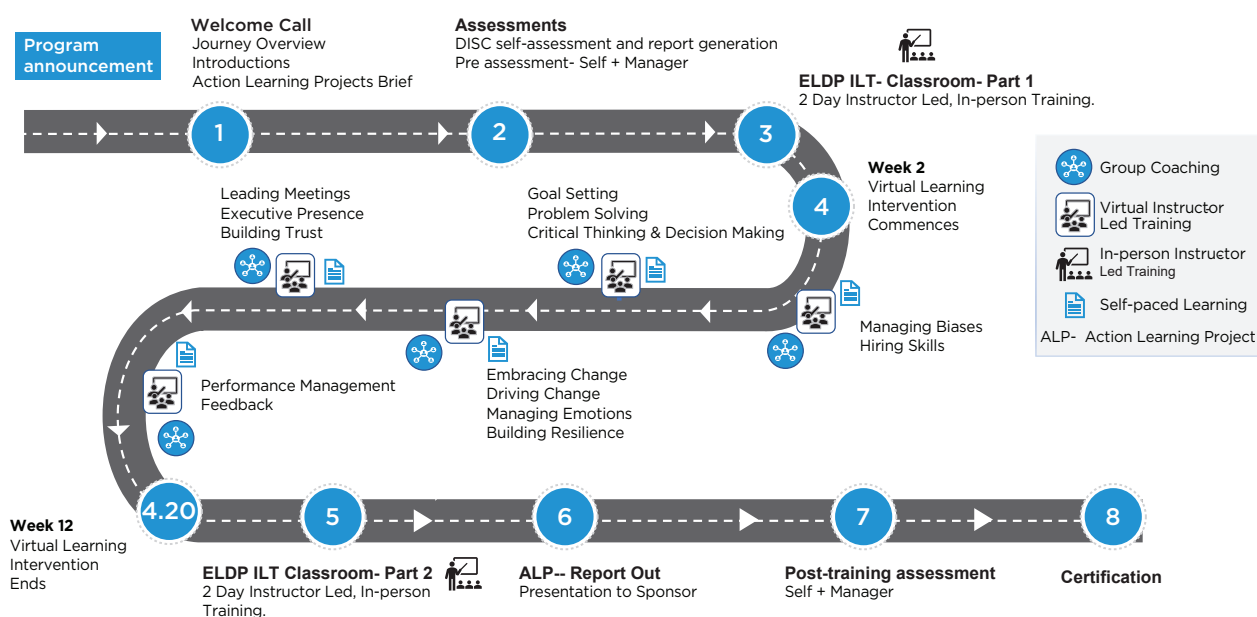
We have in place a customized leadership development framework (in line with the existing DCM Shriram integrated framework). There are 3 levels of managers/leaders which the framework will be focusing on:

- **Emerging Leaders Development Program:** ELDP focused to develop new /first time people managers
- **Leader Development Program:** LDP to develop managers with a few years of experience

- **Advanced Leadership Development Program:** ALDP focused to develop top leaders, i.e., direct reports of business/function heads
- **SMIP -Senior Managers Integration Program called ACT:** Accelerating change together workshop to integrate newly hired senior leaders into the organization.

We have recently launched the Emerging leaders development program which has 25 emerging leaders partaking in a 3-month long journey of development. The program has involves classroom sessions, virtual sessions, coaching sessions, action learning projects etc. to develop our emerging leaders to become effective people managers and be future ready. A glimpse of the journey is as below:

Emerging Leaders Development Program Map



Community Engagement

At DCM Shriram, the Company's social responsibility journey is rooted in its heritage, business strategy, and commitment to society. The CSR flagship programs are implemented through its philanthropic arm, DCM Shriram Foundation, focusing on the intersection of Water and Agriculture with a vision to improve the socio-economic conditions of the farmers. The CSR initiatives, that are aligned with UNSDGs, are implemented as an Integrated Development model in the states of Uttar Pradesh, Rajasthan, and Gujarat.

To ensure that we comprehend the distinct priorities of our communities, we build strong relationships with the local communities. Through our involvement, we focus on providing long-term socio-economic benefits, such as health, education, social support, and charitable giving.

The well-being and prosperity of the communities in which we operate are intertwined with the success of our business. Driven by our social obligation, we have set up self-supporting endeavors for local area advancement programs lined up with UNSDGs. These businesses are improving the quality of life in the community and having a long-lasting positive impact on economic and social indicators. They are doing this by implementing programs that focus on:

- Empowering farmers to improve pay
- Focusing on biodiversity preservation
- Implementing well-being, prosperity, and instruction programs
- Offering fundamental help as and when required

Corporate Social Responsibility (CSR)

For our CSR projects, we also conduct community consultations. We stay in touch with the surrounding communities through our efficient process of community consultation. We keep our communities informed about project progress and collaborate closely with them throughout the project's lifecycle to design and implement projects that can address their needs.

Our step towards building strong and inclusive communities was significantly supported by our employees' contributions through volunteering. DCM Shriram proactively creates new opportunities for our employees to connect and contribute. In FY 2022-23, INR 18.76 Crores were spent on CSR, and INR 3.5 Crores were set aside for the next financial year to uplift communities.

The monitoring and evaluation of CSR activities, as well as the utilization of CSR expenditures, have undergone significant modifications due to the new CSR Rules announced by the Ministry of Corporate Affairs in January 2021. These new regulations emphasize increased accountability for CSR projects, including compliance requirements and impact assessments. DCM Shriram has collaborated with reputable organizations to carry out impact assessments of the CSR projects while adapting to the new compliance requirements.



AN OVERVIEW OF THE COMPANY'S CSR POLICY







DCM Shriram is dedicated to expanding its role in making a tangible difference in the lives of the communities within its service areas. The company adheres to Schedule VII of Section 135 of the Companies Act of 2013, and its strategy focuses on long-term programs that align with community needs and national priorities. Our CSR programs are also defined in accordance with the Sustainable Development Goals (SDGs). Implementing an Integrated Development Model, we carry out our CSR programs in the communities surrounding our manufacturing facilities. We operate in the districts of Hardoi and Lakhimpur in Uttar Pradesh, Kota in Rajasthan, and Bharuch in Gujarat. The focus areas of our CSR programs align with the company's CSR policy.

The Company's Thematic CSR Areas:



Brief overview of the Companies CSR Program:

S.NO.	CSR PROGRAMS	SDGS COVERED	GLOBAL TARGETS
1.	Preventive Healthcare Initiative <ul style="list-style-type: none"> Khushali Sehat program covering pregnant, lactating mothers and adolescent Promotes overall health of the community by conducting health camps 		3.1 By 2030, reduce the global maternal mortality ratio to less than 70 per 100,000 live births 3.2 By 2030, end preventable deaths of newborns and children under 5 years of age, with all countries aiming to reduce neonatal mortality to at least as low as 12 per 1,000 live 1,000 live births 3.3 End the epidemics of AIDS, tuberculosis, malaria and neglected tropical diseases and combat hepatitis, water-borne diseases and other communicable diseases 3.8 Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all.
2.	Sanitation Initiative <ul style="list-style-type: none"> Khushali Swachhata Program- promoting cleanliness and sanitation In the rural region 		6.4 By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity.
3.	Education Initiative <ul style="list-style-type: none"> Khushali Shiksha program to make best-in-class educational available to the school going kids, primarily class 1 to 5. 		4.1 ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

S.NO.	CSR PROGRAMS	SDGS COVERED	GLOBAL TARGETS
4.	Livelihood Initiative <ul style="list-style-type: none"> Jeetega Kisaan program for farmers to skill them on emerging agri-technology Khushali Rozgaar program for creating livelihood opportunities for women and youth 	   	<p>1.2 by 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions</p> <p>1.4 by 2030 ensure that all men and women, particularly the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership, and control over land and other forms of property, inheritance, natural resources, appropriate new technology, and financial services including microfinance</p> <p>2.1 by 2030 end hunger and ensure access by all people, in particular the poor and people in vulnerable situations including infants, to safe, nutritious and sufficient food all year round</p> <p>2.2 End all forms of malnutrition, including achieving targets on stunting and wasting in children under 5 years of age, and address the nutritional needs of adolescent girls, pregnant and lactating women and older persons</p> <p>2.3 by 2030 double the agricultural productivity and the incomes of small-scale food producers, particularly women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment</p>
5.	Environmental Sustainability Initiative <ul style="list-style-type: none"> Conduct tree plantation drives and construct or renovate water structures such as check dams, abandoned dug wells, rain water harvesting structures and more. 		<p>13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning</p>
6.	Rural Development Initiative <ul style="list-style-type: none"> Infrastructure development in the rural areas to improve the quality of life 		<p>9.1 Develop quality, reliable, sustainable and resilient infrastructure, including regional and trans-border infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all</p>



I. Preventive Healthcare & Sanitation

Healthcare Program

It is a flagship program to promote health and well-being of the people by running the community level awareness, preventive and curative healthcare program. All the health initiatives in run under the umbrella program Khushali Sehat.

INITIATIVES	OUTCOME OF THE INITIATIVES
Preventive medical care program for pregnant women and adolescent girls	Improved awareness/ education on reproductive health and overall healthcare
Conducted sickle cell awareness and screening camps	Prevent incurable disease sickle-cell anemia
Organised eye camps to screen eye-related issues like low eyesight or cataract issue and take remedial actions for prevention	Improve eye health
Organised health screening and consultation camp in collaboration with Apollo Medics to provide overall medical screening and consultation services to employees and their families	Promote disease-free lifestyle
Menstrual Hygiene Day celebration- provided training and created awareness on maintaining menstrual hygiene in collaboration with CHC- Pasgawan	Promote maintenance of menstrual hygiene
Conducted blood donation drive in collaboration with District Blood Bank	Blood donation
International Nurse Day celebration- workshop was conducted in villages on high-risk pregnancy	Promote healthy pregnancy

Khushali Sehat

Overview

Khushali Sehat is a Company's flagship CSR program and is aligned with SDG 3- Good health and well-being. The program primarily focusses on women's reproductive health like lowering the IMR (Infant Mortality Rate) and MMR (Mother Mortality Rate) by providing CHCs and PHCs with infrastructure support, nutrition, family planning, MHM, and vaccinations. However, there are other initiatives also undertaken as a part of the program which aims at enhancing the overall quality of life. The initiatives cover conducting awareness campaign, health camps, distribution of health kits etc. The women healthcare program, specifically, is undertaken in alignment with other Government schemes such as PMMVY (Pradhan Mantri Matru Vandana Yojana), JSY (Janani Suraksha Yojana), RKSK (Rashtriya Kishor Swasthya Karyakram), and ICDS (Integrated Child Development Scheme).

Key Initiatives

The program follows the 3-A (Accessibility, Affordability and Availability) approach to provide a holistic health to the beneficiaries. Some of the key components of the program has been mentioned below:

- Raising awareness among pregnant and lactating mothers on maternal and child health, family planning and benefits of institutional deliveries
- Raising awareness among adolescent girls on adoption of better health & hygiene practices.



- Providing training on community health to women of the villages through Village Level Health Workers (VLWs), also called Sehat Saathis
- Launched Mobile Medical Unit (MMU) to diagnose high-risk pregnancies
- Conducted health screening camp to identify undernourished population and distributed POSHAN kits to affected people.
- Conducted eye screening including vision testing, cataract testing etc. and distribution of spectacles
- Conducted awareness program on prevention of sickle-cell anemia
- Conducted blood donation drive

Outreach

Khushali Sehat program was launched in 2011 in Lakhimpur Kheri districts. Over the years, it has widened its outreach with implementation across 140 villages of Uttar Pradesh and 18 villages in Kota, Rajasthan.

Khushali Swachhata

Overview

“Khushali Swachhata” program is aligned with SDG 6- Clean Water and Sanitation. The program is aligned with Swachh Bharat Rural Mission of Government of India and aimed at ensuring cleanliness and good sanitation practices in the rural region.

Key Initiatives

- Creating awareness among the people on solid waste management practices and open defecation
- Creating awareness in community on composting using both pit and without pit methods. Under the initiative biodecomposers were distributed in the villages to convert biodecomposable waste into bio-fertilizer
- Established first sewage treatment facility in the Hariawan village in Uttar Pradesh. The facility is set up in the pond and is based on the Shefrol Technology. The technology uses the aquatic plants in the pond to treat the water and make it fit for the irrigation purpose.
- Construction of School and household toilets

Outreach

The program was launched in Uttar Pradesh in 2014. Over the years, the program widened its coverage to include more villages and districts in other states like Kota and Bharuch



The program is aligned with Swachh Bharat Rural Mission of Government of India and aimed at ensuring cleanliness and good sanitation practices in the rural region.



II. Education, Vocational skills, Livelihood

Education Skills

The overall objective of the program is to provide necessary skill development training to the women and youth to generate sustainable source of income.

INITIATIVES	OUTCOME OF THE INITIATIVES
Khushali Shiksha programs aims at bypassing age-old learning patterns and inculcate 21st century learning skills among the kids including critical thinking, problem solving etc.,. The initiatives include • DESKITS donated to students in government primary school. It is a type of bag which gets converted into desks. Etc.	Better learning outcomes among the kids Motivation for kids to study
Kishori Utkarsh Pehal conducts awareness campaign for adolescent girls on multiple topics like menstrual hygiene, overall reproductive health, leadership development etc.	Overall personality development of women/ girls
Fenesta open national tennis championship- Championship was conducted in Delhi in collaboration with AITA and DLTA	Promote sports and spread the idea that education is holistic and extra -curricular activities are as important as curricular activities
Education tour- Bioseed Jaipur team an “Education Crop Tour” of bioseed corn hybrid 9766	Improved awareness on modern farming methods among the students



3784 students
benefited under
Khushali Shiksha



310 DESKITS
donated at government
primary

Khushali Shiksha

“One child, one teacher, one pen and one book can change the world”.

Education enables the holistic empowerment of the individual as well as the society. It eradicates ignorance and inculcates the sense of good judgement in an individual. It is the means to growth of the individual as well as the society. India has been witnessing upward trend in terms of economy and innovation. To keep the trend moving, it is essential, that “quality” education is provided to everyone. Most importantly, the foundational learning program for each of the students should focus on inculcating curiosity and critical thinking ability among the kids. The power of questioning is quite

an underestimated skill, however it is critical to ignite innovative skills among the kids.

Through its education program, known as Khushali Shiksha program, Company aims to inculcate 21st century skills among the kids such as critical thinking, problem solving, collaborative learning and technological competence alongwith the teaching the curricular subjects such as language, science, maths etc. to create the holistic learning outcome among the kids. The program is launched by the DCM Shriram Foundation in 2017 and is implemented with the support of Pratham Education Foundation, it is an NGO and is working towards improving the quality of education in India. The program primarily covers students attending the primary education from Class 1 to 5.



Key Initiatives

- Engage with students in Government primary schools
- Donate digital tablets in the community to increase access to digital technology and online content to enhance the learning outcome
- Developed the concept of mother groups to teach the students of class 1 & 2.
- Organising mohalla level learning camps for students of class 3-6 with the support of the volunteers
- Distributed Shriram scholarships for girls students pursuing higher education in desired field/streams. These scholarships are specifically rolled out in Kota and Bharuch districts.
- Conducted education summer camps

Outreach

The program is spread across several villages, districts of different states like Rajasthan, Uttar Pradesh, Gujarat and Telangana.

Kishori Utkarsh Pehal

Overview

Kishori Utkarsh Pehal program was launched in December 2022, in Bharuch District Gujarat. It aims at empowering the young/adolescent girls by creating awareness on certain key areas of holistic development. It is a collaborative program with Bharuch District Administration.

Key Initiatives

The program focuses on key areas which includes creating awareness on:

- Adolescent Health (Know Your Body)
- Menstrual Health Management
- Nutrition
- Knowledge and Convergence of Government Schemes
- Legal Protection and Rights of Adolescent Girls
- Leadership Development

Outreach

This is a recent program being launched in December 2022. Bharuch district in Gujarat is the first state of inception.





Livelihood Program

Vocational and Livelihood Skills

The overall objective of the program is to provide necessary skill development training to the farmers, women and youth to generate sustainable source of income and creating profitability.

INITIATIVES	OUTCOME OF THE INITIATIVES
<p>Jeetega Kisaan is a program to skill support farmers in increasing the yield and profitability for farmers</p> <ul style="list-style-type: none"> • Linkage with government schemes • Introduction of Animal husbandry and livestock program including artificial insemination for cattle development • Introduction of new farm practises like sustainable paddy/wheat program • Conducting awareness sessions/workshops for farmers on new farming practises and emerging technologies 	<ul style="list-style-type: none"> • Improved income for farmers, eradication of poverty and economic growth of rural region • Educated farmers
<p>Conducted crop show for Paddy 301, mega field day for Corn 9792 and Cotton GHH 029 and business partners summit to aware farmers about bioseed's paddy business in Andhra Pradesh, Maharashtra and Telangana respectively</p>	<ul style="list-style-type: none"> • Educated farmers and enhanced knowledge about techniques to increase farm productivity
<p>More Crop per Drop program running in Rajasthan to address water stress and economical condition of the adopted villages. The key components of the program include easy availability of water for irrigation, livestock, drinking etc.</p>	<ul style="list-style-type: none"> • Sufficient water availability for farming and allied activities
<p>Collaborated with AGRIGRID to participate in fresh vegetable value chain</p>	<ul style="list-style-type: none"> • Improved food value chain
<p>Training program was conducted for the fish farmers by DCM Shriram Ltd, Sugar & Distillery Unit</p>	<ul style="list-style-type: none"> • Educated farmers on emerging agri-technology
<p>Khushali Rozgar is a program to educate and develop basic livelihood generating skills amongst the women and youth and empower rural artisans</p> <ul style="list-style-type: none"> • Establishment of Silai schools to train women on basic tailoring and stitching skills • Set up mobile, computer and laptop repairing center and training the youth • Support to Vivekanand Gramin Takniki Kendra for skill training. Under the program Company incurs the cost to training, housing and boarding expenses of the Company. They are specifically trained to be employed in the plant/factory. 	<ul style="list-style-type: none"> • Skilled and self-sufficient women and youth • Employment generation



12650 farmers
benefited under
Jeetega Kisaan
program



Improved availability of
water helped in cultivating
two crops in a year
against **one crop** before
intervention



Trained 210
women through Silai
school, **55** through
Project Zardozi and
120 through repairing
centre

Jeetega Kisaan

Overview

Agriculture is still one of the major contributors to the Gross Domestic Product (GDP) of India and large population in the rural region is engaged in agriculture or related activities. Further, most of the farmers engaged in the agricultural activities are small and marginal farmers and thus forms a vulnerable part of the society. With the ever evolving trends in the agricultural and socio-ecological domain, it becomes essential that effective support is provided to the “feeder” of the society.

Company has launched Jeetega Kisaan with the vision to empower the farming community. The program has been designed keeping into consideration the major issues the farmers have been facing like deteriorating quality of land, inadequate water supply with respect to demand, changing socio-economic condition, low yields, informal credit system and resulting harassment and lack of knowledge about emerging agri-technology.

Jeetega Kisaan is led by the DCM Shriram Foundation. It is a mix of water conservation and Agri-skilling and Livelihood program which aims at educating farmers about the better practises and emerging agri-technologies to increase productivity and profitability of the program of small & marginal farmers. It is aligned with SDG 1- No Poverty and SDG 2- Zero Hunger.

Key Initiatives

- Linking farmers with the government schemes, like it partnered with Haqdarshak and engaged with farming communities to help them get the benefits of Direct Benefit Transfer/Indirect schemes.
- Introduction of high value crops in the crop cycle to include vegetables, fruits, medicinal crops
- Training the farmers on increasing the productivity of the land by introducing high yield varieties of seeds, cash crops relevant to nearby markets, etc.
- Introducing sustainable paddy/wheat program with IFC as knowledge and ISAP as implementation partner.
- Supporting in market linkages of the crop
- Established Farmer Producer Organization (FPO) to support farmers both on input and output side
- Introduced Animal Husbandry Program with a focus on cattle development through Artificial Insemination and other services in partnership with BAIF.

Outreach

The program was launched in 2017. Over the years, coverage has been widened to include 23 villages in different states like Rajasthan, Uttar Pradesh and Gujarat.



Vocational Skills- Khushali Rozgaar

Overview

Skill development is a primary step towards creating a self-sufficient and, empowered and dignified life. Currently, India is witnessing its growth story and as this continues, in the times to come, there will be growing demand of the skilled labor.

DCM Shriram had launched the Khushali Rozgaar program to support the women and youth of the community to learn the basic income-generating skills so that they can earn the livelihood for themselves and lead an independent and dignified life. This program aims at empowering women and youth population by creating livelihood opportunities, developing sustainable income sources and making them financially independent. Through the program short-term vocational training is imparted to rural women and youth population. The program is aligned with SDG 5- Gender Equality and SDG 8- Decent Work and Economic Growth.

Key Initiatives

The program broadly includes three initiatives-

- Silai School- Stitching and tailoring related training is provided to the rural women. The duration of the program is 6 months.
- Project Zardozi - Developing the entrepreneurial qualities among the rural artisans.
- Kaushal Vikas Kendra- Started electronics (mobile, computer, laptop) repair training centre in collaboration with S&S care Academy to train youth. Enabling placements of the trained people in the companies

Outreach

The program has wide outreach and is spread across multiple districts of Uttar Pradesh like Loni, Ajbapur, Hardoi and Lakhimpur. In FY 2022-23, third Silai School was inaugurated in Rupapur village of Hardoi district in Uttar Pradesh.





Environmental Sustainability

The Program has been initiated with the objective to promote environmental conservation and restoration and ensure sustainable use of ecological services.

INITIATIVES	OUTCOME OF THE INITIATIVES
Khushali Paryavaran- the program specifically revolves around water conservation and ensuring the availability of sufficient water for irrigation, drinking & livestock etc.	Surface storage created and Ground Water recharged.

Khushali Paryavaran

Khushali Paryavaran program aims at promoting environment conservation and restoration with the specific focus on water conservation. It is aligned with SDG 6- Clean Water and Sanitation. The program was conceptualized to ensure the availability of sufficient water for irrigation, drinking & livestock, reducing the depletion of ground water and for raising the socio-economic status of the nearby villagers.

Key Initiatives

- Pond rejuvenation
- Created community-driven integrated watershed management program in partnership with Tarun Bharat Sangh.

- Constructed rainwater harvesting structures
- Created green belt around the area of its operations
- Planted saplings in community areas of Hardoi and Lakhimpur which includes planting saplings of Shisham, Kanji, Jamun, Katahal, Amla, Chitwan, Aam, Shagaun, etc.

Outreach

The program was launched to establish an effective and efficient water management practises. It has wide outreach including multiple district of different states like Hardoi, Lakhimpur in Uttar Pradesh, Bharuch in Gujarat, Ladpura district in Madhya Pradesh.





II. Rural Development

The program has been launched with the objective improve the quality of life in rural region by ensuring the availability of infrastructures and basic services.

INITIATIVES	OUTCOME OF THE INITIATIVES
<p>An Integrated Rural Development Model is designed to impact every facets of rural life such as livelihoods, health, education, infrastructure and WASH interlock to push people up the development curve.</p> <p>Infrastructure development activities are undertaken in schools oe other areas of the villages.</p>	<ul style="list-style-type: none"> Better infrastructure services in the village like schools, roads, healthcare services, street lights etc. Improved quality of life of the population
<p>Infrastructure development activities are undertaken in schools oe other areas of the villages.</p>	



Overview

Company believes that rural development is essential for the holistic growth of the Country. In India majority of the population lives in rural areas. Thus it is critical that a development plan should cater to the demand of rural population. The objective of the program is to promote rural development and improve the overall quality of life. This program, specifically Integrated Rural development Program, is implemented in collaboration with state governments, NGOs, knowledge institutions and allied partners.

Key Initiatives

- Designed Integrated Rural Development Model to improve the quality of life like providing safe drinking water facilities, upgradation of anganwadi, schools, Pachayat Bhawans etc.

- Constructed a community hall
- Installed a PA (Public Address) system in a school and community hall
- Providing financial support to fund community and rural infrastructure development project

Outreach

The Integrated Rural Development Program is implemented around the area of Company's operations in Bharuch district Gujarat. In addition to this, other villages and districts are also covered under different initiatives like Fulwadi village in Gujarat.

CSR Governance

The Company has constituted Corporate Social Responsibility (CSR) Committee in compliance with Section 135 of Companies Act 2013. The committee primarily oversees the execution of Company's CSR policy and timely progress of the programs. As of 31st March 2023, Committee is composed of 6 members including 3 independent directors.

Details of CSR committee is provided as below:

S. NO.	NAME OF THE DIRECTOR	DESIGNATION/ NATURE OF DIRECTORSHIP	CSR COMMITTEE	NUMBER OF MEETINGS OF CSR COMMITTEE HELD DURING THE YEAR	NUMBER OF MEETINGS OF CSR COMMITTEE ATTENDED DURING THE YEAR
1.	Mr. Ajay S Shriram	Chairman and Senior Managing Director	Chairman	2	2
2	Mr. Vikram S Shriram	Vice-Chairman and Managing Director	Member	2	2
3	Mr. Ajit S Shriram	Joint Managing Director	Member	2	2
4	Mr. Sunil Kant Munjal	Non Executive Independent Director	Member	2	1
5	Justice (Retd.) Vikramajit Sen	Non Executive Independent Director	Member	2	1
6	Mr. Pravesh Sharma	Non Executive Independent Director	Member	2	2

The CSR committee of the Company functions under the oversight the Board of Directors. The committee is responsible for formulation, implementation and periodically reviewing the CSR policy to fulfill the Company's social and environment. It also seeks to guide the Board in formulation CSR action plans and amount of funds to be allocated to the respective program. Further, the overall implementation and monitoring of the program remains under the purview CSR committee. The overall vision of the committee that drives its actions is to integrate social and environmental objective with the overall business strategy of the Company. In addition to this, CSR committee reviews the Business Responsibility and Sustainability Report of the Company.

Following information is hosted on the corporate website of the Company:

- The composition of CSR committee
- The annual CSR action plan/projects for fiscal year 2024, recommended by CSR committee and approved by the Board

Impact assessment of CSR projects

DCM Shriram conducts a periodic evaluation of its CSR programs to understand the actual impact initiatives have made on the targeted population. For the purpose, a third-party evaluator is roped in to conduct the assessment. In the FY 2022-23, impact assessment for two projects, Khushali Shiksha program, and Jeetega Kisaan was conducted. The assessment was conducted by Thinkthrough Consulting. The outcome of the assessment is available on our Company's website.

Khushali Shiksha Program

Objective and Scope of the assessment

The objective and scope of the assessment includes;

1. Assess the impact and perception about the program on all stakeholder groups
2. Assess the project management arrangements, outcomes and their impact on the project location

3. Document the lessons learned and provide recommendations for the next phase of the program to strengthen overall implementation and outcome of the project

The assessment was done for the complete project cycle, i.e. from 2017 to 2022 and 10 intervention villages were included for the study.

Methodology and Approach of the Assessment

Organization for Economic Co-operation and Development's (OECD) Development Assistance Criteria (DAC) was used as a reference framework for the study.

The comprehensive methodology is as follows:

1. Data collection through qualitative and quantitative methods
2. Stakeholders discussions was undertaken
3. Consultative process was followed throughout and checklists and tools were developed in consultation

Findings of the Assessment

The overall of the program can be broadly categorized into two levels-

1. School level
2. Community level

Following key findings have been identified during the study:

1. The program successfully addresses the challenges faced by the students and its objectives align with the requirements and need of the National Education Policy 2020 and SDGs. Additionally, its implementation partner Pratham Foundation is an acknowledged organization in the field of education and thus its experience and existing infrastructure has supported positively in the implementation of the program.
2. Periodic learning camp is conducted by dividing the groups of students into groups on the basis of their class grades i.e., grade 1-2 and grade 3-5. During the assessment, discussions was conducted

with students, teachers and mothers. Interviewed students highlighted that the learning camp has had a positive impact on their overall personality and that they enjoy study in the camps more than in the schools. Further, the evaluator observed that students were more confident at answering the questions and were easily able to use the minds to the questions asked and draw conclusions during the interactions. It has improved the overall communication skill of the students. Also, school teachers highlighted that as a result of the program absenteeism reduced remarkably.

3. The quantitative survey, conducted in the intervention village to assess the learning ability, found that 4% of the total 151 sample were at the beginner level which means those who are unable to read even basic akshars and result from the control village against this was that 62% were found to be at the beginner level.
4. Similarly, it was observed that performance of the students in mathematics and language has shown to have improved.

Some of the recommendations given the the assessment agency was as follows:

1. Since learning camp was observed to have the positive impact on the learning outcome of the students. It was recommended that more such camps should be conducted, specifically for class 4 and 5 students and it should align with the beginning of academic year.
2. Volunteers should be adequately educated so as to effectively realize the objective of the program.
3. Designated learning centres should be identified with the help of the community members and augmented.
4. Regular classes should be conducted through the year for the out-of-school kids as per the their convenient time slots.

Therefore, overall the program has achieved the desired outcome and gaps identified will be incorporated to strengthen the program in the next phase.

Jeetega Kisaan Program

Objective of the assessment

1. Assess overall impact of the program in improving the overall skills of the farmers
2. Assess the impact of the project on farmer's income

Methodology of the assessment

1. Stakeholder profiling and validation
2. Prepare and finalize assessment tools and sampling framework
3. Data collection process includes household surveys, Focus Group Discussions (FGDs) with stakeholders and beneficiaries, key informant interviews with select stakeholders. Data collection through secondary research
4. Analyze data to understand the result of the program

Findings of the assessment

1. The main objective of the program to be effective for the small and marginal farmers. Thus, during the assessment it was found that these groups of the farmers considered the program to be relevant for them.
2. Farmer groups aware of the Farmer Interest Groups (FIGs) expressed the membership has been beneficial in terms of getting better access to project activities like trainings, exposure visits, FPO, formation and procurement of inputs.
3. 50% of the respondents highlighted the benefits of FPOs at the village level and expressed that it is beneficial in terms of input procurement

4. Impressive participation in the demo plot learning has been observed during the assessment. Almost 80% of the total respondents accepted about having participated in the demo learning program.
5. The adoption of irrigation practices was better in the project area than in the control area. Whereas fertilizer application has not been in line with what was taught under the project.
6. Additionally, most of the activities conducted by the farmers in the sample area was in line with the learnings of the program.

This is brief description of the assessment carried out by the Company for its CSR projects in FY23. Detailed assessment report is available on Company's website- CSR Budget and Impact Assessment | DCM SHRIRAM.

The Company undertook new projects in areas which were relevant for stakeholders which are in a project mode, ensuring that the projects timelines are met during implementation. Further, unspent CSR budget is forwarded to the unspent CSR account as per section 135(6) of Companies Act 2013.

The CSR program of the Company is implemented by its own foundation DCM Shriram Foundation and other qualified and experienced implementing agencies selected post comprehensive due-diligence process. The Company has partnered with eminent NGOs / Trusts such as MAMTA - HIMC, BAIF, FINISH Society, ISAP, Gram Swaraj Mission, Vinobha Sewa Ashram, Akshaya Patra Foundation, Pratham Education Foundation, etc.

Employee Volunteering

As an inception of a new initiative, Company introduced an in-house volunteering program called WeVolunteer.



SOCIAL IMPACT OF CSR ACTIVITIES 2022-23

KHUSHALI SWACHHATA DISTRICT LEVEL PROGRAM



99.3% Total Waste Collection
and 84.05% Total Waste
Segregated in Hardoi District
(Uttar Pradesh)

KHUSHALI SHIKSHA INFRASTRUCTURE DEVELOPMENT



10 Anganwadis in Hardoi
(Uttar Pradesh) have been renovated to Smart
Anganwadis providing a safe and engaging
environment to foster early childhood learning
for children who are not of school-going age

KHUSHALI SEHAT MOBILE MEDICAL UNIT



4,400+ pregnant women and lactating
mothers have benefited from the
Mobile Medical Unit (MMU). 4,400 + ante-natal
and pots-natal check-ups have been
conducted, from which 640 high risk
pregnancies were identified.

JEETEGA KISAAN



2,942 Farmers benefiting
through Jeetega Kissan
program across Kota (Rajasthan)
and Sonbhadra (Uttar Pradesh)

KHUSHALI SEHAT



Community members from 200+ villages
have benefited from general health
camps/ door-to-door interactions and
eye camps across Kota (Rajasthan),
Bharuch (Gujarat) and Hardoi &
Lakhimpur Kheri districts (Uttar Pradesh)

KHUSHALI PARYAVARAN WATER CONSERVATION



68 small and 16 large water harvesting
structures have been constructed with
an increase of 97.72+ lakh litres in annual
recharge capacity across Kota (Rajasthan),
Bharuch (Gujarat) and Hardoi &
Lakhimpur Kheri districts (Uttar Pradesh)

KHUSHALI PARYAVARAN TREE PLANTATION



13,200 saplings have been planted via
the Miyawaki Method and 14,670 saplings
have been planted using traditional methods
in Bharuch (Gujarat) and Hardoi &
Lakhimpur Kheri districts (Uttar Pradesh)

KHUSHALI SHIKSHA LEARNING BASED PROGRAMS



In 62 villages, 500 + village
volunteers reached out and facilitated
learning activities for 3,700 + primary
school students in Uttar Pradesh

KHUSHALI SEHAT KISHORI UTKARSH PAHEL



5,200 + adolescent girls have been
reached through this program through
awareness sessions and exposure
visits on Menstrual Hygiene Management,
Mental Health, Rights and
entitlements/ Legal Protection, Government
Schemes and Leadership development

KHUSHALI ROZGAAR



210 women trained through the
Silai Schools and 120 students trained
through Kaushal Vikas Kendra in
Hardoi & Lakhimpur Kheri districts
(Uttar Pradesh), 15 students have been
trained through the DCS Operator Course,
712 artificial inseminations were carried
out and 144 calves have
been born through the Cattle
Development Program in
Bharuch (Gujarat)

ASSURANCE STATEMENT



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Independent Limited Assurance Report to DCM Shriram Limited on the Select Non-financial Disclosures in the Sustainability Report 2022-23

We ('KPMG Assurance and Consulting Services LLP', or 'KPMG' or 'the firm') have been engaged by DCM Shriram Limited ('the Company') for the purpose of providing an independent limited assurance on the select non-financial disclosures in its Sustainability Report 2022-23 ('the Report') as described in the 'scope, boundary, and limitations' below.

We were engaged by the Company to report on its select non-financial disclosures with respect to environment (energy, water and effluents, emissions, and waste) and social (employment, occupational health & safety, training and education) in its Sustainability Report for the financial year 2022-23 in the form of an independent limited assurance conclusion that, based on our work performed and evidence obtained, nothing has come to our attention that causes us to believe that the select non-financial disclosures in the Report are not properly prepared, in all material respects, based on the GRI Standards 2021.

Company's Responsibilities

The management at the Company is responsible for preparing the Sustainability Report 2022-23 that is free from any material misstatement in accordance with the reporting criteria (GRI Standards 2021) and for the information contained therein. The management at the company is also responsible for preparing the designed report accompanying the statement.

The company's responsibility includes designing, implementing, and maintaining internal controls relevant to the preparation and presentation of the select non-financial disclosures in the Sustainability Report that is free from material misstatement, whether due to fraud or error. It also includes conducting the materiality assessment process mentioned in the GRI Standards 2021 to identify material topics relevant for the Company based on the responses of the internal and external stakeholders. The Company ensures that it complies with the GRI Standards 2021 and local regulations applicable to its activities. It designs, implements and effectively operates controls to achieve the stated control objectives; selects and applies policies; makes judgments and estimates that are reasonable in the circumstances; and maintains adequate records in relation to the select non-financial disclosures in the Sustainability Report 2022-23.

The Company is also responsible for preventing and detecting fraud and for identifying and ensuring that it complies with laws and regulations applicable to its activities. The Company is responsible for ensuring that its staff involved with the preparation of the select non-financial disclosures in its Sustainability Report 2022-23 are properly trained, systems are properly updated, and that any changes in reporting encompass all significant operational sites.

Our Responsibilities

Our responsibility is to examine the select non-financial disclosures in the Sustainability Report prepared by the Company and to report thereon in the form of an independent limited assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* issued by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform our procedures to obtain a meaningful level of assurance about whether the select non-financial disclosures in the Report comply with the GRI Standards 2021 in all material respects, as the basis for our limited assurance conclusion.

The firm applies International Standard on Quality Management, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements. We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), which is founded on the fundamental principles of integrity, objectivity, professional competence, and due care, confidentiality, and professional behavior. The procedures selected depend on our understanding of the select non-financial disclosures in the Sustainability Report and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise.

In obtaining an understanding of the select non-financial disclosures in the Sustainability Report 2022-23 and other engagement circumstances, we have considered the process used to prepare the select non-financial disclosures in the Report in order to design assurance procedures that are appropriate in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of the Company's processes or internal controls over the preparation and presentation of the select non-financial disclosures in the Report.

Our engagement also included: assessing the appropriateness of the select non-financial disclosures in the Sustainability Report 2022-23, the suitability of the criteria used by the Company in preparing the select non-financial disclosures in the Report in the circumstances of the engagement, evaluating the appropriateness of the methods, policies and procedures, and models used in the preparation of the select non-financial disclosures in the Report and the reasonableness of estimates made by the Company.

KPMG Assurance and Consulting Services LLP, an Indian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity

KPMG (Registered) (a partnership firm with Registration No. BA- 62445) converted into KPMG Assurance and Consulting Services LLP (a Limited Liability Partnership with LLP Registration No. AAT-0367), with effect from July 23, 2020

Registered Office: Lodha Excelus, 1st Floor Apollo Mills Compound, N. M. Joshi Marg, Mahalaxmi, Mumbai - 400 011

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. As part of this engagement, we have not performed any procedures by way of audit, review or verification of the financial disclosures nor of the underlying records or other sources from which the financial statements and information were extracted.

Assurance Procedures

Our assurance process involves performing procedures to obtain evidence about the reliability of specified disclosures. The nature, timing and extent of procedures selected depend on our professional judgment, including the assessment of the risks of material misstatement of the select non-financial disclosures whether due to fraud or error. In making those risk assessments, we have considered internal controls relevant to the preparation of the Report to design assurance procedures that are appropriate in the circumstances.

We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the select non-financial disclosure is likely to arise. The procedures we performed were based on our professional judgment. In carrying out our limited assurance engagement on the select non-financial disclosures, we:

- Evaluated the suitability in the circumstances of the Company's use of the reporting criteria, as the basis for preparing the select non-financial disclosures;
- Through inquiries, obtained an understanding of the Company's control environment, processes and information systems relevant to the preparation of the select non-financial disclosures, but did not evaluate the design of particular control activities, obtain evidence about their implementation or test their operating effectiveness;
- Evaluated whether the Company's methods for developing estimates are appropriate and had been consistently applied, but our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate the Company's estimates;
- Undertook site visits to the Company's manufacturing units at Kota, Rajasthan (Fertiliser, Chloro Vinyl, Chlor- Alkali, & Cement production), Bharuch, Gujarat (Chlor- Alkali production), Ajbapur, Uttar Pradesh (Sugar production & distillery) along with conducted virtual assurance of Fenesta Building Systems (Fenesta windows fabrication unit) and Bioseeds (Hybrid seeds operation) at Hyderabad, Telangana, and in person visit to DCM's Corporate Office in Aerocity, Delhi in India. We selected these sites based on the nature & size of the operations, contribution of the site to the select non-financial disclosures, and geographic location of the site;
- Tested, at each site visited, a limited number of items to or from supporting records, as appropriate;
- Performed analytical procedures by comparing the expected performance data of the select non-financial disclosures with the actual performance data, and made inquiries of management to obtain explanations for any significant differences we identified;
- Considered the presentation and disclosure of the non-financial disclosures.
- Appropriate documentary evidence was obtained from the relevant authority at respective sites to support our conclusions on the information and data reviewed.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

Scope, Boundary, Characteristics, and Limitations of the Limited Assurance

- The scope of assurance covers the sustainability data related to the select non-financial disclosures based on the reference reporting criteria, as mentioned in the following table.
- The boundary of the report includes the data and information from DCM sites as mentioned in the Report section - Reporting Boundary
- The boundary of the assurance covers the following sites:
 - o Ajbapur (Uttar Pradesh)
 - o Bharuch (Gujarat)
 - o Kota (Rajasthan)
 - o Bioseeds Hyderabad (Telangana)
 - o Fenesta Building Systems Hyderabad (Telangana)
- The review of sustainability performance data was limited to the above locations.

Reference Reporting Criteria – GRI Standards 2021

Environmental

- Energy (2016): GRI 302-1 (Energy consumption within the organization), GRI 302-3 (Energy intensity)
- Water and Effluents (2018): GRI 303-3 (Water withdrawal), GRI 303-5 (Water consumption)
- Emissions (2016): GRI 305-1 (Scope 1 GHG emissions), GRI 305-2 (Scope 2 GHG emission)
- Waste (2020): GRI 306-4 (Waste diverted from disposal), GRI 306-5 (Waste directed to disposal)

Social

- Employment (2016): GRI 401-1 (New employee hires and employee turnover)
- Occupational Health and Safety (2018): GRI 403-1 (Occupational health and safety management system), GRI 403-2 (Hazard identification, risk assessment, and incident investigation), GRI 403-5 (Worker training on occupational health and safety), GRI 403-9 (Work-related injuries)
- Training and Education (2016): GRI 404-1 (Average hours of training per year per employee)

*Note: Greenhouse gas emissions are assured as carbon di-oxide (CO₂) only.

Limitations

The assurance scope excludes the following:

- Data related to the Company's financial performance and data disclosed under the Business Responsibility & Sustainability Report (BRSR) of the Company.
- Data and information outside the defined Reporting Period
- Data outside the operations mentioned in the Assurance Boundary above unless and otherwise specifically mentioned in this report.
- The Company's statements that describe the expression of opinion, claim, belief, aspiration, expectation, aim to future intention provided by the Company, and assertions related to Intellectual Property Rights and other competitive issues.
- Strategy and other related linkages expressed in the Report.
- Mapping of the Report with reporting frameworks other than those mentioned in reporting criteria above.
- Aspects of the Report other than those mentioned under the scope and boundary above.
- Review of legal compliances.
- Our scope and associated responsibility exclude for the avoidance of doubt, any form of review of the commercial merits, technical feasibility, accuracy, or compliance with applicable legislation for the project, and accordingly we express no opinion thereon. We have also not verified any likelihood, timing, or effect of possible future-oriented information and commercial risks associated with the Report, nor comment upon the possibility of any financial projections being achieved. We have relied on the data furnished by the Company and have not independently verified the information or efficacy and reliability of the Company's information technology systems, technology tools/platforms or data management systems. You are responsible for making management decisions, including accepting responsibility for the results of our services.

Conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Based on our limited review and procedures performed, nothing has come to our attention that causes us to believe that the select non-financial disclosures in the Company's Sustainability Report 2022-23 are not properly prepared, in material aspects, based on the GRI Standards 2021.

The select non-financial disclosures in Sustainability Report 2022-23 have been evaluated against the GRI Standards 2021. These criteria have been developed only for the ESG-related disclosures. As a result, the select non-financial disclosures in the Company's Sustainability Report 2022-23 may not be suitable for another purpose.

Independence

The assurance was conducted by a multidisciplinary team including professionals with suitable skills and experience in auditing environmental, social, and economic information in as per the requirements of ISAE 3000 (Revised). Our work was performed in compliance with the requirements of the IFAC Code of Ethics for Professional Accountants, which requires, among other requirements, that the members of the assurance team (practitioners) be independent of the assurance client, in relation to the scope of this assurance engagement, including not being involved in writing the Report. The Code also includes detailed requirements for practitioners regarding integrity, objectivity, professional competence, and due care, confidentiality, and professional behavior. KPMG has systems and processes in place to monitor compliance with the Code and to prevent conflicts regarding independence. The firm applies ISQC-1, and the practitioner complies with the applicable independence and other ethical requirements of the IESBA code.





Restriction of Use of Our Report

Our report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than the Company for any purpose or in any context. Any party other than the Company who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk. We accept or assume no responsibility and deny any liability to any party other than the Company for our work, for this independent limited assurance report, or for the conclusions we have reached. Our report is released to the Company on the basis that it shall not be copied, referred to or disclosed, in whole (save for the company's own internal purposes) or in part, without our prior written consent.

Apurba Mitra
Partner, ESG
KPMG Assurance and Consulting Services LLP
Date: 07-07-2023

SDG MAPPING

Sustainable Development Goals	Initiatives/ Program Undertaken
	<p>Meetha Sona Program for improving farm productivity and enhancing income among small and marginal sugarcane farmers</p> <p>Providing direct and indirect employment opportunities in rural and urban areas in plant operations and business activities improving the quality of life</p>
	<p>Farm productivity improvement programs through farmer education</p> <p>Development of seeds that sustain stressed weather conditions</p> <p>Use of fertilisers and nutrients in increasing farm productivity</p> <p>Rainwater harvesting initiatives inside and outside the fence for sustainable agriculture and business sustainability</p>
	<p>Khushali Sehat - Preventive health program for women and infants</p> <p>Regular health checks of employees and organising health awareness campaigns and camps for communities</p>
	<p>Supporting infrastructure in schools to improve education</p>
	<p>School Sanitation and Health program</p> <p>ODF Village - supporting construction of Individual Household Toilets</p> <p>Water ATMs for safe drinking water in villages</p> <p>STP & ETP installation at all manufacturing sites for treating wastewater to ensure clean water</p>
	<p>Enhancing agri productivity, improving farmers income</p> <p>Various initiatives at all our facilities and offices, maintaining best EHS standards which is key to the growth of our businesses. We value human assets and believe their contribution in economic growth is paramount.</p> <p>Providing opportunities for job creation through proposed expansions at our manufacturing sites and offices.</p> <p>Supporting creation of better rural Infrastructure by developing model villages</p>
	<p>Infrastructure support in schools to promote education for all</p> <p>Equal opportunity through job creation at various sites and offices</p>

Sustainable Development Goals	Initiatives/ Program Undertaken
12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	<p>Code of conduct for our suppliers, contractors and vendors with highest degree of ethics and trust</p> <p>Information relating to safe handling and directions of use of products is provided to customers through product information on the product label</p> <p>Initiatives to conserve natural resources such as water and energy across the value chain of product</p>
13 CLIMATE ACTION 	<p>Water conservation initiatives inside and outside the fence</p> <p>Waste recycling/reduction initiatives</p> <p>Use of biomass and solar energy as non-conventional energy sources</p> <p>Fly ash utilization in cement and brick manufacturing</p> <p>Tree plantation inside and outside plant premises</p>
16 PEACE, JUSTICE AND STRONG INSTITUTIONS 	<p>Through Company's values, code of conduct and other policies, indirectly contribute in reducing violence, exploitation and abuse. Thus, promoting a peaceful and just society</p>
17 PARTNERSHIPS FOR THE GOALS 	<p>Partnership with implementing organizations for various CSR programs</p> <p>Collaboration and participation as active members in various government and non-government organizations and associations</p>



ALIGNMENT WITH **UNGC PRINCIPLES**

UNGC Principles	Category	Descriptions	Page No
Principle 1	Human Rights	Businesses should support and respect the protection of internationally proclaimed human rights	84
Principle 2		Businesses should make sure that they are not complicit in human rights abuses	84
Principle 3	Labor	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	84
Principle 4		Business should uphold the elimination of all forms of forced and compulsory labour	42, 84
Principle 5		Business should uphold the effective abolition of child labour	42, 84
Principle 6		Business should uphold the elimination of discrimination in respect of employment and occupation	76, 84
Principle 7	Environment	Businesses should support a precautionary approach to environmental challenges	35-36, 47, 51, 68, 72
Principle 8		Business should undertake initiatives to promote greater environmental responsibility	44-47, 72
Principle 9		Businesses should encourage the development and diffusion of environmentally friendly technologies	48-49, 53-54, 57
Principle 10	Anti-Corruption	Businesses should work against corruption in all its forms, including extortion and bribery	15, 42

DCM Shriram Ltd has reported in accordance with the GRI Standards for the period 1st April 2022 – 31st March 2023

GRI CONTENT INDEXING

General Disclosures		Reporting Section/ Explanation/ Reason for Omission	Page Number
Disclosure	Disclosure Title		
GRI 1: Foundation 2021			
GRI 2: General Disclosures 2021			
2-1	Organizational details	Our History and Business	9
2-2	Entities included in the organization's sustainability reporting	About Report	5
2-3	Reporting period, frequency and contact point	About Report	5
2-4	Restatements of information	Not Applicable	
2-5	External assurance	About Report	127
2-6	Activities, value chain and other business relationships	Our Products	14
2-7	Employees	Six Capitals, Human Capital	15, 97
2-8	Workers who are not employees	Six Capitals, For Contractual employees refer Pg 24 Annual Report https://www.dcmshriram.com/annual_reports	19
2-9	Governance structure and composition	Good Governance	46-52
2-10	Nomination and selection of the highest governance body	Good Governance	50-52
2-11	Chair of the highest governance body	Good Governance	48-49
2-12	Role of the highest governance body in overseeing the management of impacts	Good Governance	50-51
2-13	Delegation of responsibility for managing impacts	Good Governance	50-51
2-14	Role of the highest governance body in sustainability reporting	A Team of Senior Management including 2 Board Members (Ref Annual Report FY23 pg 31)	Pg 31 https://www.dcmshriram.com/annual_reports
2-15	Conflicts of interest	Code of Conduct	50
2-16	Communication of critical concerns	Good Governance	50-51
2-17	Collective knowledge of the highest governance body	Refer Annual Report FY23 pg 32	Pg 32 https://www.dcmshriram.com/annual_reports
2-18	Evaluation of the performance of the highest governance body	Refer Annual Report FY23 pg 56	Pg 56 https://www.dcmshriram.com/annual_reports
2-19	Remuneration policies	https://www.dcmshriram.com/sites/default/files/Remuneration%20Policy_0.pdf	Pg 52

General Disclosures		Reporting Section/ Explanation/ Reason for Omission	Page Number
Disclosure	Disclosure Title		
2-20	Process to determine remuneration	Talent Attraction and Retention	106-108
2-21	Annual total compensation ratio	Refer Annual Report FY23 pg 42, 60	Pg 42, 60 https://www.dcmshriram.com/annual_reports
2-22	Statement on sustainable development strategy	Sustainability at Our Core	17-22
2-23	Policy commitments	Good Governance	51-52
2-24	Embedding policy commitments	Good Governance	51-52
2-25	Processes to remediate negative impacts	Diversity, Equity & Inclusion	104-106
2-26	Mechanisms for seeking advice and raising concerns	Human Capital	97-98
2-27	Compliance with laws and regulations	Material Topics	33-34, 46, 50, 59, 60, 62
2-28	Membership associations	Industry Association	12
2-29	Approach to stakeholder engagement	Material Topics	27-31
2-30	Collective bargaining agreements	Policy, Position and Guidelines	51
GRI 3: Material Topics 2021			
3-1	Process to determine material topics	Material Topics	27-34
3-2	List of material topics	Material Topics	27-34
3-3	Management of material topics	Material Topics	27-34
Topic-Specific Standards			
Economic Performance			
3-3	Management of Material Topics	Material Topics	33-34
201-1	Direct economic value generated and distributed	Economic Performance	37-38
201-2	Financial implications and other risks and opportunities due to climate change	Risk and Opportunity Management	59-62
201-3	Defined benefit plan obligations any other retirement plans	Economic Performance	35-38
201-4	Financial assistance received from governance	Annual Report FY23	Pg 15, 19, 122 https://www.dcmshriram.com/annual_reports
Indirect Economic Impact			
3-3	Management of Material Topics	Material Topics	33-34
203-1	Infrastructure investments and services supported	Community Engagements	111-125
203-2	Significant indirect economic impacts	Community Engagements	111-125
Procurement Practises			
204-1	Proportion of spending on local suppliers	Annual Report FY23	Pg 50 https://www.dcmshriram.com/annual_reports
Anti-Corruption			
3-3	Management of Material Topics	Corporate Governance	33-34

General Disclosures		Reporting Section/ Explanation/ Reason for Omission	Page Number
Disclosure	Disclosure Title		
205-1	Operations assessed for risks related to corruption	Annual Report FY23	Pg 33 https://www.dcmshriram.com/annual-reports
205-2	Communication and training about anti-corruption	Code of Conduct	51
205-3	Confirmed incidents of corruption and actions taken	No confirmed incidents of corruption were reported in reporting year	
Anti-Competitive Behavior			
206-1	Legal actions for anti-competitive behavior, anti- trust, and monopoly practises	Annual Report FY23	Pg 34 https://www.dcmshriram.com/annual-reports
Tax			
207-1	Approach to tax	Strategy and Governance	40-41
207-2	Tax governance, control, and risk management	Strategy and Governance	40-41
207-4	Country-by-country reporting	Strategy and Governance	40-41
GRI 300 Environmental Standard Series			
Materials			
301-1	Materials used by weight or volume	Six Capitals	16
301-2	Recycled input materials used	ESG Philosophy	22
Energy			
3-3	Management of Material Topics	Material Topics	33-34
302-1	Energy consumption within the organization	Energy Consumption	64
302-2	Energy consumption outside of the organisation	Not Applicable	
302-3	Energy intensity	Energy Consumption	66
302-4	Reduction of energy consumption	Energy Consumption	66
302-5	Reduction in energy requirements of products and services	Not Applicable	
Water			
3-3	Management of Material Topics	Material Topics	33-34
303-1	Interactions with Water as a Shared Resource	Not Applicable	
303-2	Management of water discharge - related impacts	Water Management	72
303-3	Water withdrawal	Water Management	72
303-4	Water discharge	Water Management	72
303-5	Water Consumption	Water Management	72
Biodiversity			
3-3	Management of Material Topics	Material Topics	33-34
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Annual Report FY23	Pg 48 https://www.dcmshriram.com/annual-reports

General Disclosures		Reporting Section/ Explanation/ Reason for Omission	Page Number
Disclosure	Disclosure Title		
304-2	Significant impacts of activities, products, and services on biodiversity	Biodiversity Management	85-86
304-3	Habitats protected or restored	Biodiversity Management	85-86
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	No IUCN Red List species and national conservation list species with habitats in areas affected by operations during the reporting year	
Topic-Specific Standards			
Emissions			
3-3	Management of Material Topics	Material Topics	33-34
305-1	Direct (Scope 1) GHG Emissions	GHG Emissions	67
305-2	Energy indirect (Scope 2) GHG Emissions	GHG Emissions	67
305-3	Other indirect (Scope 3) GHG Emissions	GHG Emissions	67
305-4	GHG emissions intensity	GHG Emissions	67
305-5	Reduction of GHG emissions	GHG Emissions	67
305-6	Emissions of ozone-depleting substances (ODS)	GHG Emissions	67
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Air Emissions	67
Effluents & Waste			
3-3	Management of Material Topics	Material Topics	33-34
306-1	Waste generation and significant waste-related impacts	Waste Management	75
306-2	Management of significant waste-related impacts	Waste Management	74-78
306-3	Waste generated	Waste Management	74-78
306-4	Waste Diverted from disposal	Waste Management	74-78
306-5	Waste Directed to Disposal	Waste Management	74-78
Supplier Environment Assessment			
3-3	Management of Material Topics	Material Topics	33-34
308-1	New suppliers that were screened using environmental criteria	Sustainable Supply Chain Management, Annual Report FY23 pg 43 https://www.dcmshriram.com/annual_reports	56-58
308-2	Negative environmental impacts in the supply chain and actions taken	Sustainable Supply Chain Management, Annual Report FY23 pg 43 https://www.dcmshriram.com/annual_reports	56-58
GRI 400 Social Standard Series			
Employment			
3-3	Management of Material Topics	Material Topics	33-34
401-1	New employee hires and employee turnover	Workforce breakdown	105
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Non-Discrimination & Anti-Harassment	102-103

General Disclosures		Reporting Section/ Explanation/ Reason for Omission	Page Number
Disclosure	Disclosure Title		
401-3	Parental leave	Human Rights	103
Topic-Specific Standards			
Occupational Health & Safety			
3-3	Management of Material Topics	Material Topics	33-34
403-1	Occupational health and safety management system	Accreditations & Certifications,	13, 92
403-2	Hazard identification, risk assessment, and incident investigation	Hazard identification, Risk assessment, and Incident investigation	93
403-3	Occupational health services	Occupational Health & Safety	90
403-4	Worker participation, consultation, and communication on occupational health and safety	Occupational Health & Safety	92-93
403-5	Worker training on occupational health and safety	EHS Training	94-96
403-6	Promotion of worker health	Occupational Health & Safety	93-96
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	EHS Training	94-96
403-8	Workers covered by an occupational health and safety management system	EHS Training	94-96
403-9	Work related injuries	EHS Training	94
403-10	Work- related ill-health	EHS Training	94
Training and Education			
3-3	Management of Material Topics	Material Topics	33-34
404-1	Average hours of training per year per employee	Learning and Development	102
404-2	Programmes for upgrading employee skills and transition assistance programmes	Learning and Development	101-102
404-3	Percentage of employees receiving regular performance and career development reviews	Annual Report FY23 pg 38	pg 38 https://www.dcmshriram.com/annual-reports
Topic-Specific Standards			
Diversity & Equal Opportunity			
3-3	Management of Material Topics	Material Topics	33-34
405-1	Diversity of governance bodies and employees	Good Governance	46-50
405-2	Ratio of basic salary and remuneration of women to men	Annual Report FY23	Pg 42 https://www.dcmshriram.com/annual-reports
Non-discrimination			
3-3	Management of Material Topics	Material Topics	33-34
406-1	Incidents of discrimination and corrective actions taken	Non-discrimination and Anti-Harassment	102
Freedom of Association and Collective Bargaining			

General Disclosures		Reporting Section/ Explanation/ Reason for Omission	Page Number
Disclosure	Disclosure Title		
3-3	Management of Material Topics	Material Topics	33-34
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Human Rights	51, 98, 104
Child Labor			
3-3	Management of Material Topics	Material Topics	33-34
408-1	Operations and suppliers at significant risk for incidents of child labor	Human Rights	51, 98
Forced or Compulsory Labor			
3-3	Management of Material Topics	Material Topics	33-34
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Human Rights	51, 98
Topic-Specific Standards			
Local Communities			
3-3	Management of Material Topics	Material Topics	33-34
413-1	Operations with local community engagement, impact assessments and development programmes	Community Engagement	111-125
413-2	Operations with significant actual and potential negative impacts on local communities	Community Engagement	111-125
Supplier Social Assessment			
3-3	Management of Material Topics	Material Topics	33-34
414-1	New suppliers that were screened using social criteria	Annual Report FY23 pg 38	pg 38 https://www.dcmshriram.com/annual_reports
414-2	Negative social impacts in the supply chain and actions taken	Annual Report FY23 pg 43	pg 43 https://www.dcmshriram.com/annual_reports
Customer Health & Safety			
3-3	Management of Material Topics	Material Topics	33-34
416-1	Assessment of the health and safety impacts of product and service categories	Customer Relation Management	89-90
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	No incident of non-compliance concerning the health & safety impact of product and services was reported during the reporting period	
Marketing and Labeling			
3-3	Management of Material Topics	Material Topics	33-34
417-1	Requirements for product and service information and labeling	Customer Relation Management	89-90
417-2	Incidents of non-compliance concerning product and service information and labeling	No incident of non-compliance concerning the product and services information and labeling was reported during the reporting period	
417-3	Incidents of non-compliance concerning marketing communications	No incident of non-compliance concerning the marketing communication was reported during the reporting period	

LIST OF ABBREVIATIONS

BRSR: Business Responsibility and Sustainability Reporting

CII: Confederation of Indian Industry

CPU: Condensate Polishing Unit

CSR: Corporate Social Responsibility

EHS: Environment, Health & Safety

ERM: Enterprise Risk Management

ESG: Environmental Social and Governance

GHG: Greenhouse Gas

GRI: Global Reporting Initiative

GT: Giga Tonnes

IBBI: India Business Biodiversity Initiative

IFA: International Fertilizer Association

ISO: International Organization for Standardization

JV: Joint Venture

KLD: Kilolitres Per Day

KW: Kilowatt

LDR: Lost Day Rate

LTIR: Lost Time Injury Rate

LTIFR: Lost Time Injury Frequency Rate

MCM: Million Cubic Metre

MEE: Multi-Effect Evaporators

MSDS: Materials Safety Data Sheet

MT: Metric Tonnes

NABET: National Accreditation Board for Education and Training

NVG: National Voluntary Guidelines

PAT: Profit After Tax

POSH: Prevention of Sexual Harassment

PPC: Pozzolona Portland Cement

PVC: Poly Vinyl Chloride

REACH: Registration, Evaluation, Authorisation and Restriction of Chemicals

RO: Reverse Osmosis

SA: Social Accountability

SAC: Shriram Alkali & Chemicals

SAP: Systems, Applications and Products in Data Processing

SDGs: Sustainable Development Goals

SEBI: Securities and Exchange Board of India

SFC: Shriram Fertilisers and Chemicals

SSP: Single Super Phosphate

STP: Sewage Treatment Plant

TCD: Tonnes Crushed Per Day

tCO₂e: Tons of Carbon Dioxide Equivalent

TJ: Terra Joules

TPA: Tonnes Per Annum

uPVC: Unplasticized Polyvinyl Chloride

ZLD: Zero Liquid Discharge



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