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# MESSAGE FROM THE CHAIRMAN AND VICE CHAIRMAN



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

**Dear stakeholders,**

**We take great pleasure in presenting our first sustainability report for the year 2018-19. This report is in accordance with Global Reporting Initiative (GRI) Standards: Core Option. It documents our company's contributions towards adoption of sustainable business practices.**

We have maintained a steady growth in our financial and operating performance during this financial year. Our Chlor-alkali business continued to perform well with economies of scale and power efficiency improvement. Commissioning of a new distillery supported the viability of our sugar business in a year when prices were subdued. Cash generation from operations was good. As a result, a healthy balance sheet has provided the company adequate resources to explore new opportunities.

In addition to growth, the company has earned the trust of all our stakeholders by complying with regulations relating to safety, environment and health. Our values have helped us thrive in the past and have prepared

us to face the future with confidence. Our core belief in integrity, agility and transparency helps us ensure that our operations are undertaken in a sustainable manner. We have focused on efficient use of resources and upgrading our management systems in the area of energy, emissions, water management, safety and health.

Water is at the core of sustainable development and is critical to socio-economic development, healthy ecosystems and human survival itself. Going forward, it is going to be one of the most vital resources making it imperative that we manage it efficiently and equitably. DCM Shriram Ltd. is actively working to conserve water through its various sustainability initiatives and we are happy to inform that we are now a water positive company.

Some such initiatives undertaken are supporting the state administration and launching several initiatives, we have been able to address water related challenges in Rajasthan, Gujarat and Uttar Pradesh. Motivated by the two mantras of water sustainability- 'Every Drop Counts' and 'More Crop per Drop' - we have built multiple water-harvesting structures in



**We are happy to inform that we are now a water positive company by taking various sustainability initiatives.**



different locations, promoted water conservation and optimised rainwater use. We have also embedded water conservation with an agri-skilling project. This has recharged groundwater reserves, boosted the irrigated/cultivable areas and crop production while ensuring year round availability of water.

We publish our Business Responsibility Report annually along with our annual report, with project details on environmental protection and social initiatives.

The safety and health of our employees is a top priority for the company. We understand the importance of providing a safe working environment for our employees. We have a policy of promoting safe and healthy attitude at work to create a safe work place. Taking cognizance of the safety aspect, we have gone a step ahead and initiated systematic implementation of behaviour based safety at all our sites for a safety cultural transformation. We have a company-wide target of zero accidents and we relentlessly work towards ensuring absolute safety of our employees and the community at large. We constantly strive to deliver an exemplary performance in every aspect of our EHS commitments.

DCM Shriram has always been an early adopter of new technologies and we have continually benchmarked our systems against the best globally. In the 1990s, we were the first to implement SAP in India and we have also been the first to upgrade it to S4 HANA. We

have adopted Zero Liquid Discharge practices at our distillery unit at Hariawan by installing state-of-the-art effluent treatment system. We have been practicing maximum recycling of process materials and by-products at Kota Complex to support the concept of a circular economy.

Our social interventions are making an impact on education, health, hygiene, water, waste management and vocational training sectors. DCM Shriram's sanitation project in Kota has handed over 150 renovated toilets to the District authorities and Panchayati institutions. The programme aims to provide a boost to sanitation infrastructure in Government schools and inculcate a permanent behaviour change. We have an ambitious target of covering all 1072 government schools in the district over the next 3 years. In Bharuch, district of Gujarat, we supported construction of individual household toilets at Fulwadi village. The village has now been declared "Open Defecation Free (ODF)" as an outcome of this initiative. Our employees have made significant contributions to our community extension work and sustainable agriculture initiatives.

This report reaffirms our commitment towards sustainability and captures the efforts made by the company towards this objective. The areas highlighted in this report are based on detailed interaction with all our stakeholders and is defined as "materiality assessment exercise". Our focus at DCM Shriram is to stay ahead of the curve with equal emphasis on profitability and supporting the UN agenda on Sustainable Development Goals (SDGs).

**Mr. Vikram S. Shriram**

(Vice Chairman & M.D.)

**Mr. Ajay S. Shriram**

(Chairman & Senior M.D.)

# ABOUT THE REPORT

This first edition of our Sustainability Report - “Evaluate, Explore and Exceed” showcases our performance across social, environmental and economic dimensions to all the stakeholders of the organization. This maiden report is a voluntary effort of DCM Shriram and has been produced in terms with the newest version of GRI standards. The content of this report is in compliance with the ‘Core’ reporting format as referred in GRI Sustainability Reporting Standards document accessible through GRI website. The page references for general standard disclosures, disclosures on management approach and specific standard disclosures for all material aspects are provided in the GRI Content Index on page number 73 of this report.

## Report Theme

We at DCM Shriram are leapfrogging into a more catalogued approach to sustainability and so, we are keen on addressing this transformation around the elemental pillars called Evaluate, Explore and Exceed. This thematic idea behind the report has helped us structure our company-wide efforts under these three buckets of transformation. We welcome onboard our stakeholders into our journey of 3Es - Evaluate, Explore and Exceed.

## Reporting Scope and Boundary

This report covers our business segments in Agriculture, Chlor-Vinyl and other value-adding operations across India. The scope and boundary of the report for DCM Shriram covers all the units operating in different sectors across India and does not include overseas units.

## Data Management

This report provides detailed information on our responsible business actions on sustainability variables from 1<sup>st</sup> April 2018 to 31<sup>st</sup> March 2019. We applied the principle of materiality to streamline the content of this report. The data presented has been captured using standard guidelines and methodologies and has been verified by respective department heads. This report also elaborates on our engagements with our stakeholders and our adopted framework for managing their expectations and addressing their concerns.

We welcome your online queries and feedback at [sustainability@dcmshriram.com](mailto:sustainability@dcmshriram.com)



DCM Shriram Kota Complex



Fenesta Building Systems



Shriram Alkali & Chemicals



Sugar Production Units



Shriram Bioseed

# KEY HIGHLIGHTS

## Financial Capital

### REVENUE



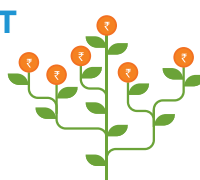
₹7,684 Crores

### EBITDA



₹1,453 Crores

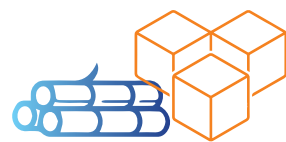
### PAT



₹907 Crores

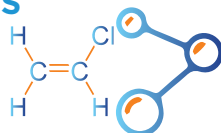
## Manufactured Capital

### SUGAR SALES



₹2,349 Crores

### CHLORO VINYL SALES



₹2,461 Crores

### FARM SOLUTIONS SALES



₹706 Crores

### FERTILIZER SALES



₹1,037 Crores

### BIOSEED SALES



₹301 Crores

## Natural Capital

### TOTAL ENERGY CONSUMPTION



57,234 TJ

### GHG SAVED



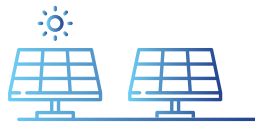
28,78,640 tCO<sub>2</sub>e

### BIOENERGY CONSUMPTION



24,103 TJ

### SOLAR POWER GENERATED



Over 40,000 kWh

### WATER SAVINGS



133 MCM



## Human Capital

PERMANENT  
EMPLOYEES

5,382



## EMPLOYEE FATALITY

Zero

WAGES AND BENEFITS  
TO EMPLOYEES

₹629.54 Crores

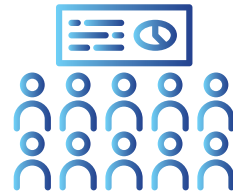


## MAN-HOURS WORKED

18.8 Million

MAN-DAYS EHS TRAINING/  
EMPLOYEE/YEAR

1.5 Man-days



## Social and Relationship Capital

## CSR SPEND

₹13.35 Crores

## TAXES PAID

₹695.96 Crores

PREVENTIVE HEALTH  
AND SANITATIONEDUCATION,  
VOCATIONAL SKILLS  
& LIVELIHOODENVIRONMENT  
SUSTAINABILITYRURAL  
DEVELOPMENTSPENT IN  
PREVENTIVE  
HEALTHCARE  
AND SANITATION  
PROJECTS

₹6.35 Crores

SPENT IN  
EDUCATION,  
VOCATIONAL  
SKILLS AND  
LIVELIHOOD  
PROJECTS

₹3.31 Crores

SPENT IN  
ENVIRONMENT  
SUSTAINABILITY  
PROJECTS

₹1.6 Crores

SPENT IN RURAL  
DEVELOPMENT  
PROJECTS

₹1.12 Crores

# OVERARCHING MANAGEMENT APPROACH

DCM Shriram's three-pronged management approach focuses on topline and bottomline growth, employee well-being and giving back to community. Our positive lens for the economy motivates us towards enhancing our production capabilities and growing in scale. Our deeply rooted culture to have a genuine and personalised relationship with employees characterised by professional freedom, enables us to build an environment of innovation, teamwork and respect. In our commitment to giving back to society, our CSR programmes have become integral to our core business operations like warp and weft. Our top management is perpetually apprised about the progress on these fronts and gap assessment is done on regular basis. Our company remains committed towards ensuring best standards of Corporate Governance. We continue to adopt practices that ensure highest levels of accountability and transparency.

Our sustainability strategy is derived from our belief that businesses can create significant social value alongside economic value. Our chief strategy is to leverage our business to create societal value while keeping up with the spirit of reinvention and efficiency. Our collaborative approach helps us in strengthening our engagements with key stakeholders, addressing

their concerns and progressively monitoring our business impacts along the value chain.

At DCM Shriram, we are motivated by the ambition to make a sustainable contribution towards country's priority areas through creation of larger societal value. Our sustainability approach is also aligned with global agendas such as Sustainable Development Goals (SDGs) to enhance the reach and impacts of our initiatives. We continuously innovate our business models to amalgamate people, planet and profit at the core of business strategy in order to create long-term value.



**Our sustainability strategy is derived from our belief that businesses can create significant social value alongside economic value.**



# THE WORLD OF DCM SHRIRAM

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## History and Journey of DCM Shriram

### A New Beginning & A Visionary

Born into a modest family, Sir Shri Ram (1884-1963), in 79 years of his life, went on to set up one of India's largest business houses - the DCM Group.

In 1909, Sir Shri Ram joined DCM (Delhi Cloth Mills) at the age of 25 years. For another decade after that, he ran the company with his father, but the latter slowly faded out and Sir Shri Ram assumed full formal charge. During World War I, Sir Shri Ram bagged a huge contract for the supply of tents to the army and earned huge profits. He further invested the profits in buying DCM Shriram shares. Sir Shri Ram wanted DCM Shriram to expand and over time, he diversified the company into many other businesses.



### Restructuring

The company continued to grow and diversified into the business of manufacturing of cotton, synthetic yarn and textiles, rayon tyre cord, sugar, alcohol and confectionery, heavy chemicals and fertilisers, PVC resins and compounds, electronic desk calculators, etc.

In 1990, DCM Shriram was split into four distinct companies:

DCM, DCM Shriram Industries, Shriram Industrial Enterprises and DCM Shriram Consolidated.

DCM Shriram Consolidated Ltd. took over one third of the businesses of DCM Shriram Ltd by merging Shriram Fertilizer & Chemicals, Shriram Cement Works, Swatantra Bharat Mills and DCM Silk Mills.

## Advancing and excelling the uncharted territories



**2017**  
Doubled capacity at  
Bharuch

**2011**  
Established Bioseed,  
Indonesia

**2007**  
DCM Infrastructure Ltd.  
bagged a 108 MW Hydro  
Power Project at Chhatru in  
Himachal Pradesh

**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,  
Ajibapur

**1996**  
Commissioned  
Shriram Alkali &  
Chemicals, Bharuch

**1992**  
Expansion of power  
from 40 to 70 MW

**2018**  
Set up distillery at  
one sugar plant-  
Hariawan

**2014**  
Entered into a Joint  
Venture with Axiall  
and launched Shriram  
Axiall Pvt. Ltd.

**2009**  
Doubled the capacity  
of Chlor Alkali plant,  
Bharuch

**2007**  
100% takeover of  
Bioseed

**2006**  
Established 2 new  
sugar plants- Loni &  
Hariawan

**2005**  
Commencement of  
commercial operation  
of Chlor Alkali plant,  
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  
in Bharuch

**1995**  
Tie up with Zeon  
Kasei Company of  
Japan for PVC





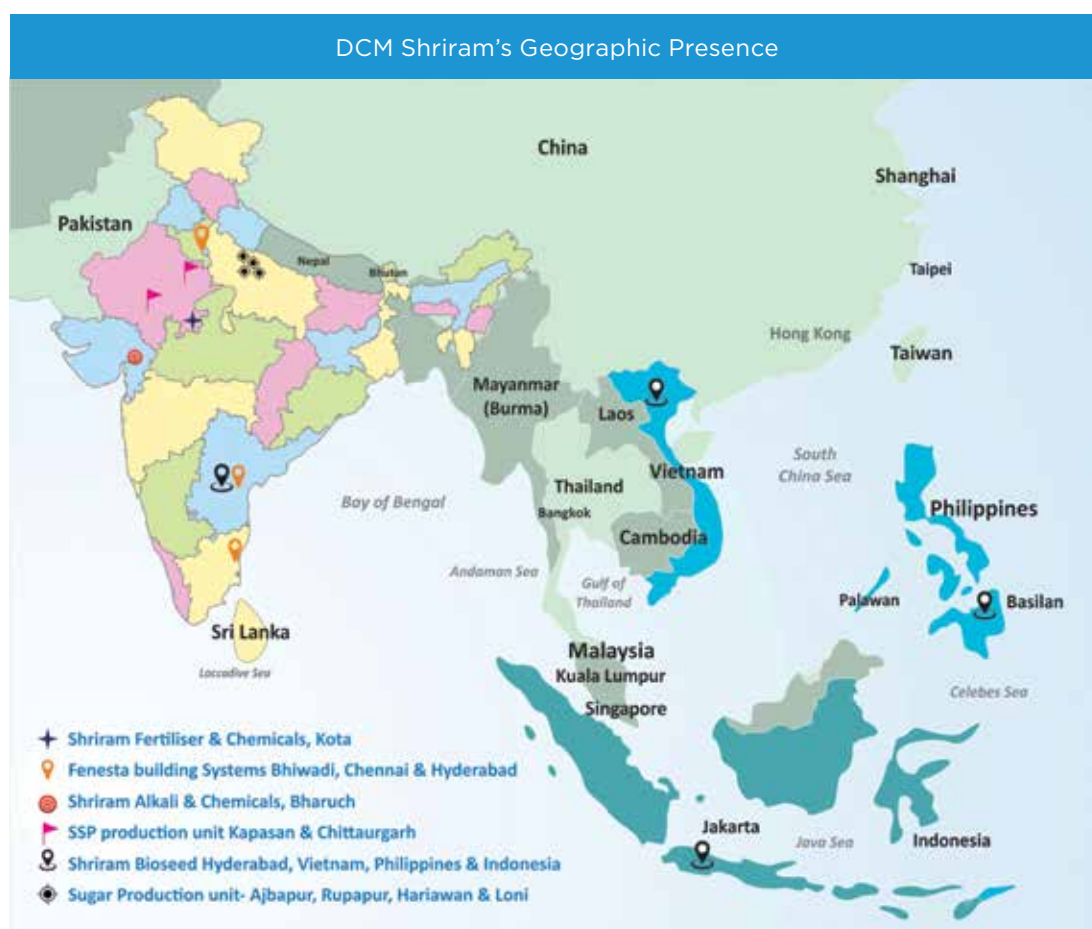
# ORGANISATIONAL PROFILE

DCM Shriram Limited, headquartered at New Delhi, is a leading integrated business entity primarily encompassing agri-rural business, sugar business, chloro-vinyl business and other value added business divisions. The conglomerate, an offshoot of the reputed erstwhile DCM Group, recorded a remarkable turnover of ₹7,684 Crores in the last financial year (FY 2018-19). The company's operations are mainly based in the Indian subcontinent, however, it's hybrid seed operations 'Bioseed', which started in Hyderabad (India) has a global footprint with presence in Vietnam, Philippines, Thailand and Indonesia.

DCM Shriram has manufacturing facilities of Fertiliser, Chloro Vinyl and Cement in Kota (Rajasthan) and of Chlor- Alkali in Bharuch (Gujarat). The company operates coal-based captive power, facilities – in Kota and Bharuch (Gujarat). DSCL Sugar factories

are located in Ajbapur, Rupapur, Hariawan and Loni in Uttar Pradesh. The Hybrid seed operations 'Bioseed' is based out of Hyderabad. Fenesta windows fabrication units are located in Bhiwadi, Mumbai, Hyderabad and Chennai. DCM Shriram constantly strives to build a world class learning organisation to win and excel in all its endeavours.

In an increasingly competitive global business environment, DCM Shriram's vision is to continue to strengthen and grow its commodity businesses as well as its "customer" and "knowledge based" products & services. Our growth has been led by strong financial performance and our resolute quest for innovation. However, as an organisation, we go beyond financial metrics and ardently believe in creating unparalleled stakeholder value through our social, people centric and environmental interventions.



Note: The map shown is germane to the reporting period.

## DCM Shriram's Businesses



### Agri-Rural Business

DCM Shriram has been working in the agriculture sector with a vision to increase productivity and profitability of the farmers through its various businesses: Farm Solutions, Bioseed (Hybrid Seeds), DSCL Sugar.

#### a. Urea (Fertilizer)

Since the company started Urea business under the brand name 'SHRIRAM', its unceasing attempt has been to help the farmers reap mega harvests each year. The brand has expansive presence in rural markets built over four decades of serving the segment. The company manufactures urea in a dual feed plant using natural gas with a capacity of 379,500 TPA at its integrated manufacturing facility at Kota. The plant is operating fully on gas feed from 2008 to manufacture premium quality urea in an efficient and environmental friendly way.

#### b. Sugar

The company set off its sugar business in 1997 and now works with approximately 1.5 lakh farmers and has the total sugar manufacturing capacity of 38,000 TCD crushing over 4 million tons of cane. The company opened its first sugar manufacturing unit at Ajbapur in Lakhimpur Kheri District, followed by other manufacturing units at Rupapur, Hariawan and Loni, in Hardoi District of Uttar Pradesh. These facilities have co-generation power plants based on bagasse with a total capacity of 115 MW, out of which some amount of renewable energy is supplied to the national grid. The company also has a 150 KLD Distillery at Hariawan Unit.



### c. Farm Solutions

The company provides not only a range of agri-inputs but also farm productivity solutions. The brand 'Shriram Farm Solutions' has a widespread network of over 3000 channel partners and 3000 retailers. The product portfolio in this undertaking includes Nutrition Solutions, including bulk fertilizers (like Urea, DAP, MOP and SSP that ensure balanced nutrition to plants and make them resilient), Improved Seeds, Open Pollinated Seeds, Research Wheat, Crop Care Chemicals and Yield Enhancement Solutions.

### d. Bioseed

The company through its expertise across seed value chain i.e, R&D, lab testing, production, farm extension and a strong distribution network across South and South-East Asia, provides quality seeds to farmers. The company provides both vegetable and field crop seeds in India. In Philippines, Vietnam and Indonesia the company provides corn crop seeds.

### e. Hariyali Kisaan Bazaar

The Company has rationalized this business and discontinued the retail operations except for sale of fuel. The company plans to close this activity in another 2-3 years.







## **Chlor Vinyl Business**

DCM Shriram hugely supports the industrial economy of the country by providing basic chemicals and raw materials such as Caustic Soda, Chlorine, PVC Compounds, PVC Resin, Cement, Calcium Carbide, among others that are crucial to many manufacturing industries.

### **a. Chlor-Alkali**

DCM Shriram's Chlor-Alkali (Chemicals) business covers manufacturing of Caustic Soda (Lye and flakes), Chlorine and associated chemicals including Hydrochloric acid, Stable Bleaching powder, Compressed Hydrogen and Sodium Hypochlorite. The company has two manufacturing plants with full coal-based captive power in Kota Plant (Rajasthan) having caustic soda capacity of 498 TPD and Bharuch (Gujarat) having caustic soda capacity of 1013 TPD. The company has a combined Chlor-Alkali production capacity of 4.5 lakhs TPA and is in the process of significant expansion.

### **b. Calcium Carbide**

The company manufactures 1,12,000 TPA Calcium Carbide and has the strong brand image of Shriram Carbide. It is used as a raw material to produce PVC resins and is also sold in the market to various industrial users. Some of Shriram Carbide's key competitive strengths in this industry are - strong brand image, competitive cost structure based on

captive power and locational advantage in raw material sourcing like lime.

### **c. PVC Resins**

The company manufactures 70,000 TPA multi grade PVC resins at its integrated plant in Kota using Calcium Carbide as raw material.

### **d. PVC Compounds**

The astute sense of association at DCM Shriram has led to a Joint Venture with Axiall Corporation (USA) in 2014 called Shriram Axiall Pvt. Ltd. This joint venture is a front runner at Engineered Vinyl landscape and helps provide customized solutions for various specific customer needs.

### **e. Cement**

The 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 in Kota that has an installed capacity of 4.0 lakh tons cement per annum.





## Value Added Business

### Fenesta Building Systems

The company under the brand 'Fenesta' manufactures 100% customized UPVC (Unplasticized PVC) windows and door systems which minimizes energy loss due to fenestration and helps in reducing the energy bills by almost 7-15%. Fenesta is a customer focussed brand of DCM Shriram, where the customer is assured of design support, offsite fabrication, firm commitments on deliveries and a trained installation team, to ensure consistent quality. With its diverse capabilities, deep knowledge of the Indian market, and global technologies, it has produced and installed over 2 million windows that can withstand India's extreme climatic conditions. Fenesta today has its presence in more than 200 cities across the country.



## Awards and Recognitions



DCM Shriram has earned a range of prestigious accolades and certifications for its products, processes and manufacturing sites. All major DCM Shriram sites are certified for Integrated Management System (IMS). Some of the most celebrated certifications and recognitions are:

- DCM Shriram Ltd won “The Economic Times Best Brands 2019” award by The Economic Times
- CII National Award for Excellence in Water Management in “Beyond the Fence”
- DCM Shriram Foundation’s CSR Program at Kota won the Swachh School Award in 2019
- “Shriram Swachhagrah” and the flagship CSR program of DCM Shriram Foundation was selected for the 25th Bhamashah State Level Award by the Department of Education, Govt. of Rajasthan
- Shriram Vinyl and Chemicals Industries, Kota received 9th Rajasthan Energy Conservation Award for energy conservation in Chlor-Alkali sector by M/s Rajasthan Renewable Energy Corporation Ltd
- Five Star Rating by British Safety Council for Occupational Health & Safety Management to DCM Shriram Kota Complex and Shriram Alkali and Chemicals, Bharuch
- Fertilizer Plant of DCM Shriram Kota received Gold medal by International Fertilizer Association (IFA) for achieving best performance in the area of Safety, Health & Environment.
- CII best Environment Practices Award for Shriram Alkali and Chemicals, Bharuch
- Fenesta received “Brand of the Year - uPVC Windows” and Most Preferred Brand by Real Estate- uPVC windows and Doors by ET NOW - Star of the Industry Awards



- Fenesta received The Expert Choice Award - for Windows and Doors category voted by leading Architects and Interior designers
- DCM Shriram's, Sugar Division received The Sugar Technologists' Association of India (STAI) - Industry Excellence Award
- DCM Shriram's, Sugar Division received Best Partnership Award by Solidaridad, a Netherlands based organization
- DCM Shriram's Sugar Division received Bonsucro Inspire Award 2019 for Inspiring Sustainability Partnership
- Shriram Bioseed Genetics awarded as "Seed Entrepreneur" for outstanding contribution to the seed industry and farmers by "The Seedsmen Association"





# Evaluate





## OUR THREE ELEMENTAL PILLARS



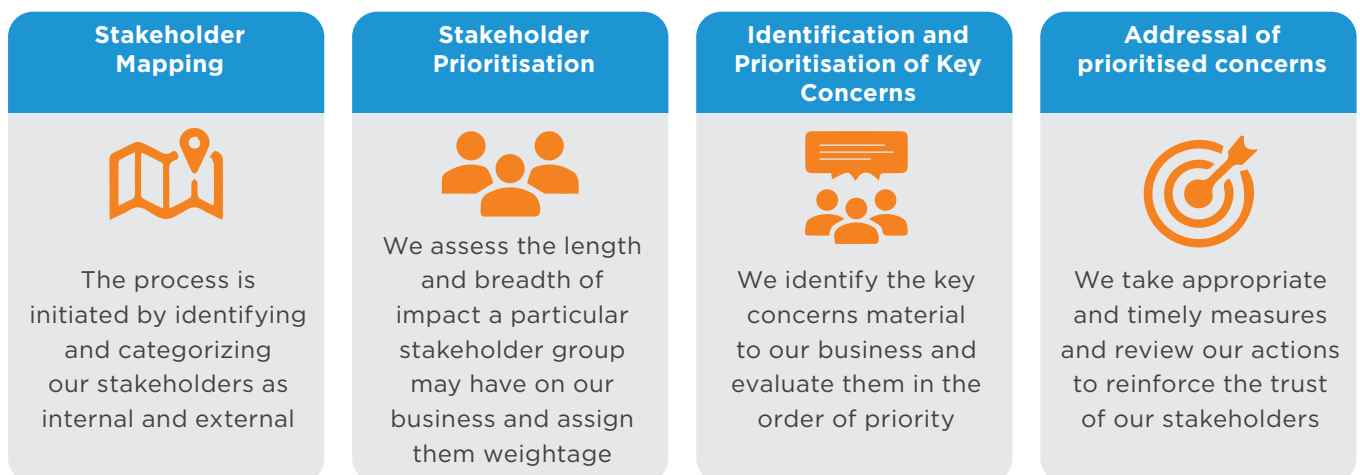
### Stakeholder Engagement and Materiality

Our management approach is centred at enhancing stakeholder value. We closely collaborate with our stakeholders by regularly engaging with them to understand their distinct needs, interests and expectations. We acknowledge that value is not created within the organisation but is created through relationships with others and we perpetually reach out to our internal and external stakeholders through various channels. We keep a continual dialogue process open throughout the year and the outcomes are integrated into the organization's management strategy for effective decision making. Some of our key stakeholder groups are shareholders, farmers, consumers, employees, local communities, distributors, employees, media, state and central government. We have a formal process of stakeholder engagement built upon transparency and accountability.

#### List of Stakeholders



#### Approach to Stakeholders Engagement



**We demonstrate transparency and accountability at all levels**

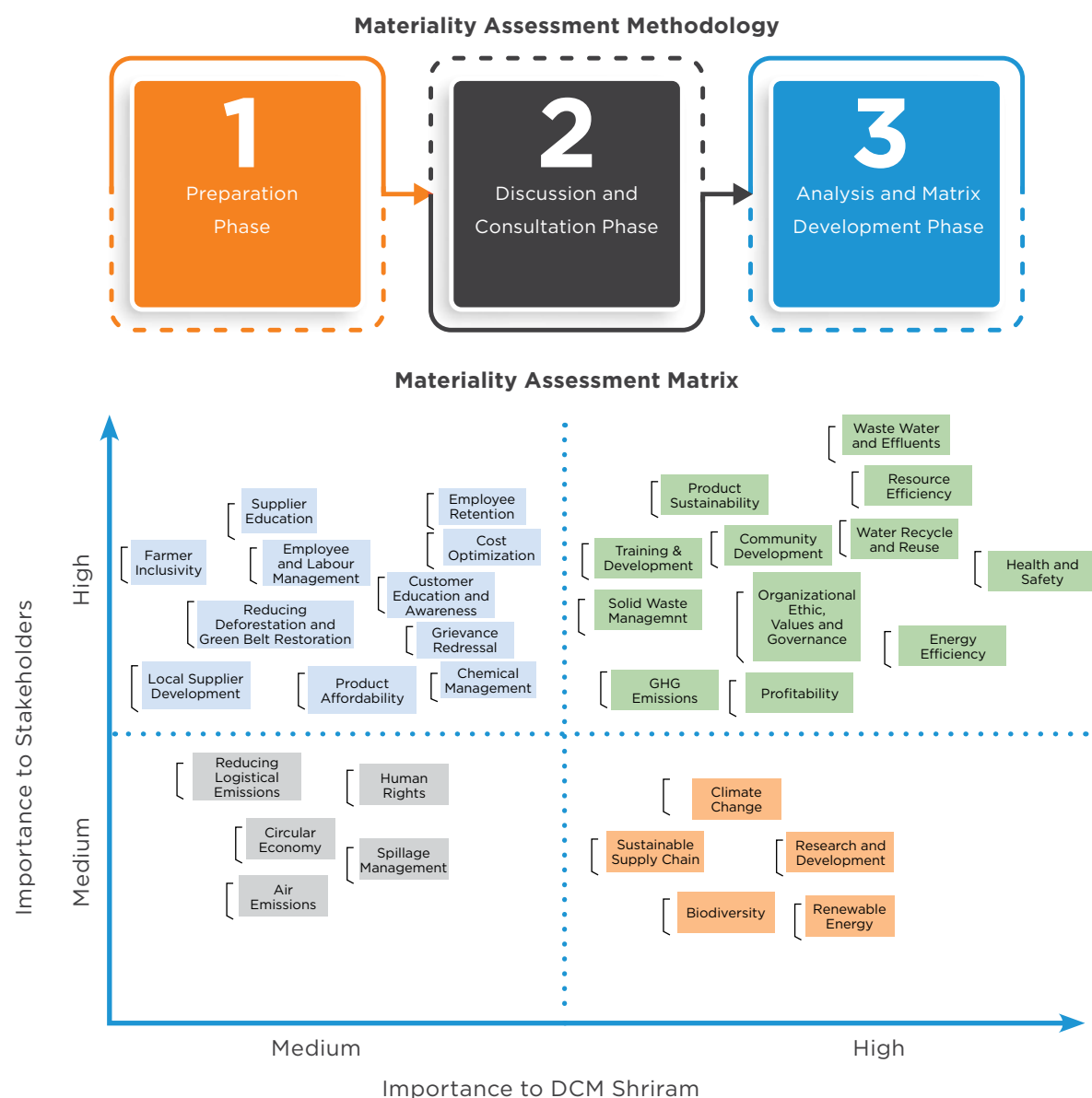
## Stakeholder Engagement

Stakeholder Group	Mode of Engagement	Focus of Engagement
Employees	Intranet facilities, Internal newsletters, Communication meetings, Leadership site visits and interactions, Employee engagement survey, Induction and regular training programmes, Tool box talks, Regular drills on safety	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
Government and Regulatory bodies	Regular inspections, Periodic Reports, Regular direct and indirect interactions through industrial associations and other bodies	Compliance of rules and regulations, Submission of reports under various statutes at specific intervals, Response to any issues raised by government/regulatory authority, Tax revenues, Ease of doing business through sound corporate governance mechanisms
Shareholders & Investors	Annual General Meeting, Corporate Website, Annual Report, Social Media, Grievance Redressal Mechanism	Improved profitability and growth of organisation, Transparent and effective communication, Investor servicing, Sound corporate governance mechanisms
Customers	Regular personal interactions and discussions, Market surveys, Customer surveys, Plant visits	Customer Satisfaction, Prompt response to customer complaints, Product/service quality and timely delivery, Building trust among the customers through plant visits
Suppliers, Dealers and Distributors	Annual Meet with suppliers and customers, Plant visits, Interactions on a regular basis	Share best practices among industries, Competency development of local vendor, Rewards and recognitions
Farmers	Need based regular interaction by Cane & CSR function, Awareness camps on good agricultural practices	Sustainable sugarcane production, Improved livelihood and income of farmers, Easy, affordable and reliable access to inputs such as quality seeds, fertilizers etc.
Local Communities	Open dialogue with local communities, Need based surveys to understand community requirements, Awareness meets and Health camps, Celebration of cultural festivals/occasion (Environment day, Safety day etc.), Public hearing for Greenfield/expansion projects	Health and hygiene in rural community, Education & infrastructure, Good agricultural practices, Water conservation and Waste management
Civil Society	Collaboration of various CSR projects	Community developmental needs such as Healthcare, Education & Rural development etc.
Industry Associations	Meetings, Seminars, Workshops	Networking, Industry collaborations, Establishing best practices
Media	Advertisements/promotions, Press conference/press releases, Interviews of senior management	Publishing reports, Releasing relevant reports regularly

## Materiality Assessment

Materiality assessment exercise is a structured process to interact with the key stakeholders of DCM Shriram and identify the key areas of concern for long-term business sustainability. This process helps in developing the business strategy and action plan with due consideration of the versatile perspective of the stakeholders. During the materiality assessment exercise, interactive channels for engagement were established with a wide range of stakeholders such as senior management, employees, suppliers, community, NGO Partners, etc. in order to capture their major areas of concerns and get an understanding of relative prioritisation of these issues by them.

The steps of materiality assessment are shown in the figure below and the outcome of these steps is called materiality matrix. This matrix illustrates topics of relevance or material topics of relevance or materiality topics for DCM Shriram's business operations.



### List of Our Material Topics:

- |                            |  |                            |
|----------------------------|--|----------------------------|
| 1. Waste Water & Effluents | 6. Organizational Ethic, Values & Governance | 10. Solid Waste Management |
| 2. Resource Efficiency     | 7. Community Development                     | 11. Profitability          |
| 3. Health & Safety         | 8. Product Sustainability                    | 12. GHG emissions          |
| 4. Water Recycle & Reuse   | 9. Training & Development                    |                            |
| 5. Energy Efficiency       |  |                            |

## Ethics & Corporate Governance

### Our Values

Our six core values are Integrity, Agility, Customer Centricity, Team Work, Openness and Newness. Our values define how we do business and reflect our conviction towards building a vibrant and resilient organisation.

## OUR VISION

VIBRANT GROWTH WITH TRUST, ENERGISED EMPLOYEES & DELIGHTED CUSTOMERS

## 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.



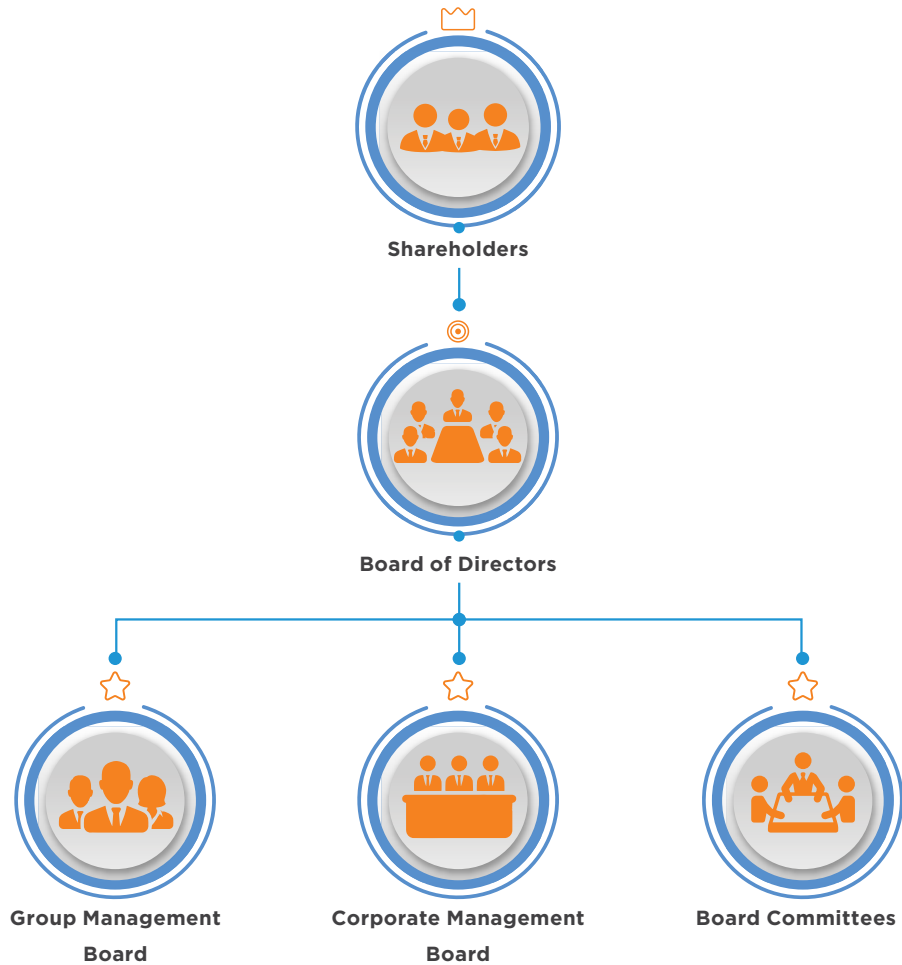
DCM Shriram has an unwavering commitment towards following best corporate governance practices. DCM Shriram believes corporate governance is the key ingredient of a company's sustained performance and is adhered to a rich legacy of fair, ethical and transparent governance practices. This is reflected in the well balanced and independent structure of the company's eminent and well-represented Board of Directors. The group has created many leaders who have been responsible for the growth of the organization and are still a part of the progression journey across various businesses. The company is compliant with corporate governance requirement under SEBI regulations 2015. Good corporate governance has allowed DCM Shriram to effectuate decision making and support the formation of robust operation systems that creates long-term stakeholder value.



## Organizational Structure

A relevant and good organisational structure ensures strong and balanced growth for all. An active and informed board can safeguard stakeholders' interests and ascertain long-term capital gains for the organisation. The Board of Directors is central to DCM Shriram's governance structure.

### Organogram



Stakeholders Relationship Committee  
 Board Finance Committee  
 Board Audit Committee  
 CSR Committee  
 Nomination Remuneration and  
 Compensation Committee  
 Board Risk Management Committee

### Composition of the Board

The board is totally committed to best practices for successful corporate governance. As on 31st March 2019, DCM Shriram board comprises of 12 Directors that include 5 Executive Directors (containing an Executive Chairman), 6 Non-Executive Independent Directors and 1 Nominee Director.

During the year end, on 31st March 2019, 5 board meetings and a separate independent Directors meeting were held.

### Committees of the Board

The Board Committees work on behalf of the Board and are entrusted with setting goals, targets, and action plan for measuring, monitoring and enhancing the performance of the business operations of DCM

Shriram in tandem with the Board. A regular review of the targets are done to develop midcourse action plan if there is any deviation in performance. The functioning of the committees are also reviewed periodically by the Board of Directors.

Currently, there are six Board Committees - the CSR Committee, the Board Finance Committee, the Board Audit Committee, the Nomination, Remuneration and Compensation Committee, the Stakeholders Relationship Committee and the Board Risk Management Committee. The composition and the terms of reference of the committees are determined by the Board from time to time and are laid down in line with the desideratum of the Company Act and the SEBI Listing Regulations.

### Committees of the Board



### Selection of Directors

To maintain balance and independent structure at the strategic level, company's criteria for Directors' appointment has been set up by the Nomination, Remuneration and Compensation Committee. The Committee, inter alia, considers qualification, positive attributes, area of expertise and number of Directorship(s) and Membership(s) held in various committees of other companies by the applicant. The Board considers the Committee's recommendation, and takes appropriate decision.

### Code of Conduct

We believe businesses should conduct themselves in an ethical, transparent and accountable manner. The company's commitment to ethics, and its policy of no bribery and anti-corruption covers the company and extends to the entire DCM Shriram family including subsidiaries, joint ventures, directors and employees. The policy extends to all consultants and third parties in relation to their engagement with the company and

transactions undertaken by them for and on behalf of the company as part of the contract agreement. While entering a relationship, the Company takes into account the stakeholders' alignment to ethics, no bribery and anti-corruption.

Our board, senior management, shareholders, employees and other stakeholders have momentarily helped us in conducting our operations in an ethical manner. To remain continuously vigilant and ensure ethical conduct of our operations, we have designed and implemented the Code of Conduct for all board members and senior management. The document has been circulated to all members and is publicly available for all stakeholders to view and can be accessed via the website. All board members and senior management personnel provide periodic affirmation in compliance with the Code of Conduct. More details on code of conduct are available on company's webpage at <https://www.dcmshriram.com/code-of-conduct>

### Provisions applicable to all Board Members including Senior Management

General	The Board Members and Senior Management conduct and act to promote the objects and interests of the company.
Regulatory Compliance	Board Members and the Senior Management in their respective domains and areas of responsibility ensure that there are systems and controls for regulatory compliance in the company.
Insider Trading	All Board Members and Senior Management do not derive benefit by dealing in the securities of the company or assist others to derive benefit through access to and possession of Insider information, i.e. Price Sensitive Information about the company, not in public domain.
Ethical Conduct & Behaviour	Board Members and Senior Management strive to be fair and ethical in their dealings. They uphold highest standards of etiquettes, decorum, decency, respect and dignity in their conduct and behavior.
Conflict of Interest	The Board Members and Senior Management Personnel do not get involved in a situation in which he/ she may have direct/ indirect interest that conflicts with the interest of the company.

Business Integrity	Board Members and Senior Management Team act in accordance with the highest standards of personal and professional integrity, honesty, and ethical conduct, while working or representing the company. Further, they do not accept gifts, donations, hospitality and/or entertainment beyond the customary level from existing or potential suppliers, customers or third parties, which have business dealings with the company.
Confidentiality and Secrecy	Board Members and Senior Management Team maintain the confidentiality of information entrusted to them in carrying out their duties and responsibilities, except where disclosure is approved/acquired by the company or legally mandated or if such information is in the public domain. This obligation applies not only during the tenure with the company but thereafter as well.
Safety and Assets of the company	Board Members and Senior Management protect and safeguard all the company assets and equipments and ensure its usage for the interest and benefits of the company only.
Equal & Fair Treatment	Board Members and Senior Management ensure that there is no discrimination, on account of caste, colour, creed, gender or religion and all employees are treated fairly.
Media Communication	Any kind of relationship or communication, on behalf of the company with media, including print and electronic, are done only by persons so authorized for the purpose.

#### Whistle-blower policy and Vigilance Mechanism:

We have put in place the Vigil Mechanism for Directors and permanent employees of the company to report genuine concerns including unethical behaviour, actual or suspected, frauds or violation of company's code of conduct or ethics, etc. This platform to express concern has been extended to Directors also. This policy ensures confidentiality and protection of whistle-blower from victimisation and provides direct access to the chairman of the audit committee in unique cases. Whistle-blower policy is available to all stakeholders and can be accessed through the company website. The details about the policy are available on the following weblink

[https://www.dcmsr.com/other\\_files/whistleblower%20policy.pdf](https://www.dcmsr.com/other_files/whistleblower%20policy.pdf)

#### Remuneration Policy

Remuneration to the senior management is aligned with the short term and long-term goals and performance of the company with intent to promote the culture of meritocracy, performance and accountability. The

remuneration package reflects market trends and practices. It is designed to attract, retain and motivate the right talent, including the Directors and Employees as required to meet the goals of the company.

There were 5382 permanent employees on the rolls of the company as on 31st March, 2019. The ratio of remuneration of the highest paid employee to the median remuneration for the year 2018-19 was 197:1. The total remuneration of the highest paid employee has increased by 21.19% in FY 2018-19 and there has been an increase of 4.61% in the median remuneration of employees.

Remuneration policy is also available at company's website on following weblink [http://www.dcmshriram.com/sites/default/files/Remuneration%20Policy\\_O.pdf](http://www.dcmshriram.com/sites/default/files/Remuneration%20Policy_O.pdf)

#### Anti-corruption

We have set correct tone at the top and ensured that anti-corruption is on the agenda of senior executives. We undertake periodic vigilance awareness talks to keep our stakeholders well-informed about the



ways to deal with and report any cases of frauds and malpractices. We have displayed vigilance awareness posters across all formats to constantly express our concerns and reiterate our commitment to conduct business with integrity. There were no reported cases of corruption across the reporting boundary during FY 2018-19.

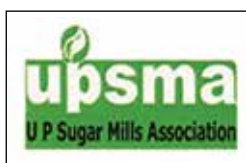
### Internal Complaint Committee on POSH

The company advocates empowerment of women and is in compliance with provisions relating to constitution of internal complaint committee under Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH). There was no case of sexual harassment at any of our business units in the reporting year.

### Industry Associations

We at DCM Shriram voice our opinions using various forums and industry associations to raise the concerns of our stakeholders. Following are the names of few industry associations in which DCM Shriram actively participates.

- Federation of Seed Industry of India (FSII)
- Confederation of Indian Industry (CII)
- Indian Chemical Council (ICC)
- Federation of Indian Chamber of Commerce and Industries (FICCI)
- PHD Chamber of Commerce and Industries (PHDCCI)
- Fertilizer Association of India (FAI)
- International Fertilizer Association (IFA).
- Cement Manufacturing Associations (CMA)
- Chemicals and Petrochemicals Manufacturers' Association (CPMA)
- Federation of Indian Exporters Organisation (FIEO)
- Indian Sugar Mills Association (ISMA)
- Alkali Manufacturers Association of India (AMAI)
- All India Distillers' Association (AIDA)
- National Safety Council (NSC)
- Gujarat Safety Council (GSC)
- Disaster Prevention and Emergency Centre, Jhagadia
- Jhagadia Industrial Association (JIA)
- UP Sugar Mills Association (UPSMA)
- Crop Care Federation of India (CCFI)
- uPVC Window and Door Manufacturers Association (UWDMA)

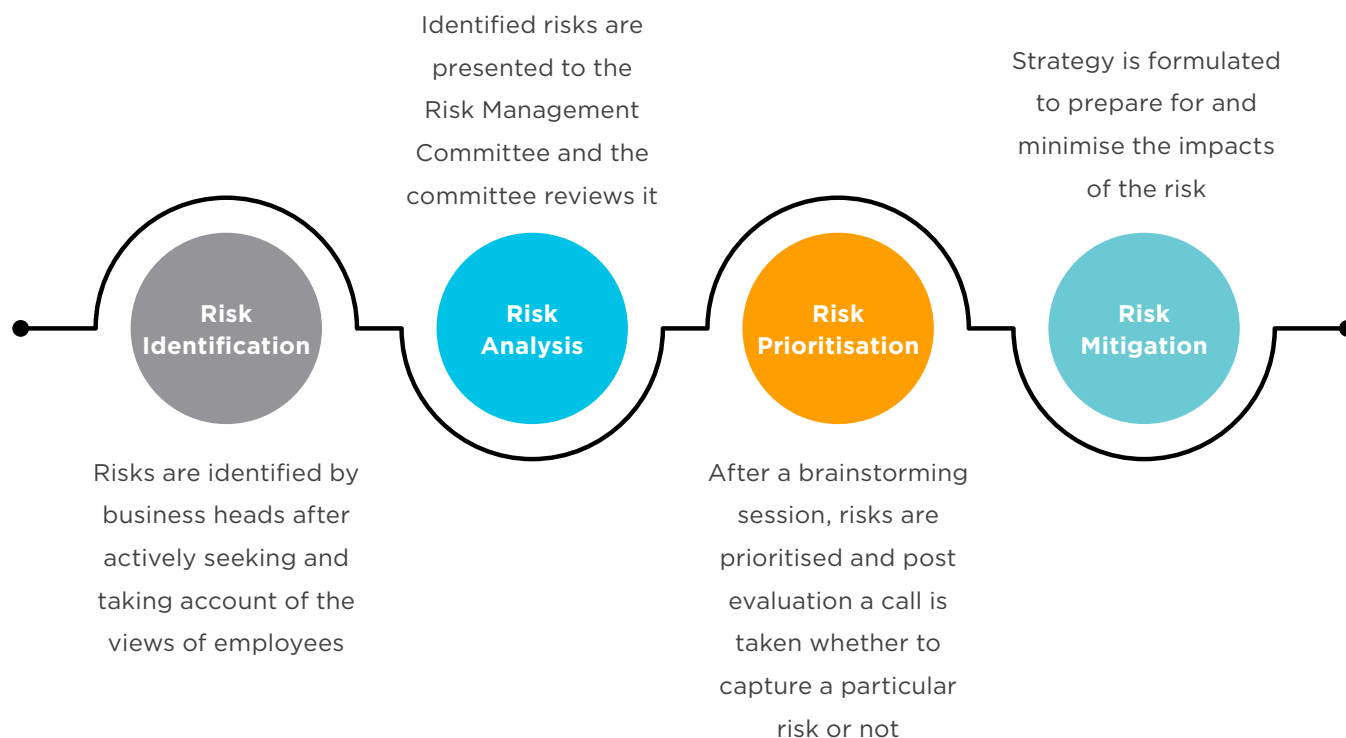


## Risk Management

We have a proactive approach to prevent risks from impacting our business. To ensure this prevention, we have a robust risk management framework as shown below.

### Risk Management Framework

We have a risk management framework in place since 2<sup>nd</sup> January, 2007, which was approved by the Board and includes risk identification, assessment, prioritisation and response system for mitigation of risk.



### Enterprise Risk Management

Our businesses are exposed to risks and so we have a proactive approach towards risk identification and mitigation. We have an integrated Enterprise Risk Management (ERM) process. We use ERM and SWOT analysis to identify potential Environmental and Health & Safety risks at each level of our business. The risk identification and management process is monitored at the senior most level. Some of the risks that we have identified and work towards their mitigation in line with our ERM process are discussed below:



### Identified Risks and Mitigation Actions

Identified Risks	Risk Implications	Mitigation Actions
Businesses such as sugar, fertiliser and some components of bioseed business are exposed to risk of regulatory interventions	Regulatory	<ul style="list-style-type: none"> <li>Periodically monitor and review changes in regulatory frameworks to ensure compliance</li> <li>Industry along with association are working with the Government to ensure sustainable policies</li> </ul>
Health and safety risk due to ammonia leakage	Physical/Regulatory	<ul style="list-style-type: none"> <li>Equipment Health Checks</li> <li>Regular Audits by the British Safety Council</li> <li>Regular Training sessions</li> <li>Ammonia storage tanks are regularly monitored</li> </ul>
Health and safety risk due to chlorine leakage at both plant and when in transit	Physical/Regulatory	<ul style="list-style-type: none"> <li>Chlorine storage &amp; filling facility inspection and certification by CCE approved agency</li> <li>Process Safety Audit</li> <li>Equipment Health Checks</li> <li>Wall thickness of Chlorine Pipelines is measured once in two years</li> <li>Physical Verification conducted for each incoming and outgoing vehicle for products based upon a comprehensive Checklist</li> <li>Display Vehicle Hazard Communication</li> <li>Regular Trainings Session</li> </ul>
Acetylene/ Vinyl Chloride Monomer (VCM) leakages	Physical/Regulatory	<ul style="list-style-type: none"> <li>CCTV monitoring through control room &amp; Security for sensitive areas like Vinyl Chloride &amp; Acetylene gas holders &amp; tanks</li> <li>Equipment Health Checks</li> <li>Conducting regular Audits</li> </ul>
Natural Calamities	Physical	<ul style="list-style-type: none"> <li>Buffer stock of parent seeds are maintained</li> <li>Cold storage facilities tied up to store the surplus stock of seeds</li> <li>Insurance coverage of the cost of production</li> </ul>
Plant Stoppage-Non-compliance with legal requirements regarding EHS	Operational/Regulatory	<ul style="list-style-type: none"> <li>Advanced technology equipment Electro Static Precipitators have been installed for complying with pollution control norms relating to air discharges</li> <li>Real time monitoring mechanism is in place</li> <li>Continue focus on technology up-gradation</li> </ul>
Government regulations regarding pollution control acts like (emission levels under water act, Air Act) may become more stringent	Operational/Regulatory	<ul style="list-style-type: none"> <li>Installation of online monitors for HCl/Chlorine</li> <li>Regular study for upgradation of equipment</li> </ul>

### Risk management

The Group's activities expose it to various financial risks - Credit risk, Liquidity risk and Market risk. To mitigate these, the Group cautiously reviews and monitors the provision for doubtful debts. The group manages liquidity by ensuring control over its working capital which involves adjusting production levels and demand and daily sales of production. It also ensures adequate credit facilities sanctioned from bank estimated funds requirements. Since the Group's operations are predominantly in India and as a result, rupee dominated, the group follows a policy of keeping its assets fully hedged against foreign currencies. The group also follows partial hedging with regards to interest rate fluctuation.

## Economic Performance

During the year, the company witnessed growth in financial as well as operating performance. Chlor-Alkali business continued to become stronger with economies of scale and consistent improvement in power efficiencies. The Sugar Business is still experiencing difficult price situation, however, relief has come in the form of a higher MSP by the government at ₹31/Kg. Addition of distillery operations to the sugar segment helped boost the profitability. Other businesses continued to perform robustly.

The company's total revenues from operation at a standalone level stood at ₹7,684 Crore in FY19 v/s ₹6,913 Crore last year. The overall revenues were up by 11% on both standalone and consolidated basis. Revenue of chemicals business was up by 21% driven by higher volumes with high capacity utilization at Bharuch plant and expansion at the Kota plant midway in the last fiscal along with higher realisations at both places. The revenue of Sugar business was up by 18% with operations now including distillery operations as well.

The company commissioned new capacities across different business segments. Caustic capacity at Kota expanded from 330 TPD to 498 TPD accompanied with an increase in capacity for Flaker (Increase of 150 TPD at Kota plant) and SBP. At Caustic plant in Bharuch,

DECENT WORK AND  
ECONOMIC GROWTH



60 TPD of aluminium chloride plant was commissioned as a downstream chlorine utilization product. In Sugar, we expanded our crushing capacities and Co-gen Power in Hariawan Unit by 5000 TCD & 30 MW respectively. Our cash generation and balance sheet are comfortable which enables us to look at further growth initiatives.





## Key Financial Highlights

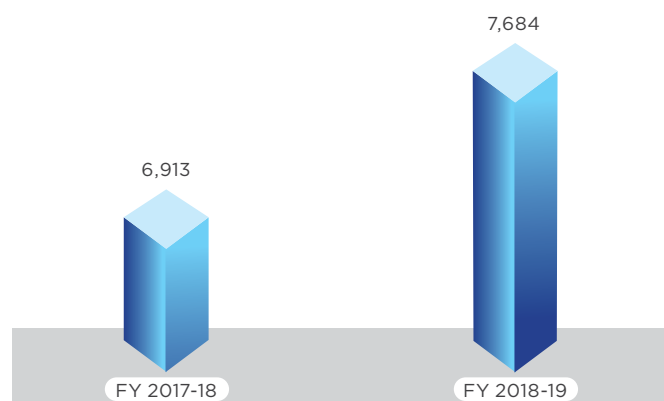
Particulars	Standalone (in ₹Crores)		Year Over Year Growth
	FY 2017-18	FY 2018-19	(%)
Revenue from operations	6,913	7,684	11%
Profit before tax	885	1,180	33%
Profit after tax	688	907	32%
Tax	197	273	39%

Following are the key features financial performance in the financial year 2018-19.

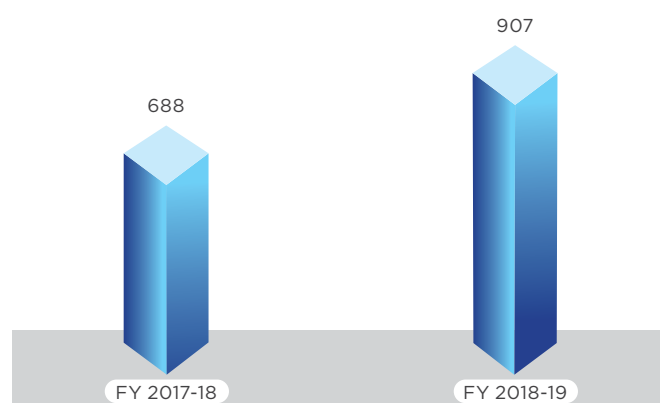
- Total Revenue from operations stood at ₹7684 crore v/s ₹6913 crore last year.
- Chemicals business revenue grew by 21% to ₹1915 crore.
- Sugar business revenue was up by 18% to ₹2353 crore with operations now including distillery operations as well.
- Fenesta business revenue was up by 15% to ₹390 crore with higher volumes.
- Agri Input businesses' revenues were up 2% at ₹2230 crores.
- PAT increased to ₹907 crore, up 32% from ₹688 crore last year.
- EPS for the year at ₹57.17 up from ₹42.39 in FY 18.
- Payment made to local, state or central government (taxes, duties, penalties etc.) was ₹695 Crores.
- Investment in community development (CSR and other relevant investment) was ₹13.35 Crores.
- Wages and other benefits given to the employees stood at ₹629.54 Crores.

## Financial Growth from FY 2017-18 to FY 2018-19

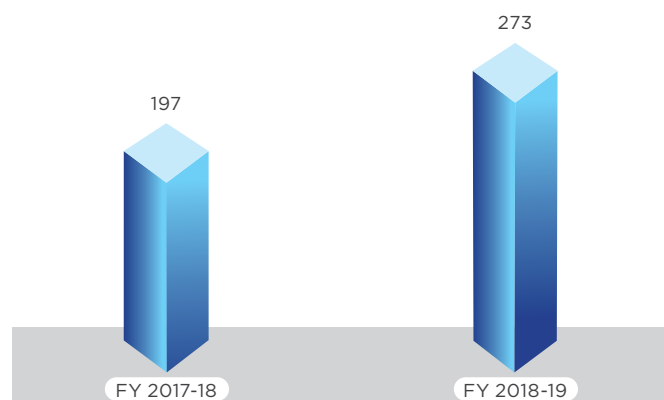
## Revenue (₹ Crores)



## PAT (₹ Crores)



## TAX (₹ Crores)



DCM Shriram focuses on optimising operational cost and making DCM Shriram a highly competitive player by operationally integrating its various diversified businesses.



# Explore







## Sustainability at DCM Shriram

With the growing world in terms of economy, technology and quality of life, we strive to have a sense of responsibility towards protecting the nature and society and ensuring long-term sustainability of our enterprise. We understand that with high standards of corporate governance, a value is to be institutionalized into the corporate culture which is transparent, fair, accountable and follows ethical practices. We aim at perpetually creating superior value for all the stakeholders.

A strong element of Environment, Health and Safety (EHS) and Corporate Social Responsibility (CSR) is embedded into the value system of our company. We believe, to attain long-term sustainability, integration of EHS initiatives with societal development and wealth creation of all our stakeholders is necessary.

We believe in integration of our activities that enables us to strengthen our operations, optimise our costs and gain a competitive edge over our peers. With a strong commitment to creating a sustainable difference to the society we serve, several initiatives have been implanted by us in the surrounding communities. Some of the examples are:

- Providing basic infrastructure for multi-stakeholder projects under mid-day meal scheme
- Providing safe drinking water to nearby communities
- Supporting construction of educational facilities

By keeping a view of suppliers and vendors, our company has developed a vendor evaluation system which includes issues related to Employee Health & Safety. This system is being very helpful in getting the feedback from the vendors and in ensuring sustainability along the supply chain.

Environment, Health and Safety (EHS) being a prime focus area for us, our EHS policy has been formulated keeping in mind our commitment towards a healthy and safe environment for the employees and the community. The



aim is to get highest standards in plant design, equipment selection, maintenance and operation. The key features of EHS is to have regular safety surveillance, inspections and audits, permit to work system for operational/maintenance safety, fire prevention and protection activities, disposal activities related to hazardous wastes and regular monitoring of environment.

To reduce the environmental burden, investments in the process improvement and up-gradation of the effluent treatment plants, using membrane-based technology, multi-effect thermal evaporators and slop fired boilers have been made. These measures have helped to attain the status of Zero Liquid Discharge from the recycling of treated effluents at the distillery site.

Our company has embarked on some major futuristic steps in the environment management which can be stated as:

- Commitment to comply with all relevant regulations and improve environment performance through teamwork.
- Conserve all resources including water and energy, to gain long-term sustainability.
- Minimization of environment footprint with due consideration to national and international protocols and business charters.

One of our primary concerns is towards the health and hygiene monitoring of the employees at the workplace of our manufacturing units. We also impart necessary training to our employees regarding enhancement of their awareness in EHS related matters. We regularly run campaigns to save energy, water, paper and reduce waste to raise awareness across all levels of employees.

## Environmental Stewardship

We are committed towards achieving the goal of energy conservation, waste reduction, healthy and clean environment, less wastage of water and more consumption of biomass/ biofuel. We firmly believe that to improve environmental performance, cost competitiveness and long-term profitability, energy management is the key to achieve it. DCM Shriram has set organisation wide-goals for energy, waste and water. Our organisation strongly recommends a pure and healthy environment, most energy efficient technologies and better curbs for alternate feeding in the units. Our people are fully aware of the necessity of achieving these goals. We, being a responsible corporate citizen, understand the need of actions and initiatives to be implemented for the bottom to top level management.

We have adopted advanced technologies and latest business operation and processes in the operating units to optimize the resource consumption and enhance energy efficiency. We also promote the use of alternative fuel to generate energy in our plants so that we can optimize resource consumption, manage waste in environment friendly manner and reduce our carbon footprint.

RESPONSIBLE  
CONSUMPTION AND  
PRODUCTION



In addition to our prudent actions towards energy, water and waste, we undertake tree plantation and green development in and around our operating centres. We conduct regular impact assessment studies to evaluate impact of our processes on the environment and biodiversity. We are a signatory to India Business Biodiversity Initiative (IBBI) by CII-ITC Centre of Excellence for Sustainable Development (CESD) and supported by Ministry of Environment, Forests and Climate Change (MoEFCC). During the reporting year, biodiversity studies were conducted by an external party at two of our manufacturing sites. We recognise that preservation of biodiversity is crucial for our long-term sustainability.

We have taken certain initiatives to engage our people into wildlife conservation and to maintain a balance in the ecosystem. The people in Kota, Rajasthan and Ajbapur, Uttar Pradesh have been involved into programs that create a positive impact on them as well





as the wildlife. Our plantation drives support growth of about 18 invasive species including Vilayati babool (*Prosopis juliflora*), Subabul (*Leucaena leucocephala*) and Raimuniya (*Lantana camara*). The program supports growth of total 144 plant species including trees, shrubs, herbs and aquatic plants. The factories are considerate to provide wire cages, supporting the birds for nesting and habitat. We have installed a water harvesting pond to maintain the water regulation, water purification as well as habitat to migratory and native bird species. The harvesting pond supports the snail population and butterflies in the areas. About 38 different species of birds can be found in the area including the Black Kite, Common Myna, Great Tit, Intermediate Egret, Large-billed Crow, Spotted Owlet and White Wagtail. The initiative to create awareness among the local farmers to adapt measures for water management and improve the soil health. We have set up a Bio Control Facility to support the use of parasitoids to control the pests without using the chemical pesticides by the local farmers.

In addition to our several initiatives towards water and energy conservation, emission control, resource conservation, and the like, we use Environment Management System (EMS) to continually improve environmental performance of our flagship Kota plant.

We have achieved reduction in water consumption of over 90% during last two decades at our Kota site by adding re-circulating cooling towers instead of once through cooling systems, recycling/reuse of treated effluents, increase in Cycles Of Concentration (COC) in existing cooling towers, integrating water usage across unit process operations etc. For example, water used for cooling at various stages of PVC resin & Acetylene manufacturing is partially subjected to evaporation and partially recycled to the maximum possible extent & balance is discharged as per the SPCB norms. Waste to landfill was significantly reduced in the plant. GHG emission control is a common practice in the plant due to energy efficiency and process change.

DCM Shriram's integration strategy has led to overall profitability and delivering higher return than its peers. This plant witnesses a closed loop system intertwined with ingenuity at all levels.



## Energy and Emissions

In line with India's role as a signatory in the Paris commitment to reduce emission intensity of the nation by 33-35% by 2030, we strive to optimise our energy use across the organisation and energy efficiency is one of our key focus areas to reduce our negative environmental impacts and ensure long-term sustainability through cost optimisation. Some of our noteworthy energy conservation practices are:

- Installation of energy efficient equipment and adoption of modern energy conserving design concepts for new projects
- Promote efficient and environment friendly alternate energy sources
- Improve energy conservation through training and education
- Regular energy audits, better control and maintenance to reduce consumption

We have regularized organization-wide implementation of these conservation practices and we also keep on exploring the new avenues to enhance our energy efficiency. In pursuit of our energy conservation drive, we have taken several initiatives. Few of our actions are mentioned below:

## Our Actions

During the year 2018-19, installed 50 KW Solar power plant in addition to existing 30 KW plant at Kota and 30 KW Solar power plant at Bharuch resulting in reduction of energy demand from conventional sources

Hydrogen gas is used in caustic soda flaking plants and boilers as alternate source of fuel leading to reduction in fuel consumption and CO<sub>2</sub> emission reduction

Majority of the Urea and Cement are transported through railways. We also receive coal in rakes through rail, thereby reducing our dependency on road transportation. Natural Gas for our urea plant is transported through pipeline

Replacement of conventional light fixtures with LED light fixtures in colony and plant areas

Use of slop (by product of ethanol) and baggase (by product of sugarcane) for captive power generation

In Chlor-alkali plant, power consumption is reduced by 0.45% at Bharuch. At Kota Complex, bulk transportation of PVC to PVC Compounding plant has resulted in elimination of HDPE bags usage that has reduced the GHG emission. Also fly ash is transported in Bulkers which resulted in reducing the no. of trucks while disposing the fly ash and hence saving fossil fuel thereby reducing GHG emission

In our caustic soda production, the energy consumption has reduced by 12% due to implementation of latest membrane technology

At Bharuch site, the company is supplying Chlorine, Hydrogen, Caustic lye to the nearby customers through pipelines to reduce noise and air pollution due to movement of vehicles. Thus, reducing about 10000 truckloads of transportation per year

Replacement of old reciprocating type instrument air compressor with screw compressor to achieve energy saving

Employees are encouraged to use video conferencing and teleconferencing to reduce travel to reduce GHG emission

Replacement of Old flaker plant with new energy efficient flaker plant reduced Hydrogen consumption by 58%

Installation of latest energy efficient Zero gap Electrolysers in Chlor-Alkali Plant has led to lower energy consumption

The Ethanol produced from molasses at our sugar units is used for blending in petrol and used as green fuel in mitigating the climate change risk

The CO<sub>2</sub> absorption system in Ammonia plant revamped to reduce CO<sub>2</sub> emissions

Flue gas scrubber installed to improve the calorific value of bagasse, used as fuel and lower the emission levels

## ENERGY & EMISSIONS

**Energy Consumption within the organisation - 57,234 TJ**

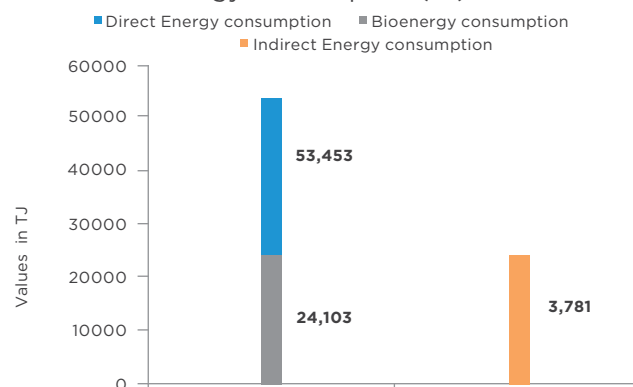
### Absolute Energy Consumption (TJ)

Direct Energy Consumption	53,453.29
Indirect Energy Consumption	3,781.00
Total Energy Consumption	57,234.29

### Energy Intensity

Total Energy Consumption (TJ)	57,234.29
Total Revenue (INR Crore)	7,684.38
Total Workforce	5,382
Energy Intensity (TJ/INR Crore)	7.45
Energy Intensity (TJ/employee)	10.63

### Energy Consumption (TJ)



The Bioenergy consumption also includes 0.144 TJ of solar energy consumption and the total bioenergy consumption is 45% of total direct energy consumption

## Total Bioenergy Consumption 24,103 TJ

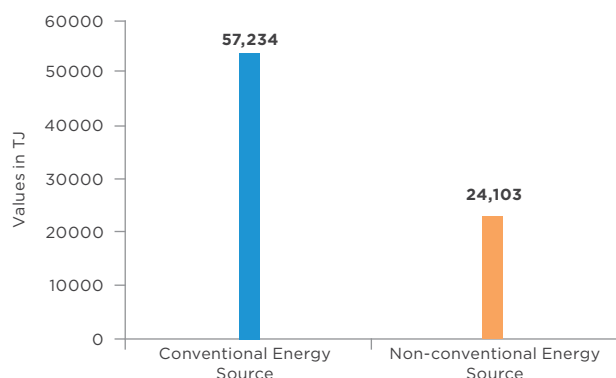
Use of biomass for co-generation of power and steam is a renewable energy initiative undertaken to mitigate global warming. Thousand Tonnes of Scope 1 emissions were reduced due to generation of power using Bagasse and Slop from distillery.

### GHG Intensity

Total GHG Emissions (tCO <sub>2</sub> e)	22,03,739.90
Total Revenue (INR Crore)	7,684.38
Total Workforce	5,382
GHG Intensity (tCO <sub>2</sub> e/INR Crore)	286.78
GHG Intensity (tCO <sub>2</sub> e/employee)	409.46

Employees are encouraged to use Video conferencing and Teleconferencing to reduce travel thereby reducing GHG emissions. During the year we had produced alcohol from molasses and supplied alcohol for blending in petrol programme thereby increasing the content of biofuel in the polluting fuel and reducing the GHGs by 1,02,937 tCO<sub>2</sub>e as a result of this initiative. In addition to this, we are also improving our GHG removal potential through our commitment to tree plantation and green belt development, thereby enhancing sequestration.

### Energy Sources

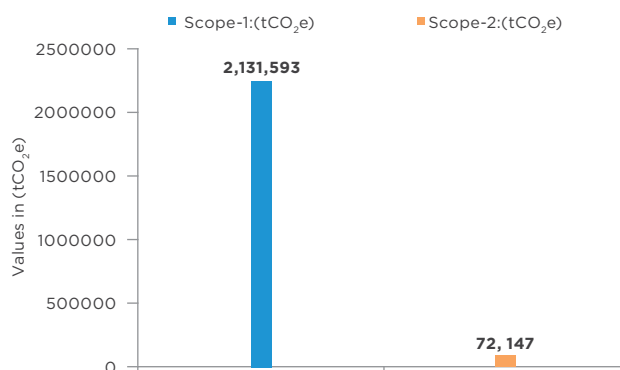


### GHG Emissions

In the reporting year, the distribution of scope 1 & 2 GHG emissions are shown in the graph below. Our GHG emissions have been calculated in accordance with IPCC Guidelines for National Greenhouse Gas Inventories.

Scope 1 Emissions (tCO <sub>2</sub> e)	Scope 2 Emissions (tCO <sub>2</sub> e)
2,131,593	72,147

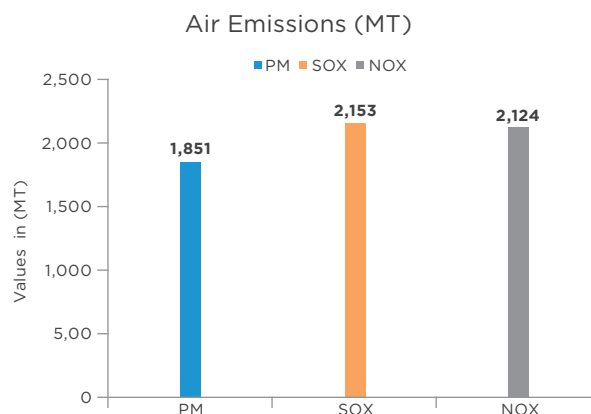
### GHG Emissions (tCO<sub>2</sub>e)



**In the reporting year, we saved 28,78,640 tCO<sub>2</sub>e of GHG emissions**

## Air Emissions

All DCM Shriram units monitor air emission parameters like Particulate Matter (PM), Nitrogen Oxide (NOx) and Sulphur Oxide (SOx) on a regular basis. DCM Shriram also appropriately invests in pollution control equipment and a robust system of monitoring and measuring is in place to ascertain conformity with environmental standards. Real Time continuous emission monitoring system for air emission including PM, SOx and NOx in various stacks at all manufacturing sites are provided. These systems are connected to respective SPCB & CPCB servers and our emission remain within National emission standard.



## Waste Management

At DCM Shriram, we follow a two-pronged strategy towards waste management.

- Resource optimisation through recycle and reuse and
- Effective integration of activities and processes through innovation

Most of our businesses are efficiently integrated which facilitates optimum utilisation of raw materials, recycling of waste and innovative reuse. Our Kota plant strongly reflects upon our approach and our focus on circularity. At carbide plant, the waste heat from the gases is utilized to generate steam which is used in PVC and caustic soda plant. At PVC plant, steam condensate is used for cooling tower make up. Low grade lime stone which is a waste of mines is added to carbide sludge to produce cement.

### Our Actions

The following waste/by product materials are recycled and reused within our systems as raw materials:

<b>WASTE MANAGEMENT</b>	The waste generated during sugar processing, like boiler ash and press mud cake are used as organic manure and distributed to the farmers
	All the waste chlorine at Bharuch is absorbed in caustic soda to produce Sodium Hypochlorite Solution
	Lime sludge (hydrated lime) from generation of acetylene is used for cement manufacture
	Molasses based distillery unit has been installed at one of our Sugar sites utilizing the molasses waste generated from sugar mills for producing Ethyl alcohol
	About 60% of steam condensate generated from caustic soda plant is recycled into carbide plant
	Effluent from Urea plant is recycled back to ammonia plant for using as Boiler Feed Water which is almost 9% of the total water consumption in the plant.
	A 100% washery washed salt is utilised due to less impurities. This results in less consumption of chemical for their treatment as well as land requirement for disposal of precipitates is minimised
	Slop generated from the distillery spent wash concentration in Multi-Effect Evaporators is mixed with bagasse which is used in boiler as a fuel
	The fly ash from captive power plant is also used in the Cement manufacturing
	Bagasse generated during manufacturing of sugar in all four units of DSCL is used for steam & power generation for captive consumption as well as for export to the state grid in UP



Hazardous Waste	280 MT
Non-Hazardous Waste	4,40,766 MT
Total Waste Generated	4,41,046 MT

Hazardous waste including e-waste and old batteries is sent to authorised recyclers for disposal and non hazardous waste is disposed as per state pollution control board guidelines. While our focus is towards optimal utilization of resources requiring only minimum quantities to be disposed of, where disposal is required, all rules and regulatory requirements are complied with.

### Raw Materials

At DCM Shriram, we optimise our raw material conservation through various initiatives. Out of total raw materials consumed, approximately 22 % recycled materials were used during the year as raw material. We use baggase which is biogenic in nature as a key raw material for steam and power generation for captive consumption.

Efforts at DCM Shriram's business units to recycle its utilized raw materials have helped the company optimize its material consumption and enable efficient utilization of lime sludge, fly ash and baggase which are by-products of DCM Shriram's primary processes.

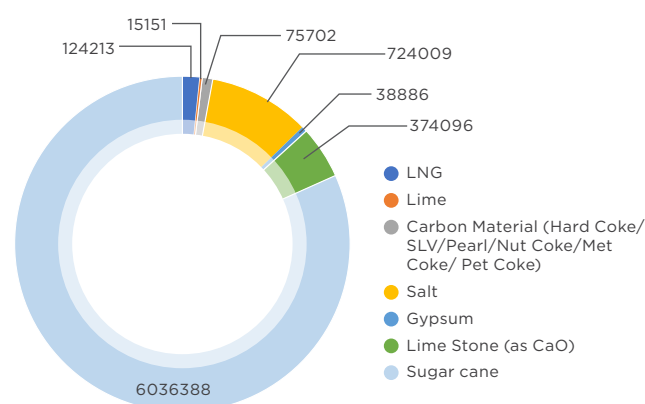
### Our Exemplary Kota Complex

A circular or a closed loop economy, as opposed to the traditional linear economy concept rests in the idea of systemic shift towards a regenerative and restorative design process.

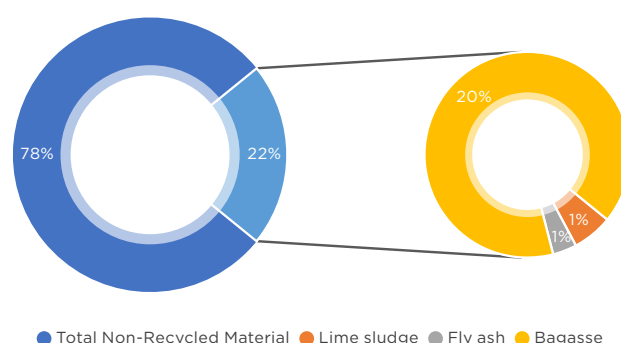
In alignment with this thought, DCM Shriram's Integrated Kota Complex is a highly collaborative product manufacturing set up that operates on cross-functional collaboration to help the company reap more value from the energy and resources that it uses. We aim at minimising systemic leakages and negative externalities.

This integrated manufacturing plant in-houses facilities for fertilizers, plastics, chlor-alkali, cement and captive power plant. The complex has been designed in a manner so that the waste from one unit goes as

Total Raw Material Consumption 2018-19 (MT)



Percentage of Recycled Material



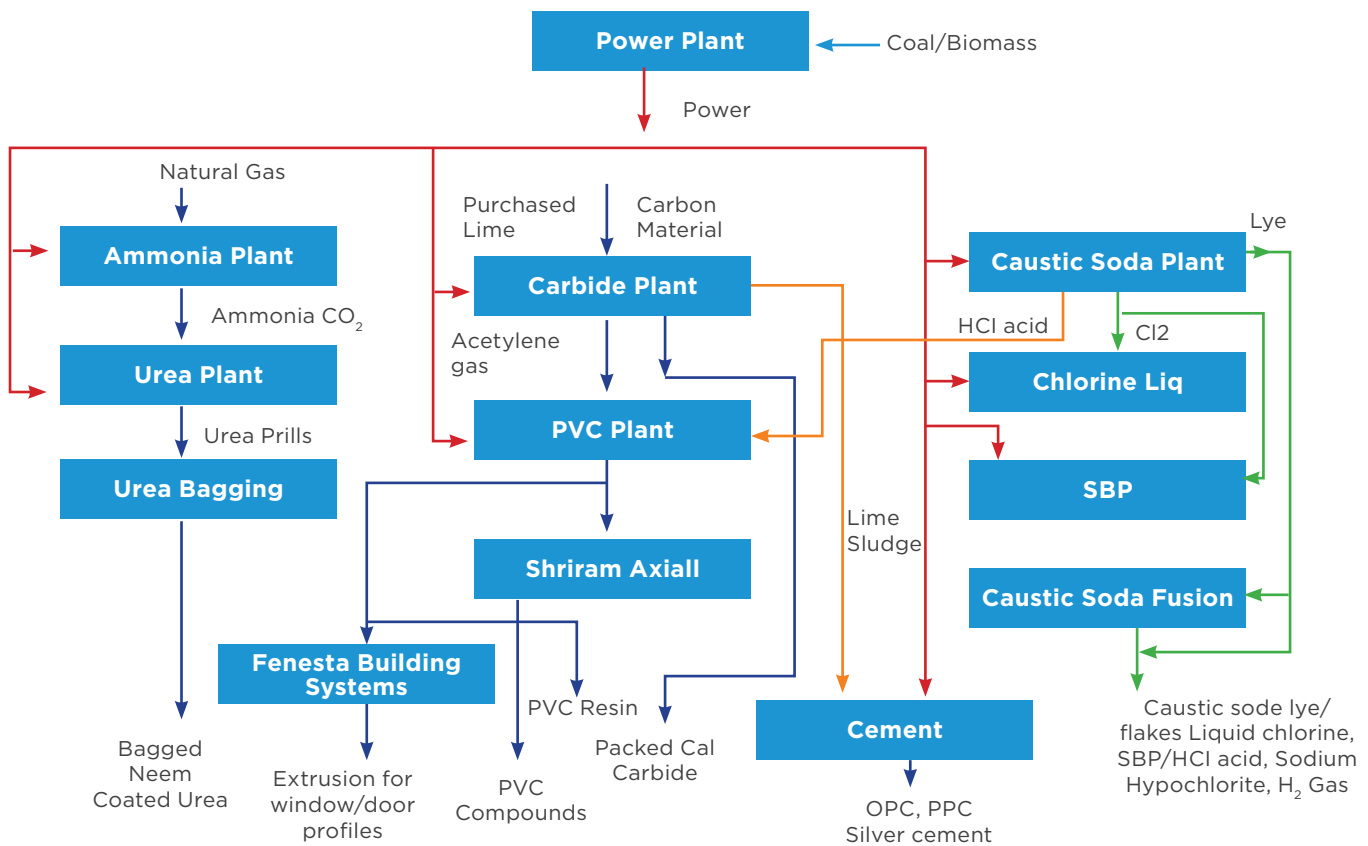
raw material to another. Our goal at the complex is to maximise our resource resilience and minimise wastage. Our underlying philosophy is integration along with resource optimisation and maximisation of “recycle and reuse” by innovation.

Following waste/by-product materials are recycled for gainful utilization as input/raw materials:

- Lime sludge (hydrated lime) from generation of acetylene for gainful utilization in the cement manufacturing plant at the same site.
- The fly ash from captive power plant is being used in the Cement manufacturing.
- Effluent from Urea plant is recycled back to ammonia plant for using as Boiler Feed Water which is almost 9% of the total water consumption in the plant.

- These forward and backward integrations at our Kota Complex are elaborated in the flow chart below:

## Process Integration at Kota Complex - A Circular Economy Model





## Water & Effluent Management

Water is an essential natural resource for survival of life on our planet and to maintain the ecological balance. Water is also very crucial for the sustainability of our supply chain and business operations. Hence, we provide utmost importance to water conservation and we are taking several initiative to preserve this resource. The company is continuously striving to follow best practices in conserving water by adopting various measures in all its operations to maximize water recycling using latest technology.

Sewage is separately treated in Sewage Treatment Plants and utilized for irrigation purposes to reduce the demand for fresh water intake. The company

has implemented rain water harvesting projects inside the premises as well as off-site around the sites to conserve water and rejuvenate ground water by adopting ponds in the villages around which we operate. We are constantly implementing smart water solutions and adopting global best practices at every step of our value chain. Our conservation practices coupled with our state of art Zero Liquid Discharge (ZLD) technology for maximising water recycling sets us apart from most of our peers.

We are continuously working on scaling down our water consumption and reducing effluent generation.





## Our Actions

DCM Shriram has created collective surface storage of about 0.66 MCM in Kota which has positively impacted drinking water and irrigation needs of over 23,000 people in 23 villages

Our Meetha Sona and other farming initiatives have resulted in water savings of 275 MCM in cane farms over the past three years. This data has been validated by IISR, Lucknow

Treated sewage from Sewage Treatment Plants (STPs) utilized for horticulture purpose, thereby reducing fresh water consumption

22% reduction in fresh water consumption is achieved in sugar business. Also, treated effluent from ETP is utilized for green belt and cane farm irrigation, reducing the demand for ground water

Our Pozzolona Portland Cement saves water during additional curing days as compared to other cements

At Bharuch, installation of RO plant in Chlor-Alkali Plant for cooling tower blow down treatment reduced effluent generation by 60%

Our rainwater harvesting projects around manufacturing sites results in water savings and contributing to ground water recharge

Strive to follow ZLD strategy for gainful utilization of treated waste water and minimising our effluent down to zero

Reduced water consumption at our Kota site by 60% in the last two decades by increasing COC in existing cooling towers, recycling and reusing treated effluents, and integrating water usage across processes etc

The effluent from Urea plant is recycled back to ammonia plant for using as Boiler Feed Water

### WATER AND EFFULENT MANAGEMENT

**DCM Shriram has created collective surface storage of about 0.66 MCM in Kota which has positively impacted drinking water and irrigation needs of over 23,000 people in 23 Villages**



Bio Control Labs have been set up in two sugar units, Rupapur & Ajbapur to assist farmers in controlling pest attacks while reducing their usage of chemical pesticides. Good agricultural techniques have not only increased yields but led to a saving of 275 MCM of water in the past three years

### A water positive company

**Industrial water consumption**  
**15 MCM**

**Annual Water Savings**  
**133 MCM**

**Total water savings through rain water harvesting and various water conservation initiatives including promoting good agricultural practices is over 9 times the net industrial water consumption by our operations during the year making us a water positive company.**

We have implemented ZLD at our Distillery unit. At other sites, treated effluents are discharged or utilised for irrigation conforming to the regulatory standards and permitted licenses, making our impact minimal on the water bodies. Quality parameters for treated water from ETP are monitored throughout the reporting year and all the parameters including COD, BOD, TSS and pH are well within the permissible limits.

#### **Zero Liquid Discharge journey at a Distillery Unit**

In line with the company's commitment to care for the environment, Zero Liquid Discharge philosophy was conceptualized and implemented while setting up the first distillery unit in the sugar business in January 2018. In the distillery unit, molasses which is a waste generated from the sugar mills is utilized for producing Ethanol. In the process, spent wash is

generated which is concentrated in the Multi-Effect Evaporators (MEE) that produces Slop which is mixed with bagasse (another waste from the sugar mill) and burned in specially designed boiler as a fuel. The ash from the boiler is rich in Potash and readily usable as manure. The condensate from the MEE along with other streams from process and utilities is treated in a state-of-the-art Condensate Polishing Unit (CPU) based on a four stage treatment process comprising of primary, secondary (Biological), tertiary and an advanced treatment comprising of UV/UF/RO system. In order to ensure proper monitoring and control of the effluent treatment process, online monitoring system is installed for monitoring of various parameters. Treated water from CPU is 100% recycled in the distillery process thereby reducing net intake of fresh water.



# Exceed





## Exceed

### Health and Safety Management

Management of Environmental, Health & Safety (EHS) issues is extremely important for the company's overall corporate strategy. We provide necessary support and encouragement to our employees to abide by safety protocols and standards. Our Kota complex has obtained five star rating every year since 2005 by British Safety Council and has won prestigious "Sword of Honor Award". We are pacing towards management of all our operations in an exemplary manner such as targeting Zero Accidents, so that we not only conform to minimum health, safety and environment mandate but also establish a benchmark in going above and beyond the statutory compliances and pertinent standards.

We follow strict adherence to the policies and procedures for ensuring the health and safety of our employees. We have an established EHS function at all sites that facilitates implementation of all policies and protocols effectively. We have already transitioned to latest version of occupational health and safety standard ISO45001 at our Kota complex and Fenesta business. We shall be transitioning at other businesses and sites in next two years. During the year, we

### GOOD HEALTH AND WELL-BEING



maintained our existing integrated management system to ensure EHS risks are well mitigated.

We firmly believe that safety has to be deeply embedded as an integral part of all the line management functions rather than being the sole domain of the safety function. During the year, formal launching of behavioural based safety program was done in sugar business and shall be launched in other businesses during next one year.

The Corporate EHS team monitors the safety performance of all locations. The safety performance is measured for leading and lagging indicators. Each location has a safety committee which has been constituted as per the guidelines of the Factories Act/rules. Regular meetings of the safety committee include representation of plant's senior management. Monthly departmental safety committees are also conducted at various sites to ensure participation of work force in our safety management practices. Adequate trainings are imparted to all the employees to motivate participation and achieve excellence in all aspects of safety.





## Safety Performance

We at DCM Shriram Ltd., recognizing that safety and health of workers has a positive impact on productivity and economic and social development, consider the health, safety and welfare of our employees and people in general to be of paramount importance and that a safe and healthy work environment is a prerequisite to achieving the goal of excellence in businesses.

Safe acts/practices, safety tours by senior leadership teams and safety tool talks are conducted at all our sites at regular intervals. Our sugar units alone had 101 safety tours led by senior management teams in the reporting year and 11,307 safety tool talks. We conduct frequent mock drills on various safety aspects. Employee Health and Safety is always a priority issue for the organisation. At SFC Kota, there were 60 EHS reviews and committee meetings held in the financial year. We have also been proactive about organising health awareness campaigns and sessions at our various units. During the year, 5991 safety observations (unsafe acts and unsafe conditions), 548 near misses and 250 first aid incidents were reported as part of leading indicators.

At DCM Shriram, we have a very inclusive approach in terms of evaluating our safety performance.

### Man hours worked (Man-hrs)

Employees	72,00,762
Contractor Employees	116,83,571

In 2018-19, the total number of reportable accidents for employees and contract employees were 0 and 11, respectively. There were three unfortunate fatality cases involving a contract worker falling from height and two logistics service provider's contract workers run over by a truck. Detailed investigations were carried out for all accidents to identify root causes and the measures for preventing recurrence. Furthermore, the learnings from all accidents are disseminated across the organisation and corrective actions have been taken such as:

- Refresher trainings imparted
- Display of Safety instructions
- Focus on unsafe acts/unsafe behaviours capturing

Lost Time Injury Rate (LTIR) is used to assess the frequency of Lost Time Accidents in relation to total

More than  
**18.8 million**  
man-hours worked  
during the year

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.

### Lost Time Injury Frequency Rate (LTIFR)

Employees	0
Contractors	0.94

The rates have been calculated based on 10,00,000 man-hours worked

To bring down our LTIFR, we are perpetually working towards it by building a robust safety culture, investing in regular employee training, conducting risk assessments and audits by external experts.

Lost Day Rate (LDR) is another measure for evaluating safety performance and it does so by comparing the number of man-days lost for every 10,00,000 man-hours worked. During 2018-19, the LDR has been higher for contract employees due to 3 fatalities wherein a loss of 6000 man-days each is required to be accounted.

### Lost Day Rate

Employees	0
Contractors	1602.85

The rates have been calculated based on 10,00,000 man-hours worked

With a target of zero accidents, company-wide drive on awareness on prevention of incidents/ accidents is carried out regularly at all levels to engage employees through their active participation. To prevent occupational disease at the primary stage, employees' medical check up is ensured at regular interval. Specific hazard exposure based medical check-up is in place to identify the symptoms in the early stage and accordingly corrective/ preventive action implemented. We have an EHS policy, which is accessible on

[https://www.dcmshriram.com/sites/all/themes/shriram/images/Corporate\\_EHS\\_policy.pdf](https://www.dcmshriram.com/sites/all/themes/shriram/images/Corporate_EHS_policy.pdf)



Safety and skill up-gradation training is a continuous process at DCM Shriram. As a policy, all permanent employees are regularly provided basic safety training across the organisation. All employees of the company are encouraged to upgrade their knowledge and skills. The learning and training needs are shared between employees, their line managers and the HR function. All the company's permanent employees, including women and those with disabilities are covered in the training cycles at the time of induction and later on through periodic class room or web-based modules on need base for skill up-gradation. In addition, special courses are organised on a need basis for groups or selected employees, in diverse areas, depending upon requirement. The contractors are mandated to provide skill and safety training to all contractual employees before deputing them on company assignments and in addition, the company provides safety training to contractual employees, wherever required.

#### Employee EHS training

EHS Training (Permanent)	Man-Hrs. / Employee / Year	12
EHS Training (Contractual)	Man-Hrs. / Employee / Year	8

#### EHS training at DCM Shriram



0

8

12

- EHS Training - Permanent (Man-hrs per employee per year)
- EHS Training - Contractual (Man-hrs per employee per year)

#### Safety and skill up-gradation is a continuous process at DCM Shriram.

We understand the fact that to attain maximum productivity and efficiency, employees should be healthy and safe on and off the site. The health and safety of employees on the site is managed by a committee constituted at various manufacturing sites. Also, several awareness programs are conducted for them throughout the year.



### EHS Meet: EHSAS

Our forum for EHS team, focusing on the training, knowledge sharing sessions and understanding the best practices running throughout different industries is conducted every quarter. It covers discussions over the impacts and feasibility studies on how the best EHS practices can be assimilated in the organisation.

### Road Safety Week Celebration

A week's celebration is conducted at various unit locations for the employees to provide the awareness about road safety and safe practices where precautions such as avoiding talking while driving, driving within speed limits, wearing helmets, checking lights of the vehicles etc. The programs include Road Safety Quiz Competition, Defensive Driving Training Program and a Nukkad Natak on Road Safety for the employees.

### Safety Week Celebration

A week long celebration is conducted at various sites in the organisation through a number of programs

focusing on raising awareness on safety amongst employees, contractors, school children and all other stakeholders through quizzes, role plays, drawing competitions, exhibitions and demonstration etc.

### Postural Awareness Session

A session on Postural Awareness at workplace is conducted to educate our employees about the preventive measures regarding the bodily impacts of continuous sitting and wrong postures.

### 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.

We firmly believe the well-being of the employees is a huge factor in the well-being of the organisation. To achieve the best state of physical, mental and emotional health for our employees, we engage them in some camps and initiatives are taken at different units of the organisation regularly.



## “I EXCEL, I DRIVE”

**An Employee Wellness Initiative has been taken to promote mental wellness of the employees. The workshop is organized in collaboration with Sri Ravi Shankar's Art of Living, addressing the issues of taking ownership for achieving results, reducing stress and anxiety, building self-confidence and encouraging effective and motivated teams.**

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

### REACH Compliance

We have already registered Sodium Hydroxide (Synonymous with Caustic Soda or Caustic, Caustic Lye, Caustic Soda flakes, Sodium Hydroxide flakes) under REACH legislation and comply with the applicable

regulation. Safety data Sheet (e-SDS) has been developed and is provided to the relevant customers to understand the exposure scenario associated with their use.

## Connecting with Community

Imbibing the spirit of sustainability in local community, the CSR efforts of DCM Shriram are designed to leave a meaningful and long-lasting impact which comes straight from the heart. With a legacy of building communities, the company promotes participation and harmony. DCM Shriram's CSR Committee guides the activities and sectoral areas of intervention broadly focused at empowering communities while

**13.35 Crores**  
**CSR amount spent**  
**in 2018-19**





staying in line with the CSR policy of the company. The company is making positive contribution to the society in areas that are structured around healthcare and sanitation, education, sports, vocational skills, environment sustainability and rural development. All the CSR activities fall within the realm of Schedule VII of Section 135 of Companies Act, 2013. To create a visible and lasting impact, the company has focused on a few CSR programmes rather than spread resources thin over several projects. During the year 2018-19, the company spent ₹13.35 Crores towards various CSR programs. The company also published the details of all its CSR programs and spends in prescribed format of CSR annexure in the Annual Report 2018-19.

#### Focus Areas

Corporate Social Responsibility is an integral part of our company's activities. Our approach is to serve the society through our products, services and social initiatives. We believe that having prosperous and content communities around our manufacturing facilities is important for our own sustainability. Our initiatives in the social sector stem from this belief. We have created a robust organisation structure with the right mix of competencies and skill set to engage with communities CSR projects. In addition, we have forged partnerships with the government, our business partners, not for profit organisations to scale up and give a multiplier effect to our social initiatives.



**We believe that having prosperous and content communities around our manufacturing facilities is important for our own sustainability.**

Through our current projects, we actively assist communities in identifying, prioritizing and meeting their developmental aspirations.

The company's CSR area of interventions are spread across Hardoi and Lakhimpur districts of UP, Kota and Jhalawar districts in Rajasthan, Bharuch district in Gujarat and Hyderabad in Andhra Pradesh. Our strategic business units nurture the rural communities through their CSR projects in project villages across Kota and Jhalawar in Rajasthan, Bharuch in Gujarat and Hardoi and Lakhimpur in UP. The company's manufacturing facilities are also located in these areas and the proximity helps us to regularly monitor these programmes and interact with the beneficiaries, thus maximizing impact.





# Voice of Change





## Voice of Change

### Sanitation

**Open Defecation Free Village:** In rural areas, open defecation has been a longstanding hazard, but the unit in Bharuch went all the way to turn the village of Fulwadi into a cleaner place and the women are all in praises for the company. With a population of close to 2,000, barely a handful of homes had toilets. But now with 267 toilets constructed by DCM Shriram, the village is certified 'Open Defecation Free' by the local municipal authorities. The toilets are a full unit with storage tanks and hand wash facility.

"We are saved the tough task of going out at odd hours. During the monsoon, there would be many insects and creepy crawlies. Mosquitoes and flies buzzed over the dirty areas. For menstruating girls, pregnant women and mothers with small children, this has been a welcome move. The sick and the elderly have benefitted immensely," says a group of ladies

We are grateful that DCM Shriram has constructed a toilet in our house. It is not just important but a symbol of dignity for the womenfolk of the house, especially for my daughters, who no longer have to go out into the fields at all odd hours. I am also proud of the fact that when my sons get married, their wives will not have to go through the trouble which I faced for so many decades,"

-Sushilaben Kantibhai Vasava village, Fulwadi

with Sarpanch Savitaben. ASHA workers were also roped in to bring about behaviour change among the community to increase the usage of these toilet blocks. The sarpanch has also put a fine on people seen going out and defecating in open.



**‘Shriram Swachhagraha’ (Swachha Vidhyalay Yojana)**

is the School-Led Total Sanitation Programme. The programme involves the children, volunteering employees, teachers and the community. Under Shriram Swachhagraha, the company took approval from the State Project Director, Rashtriya Madhyamik Shiksha Abhiyan, in Kota for implementation of the Project. The MoU has been signed with the District Administration laying down roadmap for project implementation and construct 1072 Toilet blocks across the Kota district.

The unique aspect of our program is that we do not just create sanitation infrastructure but ensure that we bring about a mindset change in the rural communities through activities that focus on behavioural transformation. This is key to making our project successful and sustainable! We partner with specialised NGOs that implement our behaviour change activities across project areas. In Kota and UP, our program concentrates on promoting sanitation-linked infrastructure and habits in government schools. Results of our Need Assessments indicated presence

“ We no longer feel shy in talking about our menstruation cycles and hygiene. My mother has also started encouraging me to spread this awareness outside the school and among our village women. She feels proud that I have helped many girls in my school by setting up a room for them. I want this kind of awareness to reach every village school.”

-Payal , Student, Govt. Sr. Sec. School, Arandkheda

of poor sanitation infrastructure in identified Govt. Schools. Higher drop-out rate among girls was noticed due to poor/ inadequate sanitation infrastructure in Govt. Schools. The intention behind the project was not just improving the sanitation infrastructure but bringing behaviour change among the community at large.







## We have initiated “Swachhata Saathi” (employee volunteering program) to promote hygiene messages i.e. on safe drinking water, usage



For the sustenance of project we have linked employee volunteering with the overall program. We have initiated “Swachhata Saathi” (employee volunteering program) to promote hygiene messages i.e. on safe drinking water, usage and maintenance of toilets, hand washing with soap before meals and after use of toilet etc. in schools, anganwadi centres and mohalla/ public places. For long-term sustenance of toilets, Swachhata

Kosh (Sanitation fund) is being raised by concerned schools, school management/ development committee and community. A Swachhata Monitoring board is updated after all the regular maintenance check-ups. The same programme is being replicated in the government schools of Hardoi and Lakhimpur districts. In the Government Senior Secondary School, Arandkheda, Ladpura block, Kota District, it has constructed a pink room with a bed, wall paintings and pads.

A survey had revealed that sanitary pads were littered and attendance would go down due to menstruation. The girls never discussed it until an awareness session was held in the school with the principal Ms. Indu Hada supporting this move. Three young girls, Kritika Gautam, Payal and Kanishka approached their physical education teacher, requesting for a place to rest during menstruation. The company has tied up with FINISH Society to bring about behaviour change among students and to also give sessions on adolescence to young girls.







### Preventive Healthcare

**Khushali Sehat:** Running since 2006, Khushali Sehat supports the government's programmes on vaccination, hospital delivery and nutrition in 40 villages around the sugar units. In 2018-19, Khushali Sehat benefitted 35,000 families of 40 villages including 600 pregnant women, nearly 1,000 infants and 3,000 adolescent girls. It is our flagship intervention aimed at supporting Govt. programs on vaccination, institutional delivery and nutrition around Sugar Units. The project is benefiting pregnant women, infants, adolescent girls and general community at large. Thousands of health and awareness camps are held every year in our project areas for rural communities. IMR in our implementation areas has dropped to a great extent compared to the district data.

The Company also uses technology to promote door step delivery of health services. A special Chikitsak kit is provided in the communities which helps in checking and generating on-the-spot reports for ECG, pulse recording, digital monitor for recording blood pressure

"When my first delivery was done at home, without any precautions, it turned into a serious issue of low hemoglobin content. After the delivery, my health deteriorated and even my baby was not healthy. This time, I am fully immunized and all my health parameters are okay. Now I also tell other women in the village to go for institutional deliveries."

Rinki Devi, Age-28 yrs, Village Nagla Ganesh

and undertaking hemoglobin test. The purpose of this kit is to perform crucial health tests at the village-level and provide an early solution. Pregnant mothers are checked on a weekly basis and explained the benefits of institutional delivery.

Annual 'eye camps' for cataract surgery have also been organised and have benefited more than 1,400 villagers every year. Awareness sessions on AIDS have been held, primarily for transporters and truckers.



## Environment Conservation



### Water Conservation

Water Conservation continues to be a focus area for our CSR programs. The company has supported Government of Rajasthan's MJSY program by constructing water conservation structures in the districts of Jhalawar and Kota and continues to work towards enhancement of agri productivity in that area. It has also converted disused dugwells on farms into ground water recharge structures. Rejuvenation of ponds and construction of check dams in Hardoi district has provided rural stakeholders with surplus water for use in agriculture and for their daily sustenance. The company is conscious of the need to maintain right ecological balance and has created green belts in and around all its facilities. Massive tree plantation drives are carried out at all business locations.

**Project Meetha Sona** is DCM Shriram Sugar's unique initiative for sugarcane farmers based on the key principles of Suitability, Scalability and Sustainability. It works by catalyzing behavior change among 2 lakh farmers working across 1.65 lakh hectare of farmland in the catchment area of DCM Shriram's four sugar mills in Uttar Pradesh. The project is a multi-stakeholder

### A sugarcane farmer in Hardoi, Satinder Pal trained with DCM Shriram four years back says,

"I practice drip irrigation, do crop rotation and use less pesticide. My yield has increased. I am able to grow mustard, masoor dal and potatoes as intercrop for our own consumption, besides sugarcane and corn."

engagement running successfully in collaboration with IFC and Solidaridad and also includes multilateral agencies, developmental institutions and service providers, to address specific issues in the entire value chain.

This significant community outreach programme directly benefits the livelihood of sugarcane farmers who are trained on productivity enhancement and large-scale conservation of water resources. Farmers are provided free press mud for soil health improvement. Good agricultural techniques such as trash mulching, laser leveling, furrow and drip irrigation have not only increased yields but led to a saving of 275 MCM of water in the past three years.





## Education

**Khushali Shiksha:** The company has always been the forerunner in promoting literacy. The focus is on young learners (classes 2nd to 5th) to give them a strong foundation. In 2018-19, the programme impacted 5,800 children across 32 government primary schools in Hardoi district. Computer classes for children in villages of Hardoi and Lakhimpur districts have also been held.

The need for this intervention arose when a survey revealed that most children in grade 5 are unable to comprehend course material that is syllabus for grade 2. Hence, activity-based learning for basic arithmetic and reading was introduced with the help of an Pratham, NGO partner. The programme is succeeding in closing the gap between recommended learning that is the syllabus and actual learning by making the

“DCM Shriram in partnership with Pratham has done remarkable work by teaching students according to their learning levels. The practical techniques like Tablets and Globe, used by the team have enhanced students’ interest plus gives them exposure to various new facets of education. ‘Learning while playing’ has improved the abilities of the students and made them more confident.”

- Mr. Ashish Shukla, Teacher at primary school, Village Pura Bahadur

learning process enjoyable and participatory. The model involves parents, community, teachers and volunteers. Evening group classes are being promoted in the village under close supervision of a village elder.





The camp measures the child's level on the basis of beginner, letter, word, para and story. And then groups are formed, comprising four to six students, and given an activity. Not just work sheets, they also have access to a globe and tablet. So, they play video games on the tablet which is based on cricket, but it's the sixes and fours that get them acclimatized to mathematics. Filling colours introduces them to the different colours on Earth. The progress of each child is mapped regularly.

The government school teachers are also supportive of the model and have found a change in the children after these activities. Evening time is when the Bal Library intervention comes alive. As mothers are the first teachers, help is taken to make one home a centre of peer learning. The children spend an hour every evening here to do more activities which are given by the executing partners. This model is replicated every few metres in the village, which makes every evening buzz with knowledge-based activities. Besides this, the company has instituted scholarship programmes, built infrastructure, and built a school for students up to class 12th at Nimoda Hariji in Kota. In Bharuch, the company funded a degree college and has instituted a scholarship programme for primary school students in the villages around its facility.

### Livelihood

**Khushali Rozgar:** Sustainable income sources for women are created through this scheme. 'Silai Kendra' or School of Stitching and Tailoring promoted by the sugar factory at Loni and Ajbapur units have helped 243 women till now. This six-month tailoring course imparts skills in women's clothing and home linen. The programme gives financial and managerial assistance to self-help groups and individuals. Two batches, comprising 30 students each, run five days a week.

After completing the course, I have started doing stitching work in my own house for the village people. This helps me earn an income of Rs. 3000/ month. Prior to this course I was dependent on my husband for every small expense. But now that I have my own money, I feel confident and independent. I also support the family with the extra income."

Madhu Verma, 28 years, Antora Village





### Agri Skills

The Company has a unique agriculture skilling project called 'Jeetega Kisan' being implemented in Kota and Jhalawar. The programme aims to train farmers to adopt modern agricultural techniques, enhance productivity, reduce cost of cultivation and cultivate cash crops relevant to nearby markets. Demo fields are used for creating better understanding among farmers. Encouraged by the results of improved agricultural practices in demo fields, Farmer Interest Groups (FIGs) are motivated to follow them. In three clusters of Kota district, 46 groups have been formed with almost 900 farmers participating in the programme. Farmers are encouraged to grow fruits which lead to higher income and vegetables which offer daily income. They are taught to use fewer chemicals and turn organic. Some farmers have gone into dairy farming. The journey of an enthusiastic 50-year-old Kamla Bai from village Kotdi in Jhalawar, is a classic case of women empowerment in the male dominated farming world.

"I come from a traditional farming family. My husband passed away when I was 30. At that time, I had eight bighas of land and earned Rs 1 lakh per annum. I joined the project in 2017 and saw an increase in yield of soyabean. My son had to discontinue his studies after standard 8, but my daughter studied till graduation. Now, I grow corn, vegetables and fruits. My income is Rs 5 lakh per annum. I have taken eight bighas more on lease. "

Kamlabai, 50 year old farmer in Kotdi



**Thousands of health and awareness camps are held every year in our project areas for rural communities** //





### Rural Development

The Company is implementing a unique Model Village program that marries sectoral development programs with focused infrastructure development activities in select villages. This includes Safe drinking water facilities, upgradation of Anganwadis, Schools, Primary Health Centers, Panchayat Bhawans, etc. These activities are undertaken in close association and participation of the local community and Gram

Panchayats. In village Hariawan, Uttar Pradesh, the company has installed a water ATM which has reduced the water borne diseases.

CSR projects of our company are rigorously monitored and evaluated through Impact Assessment. The results of such evaluations have revealed a high degree of impact of our programs, especially those pertaining to sanitation, preventive health and water conservation.





## Workforce Development

There were 5382 permanent employees on the rolls of the company as on 31 March 2019. The development of our workforce through internal and external training is one of the core values we hold. We perpetually encourage all our employees to upgrade their knowledge and skills and put forth their best. The learning and training needs are shared between employees, their line managers and the HR function and a yearly training calendar is maintained. All our permanent employees are covered in the training cycles at the time of induction and through periodic scheduled classroom trainings or web-based modules afterwards. Our contractors are mandated to provide

EHS training to all the contractual employees and after deputing them, we provide them safety trainings as and when required.

The exposure of employees to training on different aspects of operations has been a focus area reflecting our commitment towards development of our workforce. Regular in-house training is imparted by internal experts and where required, faculty is outsourced for in-house training or employees are deployed for external training. Employee Performance and career development review is an annual exercise across the organization.





## Human Capital

DCM Shriram Group strives to build a decent, diverse and dignified workplace for its employees by simply having a genuine, authentic and personalised relationship with them. The effort is to touch the professional as well as personal lives of the individual employees, along with an environment which allows them to deliver their best.

Through our employment process we try to bring together passionate individuals to work towards realizing the vision and mission of the organisation. Our objective is to empower and inspire our employees by providing them with continued development opportunities, incentives and benefits and constant knowledge creation. We believe, an effective workforce management leads to high performance and innovation.

Our organisation has a well-structured human resource department with effective HR policies to uphold the core values, beliefs, philosophy, corporate governance principles and good reputation of the company.

## Equal and Fair Treatment

We are committed towards providing a work environment which is safe and healthy for all the employees. We do not support discrimination on the account of caste, creed, colour, gender or religion. We always try to provide a work environment, free from all kind of harassment including physical, psychological, verbal and sexual. We recognise and respect the right of our employees to exercise or refrain to uphold their freedom of association and collective bargaining. DCM Shriram is an equal opportunity employer and does not endorse discrimination on any grounds. The remuneration, we provide to our employees is not

discriminated on the basis of gender. 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 are at risk.

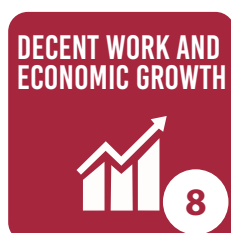
## Employee well-being

We believe in providing the best care to our employees in terms of physical, mental and emotional well-being. They are offered with the campaigns on – “Postural Awareness at Workplace” and “I Excel I Drive”



## Employee Voice and Engagement

We strive to achieve continuous improvement at all the levels of our organisation. We conducted Feedback and Mentoring Workshop and Two-Way Communication Meet at our business units.



## Workforce Snapshot

Employee Turnover by Age			
	<30	30-50	>50
2018-19	193	68	10

Employee Turnover by Gender			
	Total no. of Employees	Total no. of Females	Total no. of Males
2018-19	271	9	262

Total number of new hires by Gender			
	Total no. of Employees	Total no. of Females	Total no. of Males
2018-19	1044	30	1014

Total number of new hires by Age			
	<30	30-50	>50
2018-19	573	439	32

We offer our full-time employees a range of benefits that include accidental, life insurance (for certain level of employees), block accidental, healthcare, provident fund, gratuity, superannuation, insurance, maternity leave as per law and stock ownership (to senior level employees).

Also, healthcare and post-retirement medical benefits (for only selected employees). DCM Shriram also extends parental leaves to its women employees. Below are the details of employees who took parental leaves during the reporting year.

Parental Leaves (2018-19)		
2018-19	Total no. of Female Employees	6
	Number of employees who returned to work after parental leave ended	4
	Employee returned to work after parental leave ended who were still employed 12 months after their return	4



## Training and Development

The organisation focuses on the upgradation of skills and competencies of its employees to improve their effectiveness and prepare them to deal with the complexities of the business challenges and growth.

After doing a thorough analysis for training needs for all the roles in the organisation, an annual training calendar is drawn out. Trainings on technical, functional and behavioural skills are conducted in-house and by external agencies and professional training consultants of repute. Also, as a part of an individual's self-development initiative, self-nomination for trainings are encouraged.

Various interactive and engagement sessions are provided to the employees of different sections of our company at different unit locations. We provide them a platform to share their views, provide feedback and communicate with the officials related to the areas.

**Performance Feedback Session** for the HODs and Area In-charges regarding positive and constructive feedback to their teams to gain better results.

**Accelerating Leadership Development Workshop** to enhance the skills and competencies of the current and upcoming leaders. The focus is on building their confidence and accountability, to help in future business growth.

**Manager Conversations Feedback & Mentoring Workshop** for the department and section heads, emphasizing on the importance of providing simultaneous and productive feedback in order to attain the managerial effectiveness.

**SAMPARK: A two-way communication meet** to implement employee engagement initiative regarding the departmental progress, achievements and opportunities and employee efforts cognizance under Rewards & Recognition programme.

**Sanjha Manch** providing a communication platform to the employees, HODs describing the business achievements on a quarterly basis and way forward plans for next quarter.

## Overall Trainings

Total training hours	1,31,110
Average training hour per male employee	23
Average training hour per female employee	25
Average training hour per employee	23

## Talent Management

### Strategy Development

A Talent Development Strategy in form of a framework and process is created to identify, develop and retain people who have showcased the potential, capability and attitude to make a significant difference to the current and future performance of the company.

### Structured Development Program

Individuals are identified through a robust performance, potential assessment process and Individual Development Program/ Centre which is run by an external consultant. An Individual Development Program (IDP) helps to put the identified individuals on various career and succession tracks. The key features of the development program are coaching, mentoring, counselling, training and development. They get action learning projects, cross functional teams, job rotations, role change and online self-learning modules.

### Workshops for Senior Level

A structured senior management development process is adopted. This has a Leader as Coach and workshops are conducted to build in-house coaching capability, application of multi-rater feedback, followed by one-to-one feedback by external consultant and creation of a Senior Management Development Plan for each member of leadership team. This involves surveys, studies, benchmarking activities, off-site meetings, brainstorming and various interactive sessions.

### Life at DCM Shriram

We, at DCM Shriram are committed towards upholding our core values, beliefs, philosophy, corporate governance principles and positive reputation of the company.



## Leadership Development Initiatives

DCM Shriram Ltd. strongly believes in grooming and nurturing internal talent. Talent management strategy is channelized to create relevant business capabilities that are required today as well as what will be required in future. We invest time, effort and thought in developing training interventions to ensure our people can perform to their true potential and achieve desired business results. Organization's skill building programs focuses on development of employees across managerial hierarchies.

## Talent Management Initiatives

### Individual Development Programs

At DCM Shriram, we follow a robust Talent and Leadership Development process at the Corporate and Business level with a view to building a talent pipeline / leadership bench strength for the critical roles identified at Corporate and Business.

As part of the focus and commitment of the Organization on building people and organizational capability, select employees undergo a structured Individual Development Program. Employees are

selected basis their performance and potential in 2 categories of young Hi-potentials and Emerging leaders. These select employees undergo a development centre conducted by an independent consulting organization and thereafter pursue their journey of individual growth and development with the help of business leaders, manager and HR team. Talent council comprising of leadership team at organization level reviews the progress of each individual's growth journey.

### Succession Planning

Succession planning is done for all critical positions at Corporate & Business. 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 (like job rotation, exposure to a function, coaching, mentoring etc.) are dovetailed in individual development plan. For organization level critical positions, this plan is finalized and reviewed by Group Talent council. Similarly, for business level critical positions, same is done by Business Talent council who meet once in a quarter to monitor and track process effectiveness.



### Executive Coaching

As part of the leadership development, key focus has been on Transition Coaching for senior employees stepping into complex leadership roles. Basis the 360 feedback from the stakeholders, the behavior change agenda is identified and an external coach from the industry works with the senior leader to overcome the obstacles while transitioning into the new role as well as his/her leadership style.

### Product Responsibility

DCM Shriram provides a wide range of product facilities to the customers in the areas of Agri-Rural, Chlor-Vinyl and Value-Added Businesses. Our customer-centric approach is to deliver the best quality product services and have a sense of understanding for the need of the people. We endeavour to inculcate the ethics, integrity, human rights, health and safety, environmental aspects and quality of product for our customers. The aim is to provide the best quality products at efficient use of resources, keeping the health and safety of our customers in mind.

#### Agri-Rural

At DCM Shriram, a strong relationship with the farmers has been established over the decades and with emerging opportunities towards growth in the agricultural business, we manufacture quality products for our precious customers.

With 4 manufacturing units in the parts of Uttar Pradesh, we contribute in the provision of best quality sugar and allied products in the market. The sugar manufacturing units at Ajbapur, Lakhimpur Kheri district; Rupapur, Hariawan and Loni in Hardoi district of Uttar Pradesh have invested in the state-of-the-art technology which provides one of the best manufacturing efficiencies in

We have an Integrated Management System (IMS) comprising of ISO 9001, ISO 14001 and OHSAS 18001 compliance at majority of our manufacturing units.



the country. Bagasse generated during manufacturing of sugar in all four units is used for steam and power generation for captive consumption as well as for export to the state grid in UP.

We also lay emphasis on interacting with the farmers regarding the development of cane quality at our premises. We have an installed capacity of 38,000 TCD and crushing over 4 million tons of cane at our manufacturing units.

We, at the Ammonia Urea complex with Urea plant based on the Stamicarbon technology and Ammonia plant based on the Haldor Topsoe technology, based in Kota, with an installed capacity of 379,500 TPA, intend to adopt the better manufacturing practices and feedstock options.

DCM Shriram provides a range of Agri-input services like hybrid seeds, pesticides, bulk fertilizers, micro-nutrients and other value-added products. We aim to provide best services to our farmers in terms of increasing their productivity.



**There have been no substantiated complaints concerning breaches of customer privacy.** //

Our continuous interest towards betterment of the employees and the organisation has come up with various activities and events listed as:

- Participation in 20th China International Agrochemical and Crop Protection Exhibition (CAC-2019) along with the 10th China International Fertilizer Show (FSHOW2019).
- Participation in New Agri International Conference 2019, Dublin.
- Participation of Shriram Farm Solutions in CII Agrotech, Chandigarh.



### Chlor Vinyl Business

Our company provides a wide variety of the basic chemicals and raw materials like Caustic Soda, PVC Compounds, PV resin, Chlorine, Calcium Carbide to the industries. We believe the competency and effectiveness of an industry is dependent on the quality of the raw material consumed by the unit. We are committed towards creating the most valuable supply to our customers and help in development of the country's economy.

There has been no incidence of non-compliance with regulations concerning marketing communications, including advertising, promotion, and sponsorship.

We have received ZERO complaints this year regarding the product quality defect and non-compliance of regulations.



**Our product  
CAUSTIC SODA  
and CAUSTIC LYE  
are registered  
under REACH  
compliance**

We, at DCM Shriram have a combined installed capacity of 4.5 TPA of Chlor-Alkali products including Caustic Soda, Chlorine and Hydrogen. The Caustic Soda creates a huge contribution in the production of paper and pulp, newsprint, aluminium, cotton, textiles, soaps and detergents, drugs and pharmaceuticals and vanaspati and petroleum refining. We tend to adopt better and environment-friendly membrane technology for the production in chlor-vinyl business. We have also upgraded technology to make power usage more efficient. Our average power consumption in the alkali plant has come down from 2,650 units per tonne to nearly 2,000 units per tonne in a span of five years.

The making of PVC generated a sludge, so we process it to make cement. The PVC itself is used to manufacture windows under the Fenesta brand.

DCM Shriram has established itself in the cement industry with market-leading products like, Shriram Nirman (PPC), Shriram 53 and Shriram Silver (PPC). We produce cement products at the state-of-the-





art Shriram Cement works Plant in Kota, with an installed capacity of 4 lakh tons cement per annum. We conduct meetings for masons and contractors and educate them about the best practices for usage of Shriram Cement and its applications. We also use proper tags and labels and printing instructions are earmarked on our cement bag. The cement bags after use are recycled for multipurpose usage at the user's end. In FY-19, we received few complaints from external parties pertaining to educating our customers about usage and application of cement. We are taking necessary steps to address this issue.

#### Value Added Business

All our Fenesta locations and products have ISO 9001 & 14001 (Quality and Environment Systems) and OHSAS 18001 (Occupational Health and Safety Standards certifications) in their facilities. Our windows and doors have very low thermal conductivity leading to product performance and superior energy efficiency. As per "Energy Star (USA)" 25% to 50% of energy loss is through fenestration by air leakage, conduction and radiation. Our UPVC doors and windows are energy efficient minimizing energy loss due to fenestration, and helps reduce energy bills by almost 7%-15%. In addition to this, at extrusion stage, waste generated is approximately 5 to 6% which is crushed, grounded and recycled into raw material for extruding profiles to utilize the waste gainfully thereby, reducing environmental impact.

With the manufacturing of Calcium Carbide, we provide MSDS and TREM Card with all the vehicles carrying Calcium Carbide and being dispatched from our units. We also provide safety gloves and goggles to the users of our product. We regularly tend to take customer feedbacks regarding the products and services and ensure to meet their expectations in all the possible ways. Their feedback is an important support system in our process to evolve and make it better.

Our company believes in providing the best possible products and services for the customers and maintaining

There has been no incidence of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services within the reporting period.

a balanced relationship with them. We subject to customer privacy as our top most priority and in FY 2018-19, no such incident related to non-compliance of customer privacy has been reported.

We are always committed towards customer health and safety through our products and services. A strict check on the environmental and health related impacts from our products, which could possibly risk our customers is done on a regular basis. We ensure to follow the best practices and implement the high standards in manufacturing of our products. There is an implementation of all the legal mandates regarding the customer health and safety which is regularly monitored at our company.

Our organisation implements a strict process for providing the product and services information and labelling. The products indicate the source of the components, substances with their environmental or social impacts. It mentions the safe use of the product, disposal criteria of the product with its environmental or social impacts. The Carbide drums and PVC bags which are provided to the users can be recycled and reused by the users for other purposes as well. In FY 2018-19, no incidents on the non-compliance with regulations regarding product and services information and labelling has been reported. No incidents on non-compliance with regulations regarding marketing communications was reported in the same term.

## Supply Chain Management

**Supply Chain Sustainability is an essential aspect for the business at DCM Shriram. The Supply Chain at DCM Shriram connects the four major categories, focusing on the environment, society, quality and ethics for building the most effective business. The idea is to maintain them and achieve the sustainable goals in accordance to providing benefit to all the stakeholders of our organisation.**

The strategic goal and vision of the company is to achieve the most sustainable and eco-friendly outputs through our manufacturing units, implementing best practices and maintaining a healthy and safe environment for our vendors. Our commitment towards ethics follows the policy of Anti-Corruption and Anti-Bribery, extending it to our suppliers and vendors, consultants and third parties in relation to their engagements with the company.

DCM Shriram maintains a healthy relationship with its suppliers and vendors by complying with the labour practice regulations covering human rights imparting child labour, forced labour, operational safety, minimum wages etc. Forced or compulsory labour is strictly prohibited in all DCM Shriram units and so is the association with vendors and suppliers who employ child and/or forced labour.

Based on the social and environmental factors, 100% of the work contract vendors are evaluated and guidance is provided to them in the company. They are expected to engage in the operations ethically and responsibly follow the code of conduct of our company .

We are the supporters of a huge number of local vendors for maintenance and operations in the plants. Also, most of the procurement services are from the MSME vendors for the manufacturing of our products. Our organisation has promoted the local vendors for our regular supply items like Carbide Packing Drums. About 15% of supplies for manufacturing of Calcium Carbide are taken from local suppliers for our

manufacturing units. Our another unit, Fenesta also takes upto 70% of the supplies from the local vendors.

The safety measures for the workers on contract, the drivers for transportation of materials are taken in our organisation. We follow a strict guideline on the Insurance Policy for Third Party Protection-Public Liability Insurance. At DCM Shriram, with the objective to expose the vendors and suppliers on the sustainability issues in supply chain, a vendor evaluation system, collecting their feedbacks related to environment, health and safety has been initiated. All our units, clients, supply chain partners are committed to ensuring that no instances of child labour or any form of forced or compulsory labour takes place at any of our vendors' site locations. Code of conduct provisions are built into our agreements covering our suppliers and contractors. We also ensure that no human rights of indigenous local communities are violated throughout our supply chain.

### Meetha Sona Project- Sugarcane Sustainability

DCM Shriram partnered with organisations like International Finance Corporation and Solidarid and took a lead in implementing a programme that caters to sustainable sugarcane farming. The project covers catchment areas of four sugar mills owned by DCM Shriram in Uttar Pradesh under the brand name DSCL Sugar. The programme aims at enhancing agricultural productivity through smart agri-water practices at farm level and adopting best global practices in capacity building of farmers enabling behaviour change and long-term sustainability. The farmers across 20500 hectares have discarded flood irrigation and adopted furrow irrigation. The company is also assisting farmers in controlling insect pests through use of parasitoids, thus reducing the dependence on chemical pesticides. The parasitoids are being reared in a Bio Control Facility set up by the company.

The project is based on the principle of 3 'S'- Suitability, Sustainability & Scalability.

Suitability	Sustainability	Scalability
The agri-water management practices were tailored as per the local agro-climatic and farmer socio-economic conditions	The idea is to push the training and capacity building beyond the life of the programme	About 500 lead farmers in addition to extension workers were identified and trained across four sugar mills
When farmers in UP showed resistance to its cost, other cheaper alternatives were proposed	Numerous extension workers were trained as part of the project who can continue to impart knowledge to farmers even after the project ends	Together these trainees have the capacity to reach out to further 80,000 sugarcane farmers

### Achievements:



Covered more than **2 lakh cane farmers**



**15-20 %** productivity increase



**275 MCM** water savings over past three years

Validated by





# DCM SHRIRAM INTERVENTIONS MAPPED TO UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGs)

Sustainable Development Goals	Initiatives / Programs 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>Rain water 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>Cataract eye care program for senior citizens from rural areas</p> <p>Vision testing and spectacles for Logistics Service Providers</p> <p>Regular health checks of employees and organising health awareness campaigns and camps for communities</p>
	<p>Supporting schools in improving quality of education, addressing inequalities through merit scholarship program to students from poor socio-economic background</p> <p>Scholarship programs in Polytechnics, Engineering Colleges</p> <p>Supporting infrastructure in schools to improve education</p>
	<p>Training on livelihood opportunities to women groups like Silai Schools</p> <p>Equal opportunity wages at all our sites and offices</p> <p>Education and infrastructure support in schools to promote girl child 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 &amp; ETP installation at all manufacturing sites for treating waste water 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>

Sustainable Development Goals	Initiatives / Programs undertaken
	Supporting creation of better rural Infrastructure by developing model villages
	Infrastructure support in schools to promote education for all Equal opportunity through job creation at various sites and offices
	Code of conduct for our suppliers, contractors and vendors with highest degree of ethics and trust Information relating to safe handling and directions of use of products is provided to customers through product information on the product label Initiatives to conserve natural resources such as water and energy across the value chain of product
	Water conservation initiatives inside and outside the fence Waste recycling/reduction initiatives Use of biomass and solar energy as non-conventional energy sources Fly ash utilization in cement and brick manufacturing
	Tree plantation inside and outside plant premises
	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
	Partnership with implementing organisations for various CSR programs Collaboration and participation as active members in various government and non-government organisations and associations

# ANNEXURES

## Annexure I

### GRI Standards

The table below provides the linkage between the material aspects identified through the stakeholder materiality assessment exercise and the GRI Standards aspects, followed by the GRI Content Index.

Material issues	GRI Standards Aspects
Resource Efficiency	Energy, Water, Material
Energy Efficiency	Energy
Water recycle and reuse	Water
Waste Water and Effluents	Waste and Effluents
Product Sustainability	Environmental Compliance, socio-economic Compliance, Customer Privacy, Customer Health & Safety, Marketing & Labelling
Solid Waste Management	Waste and Effluents
Organizational ethic, values and governance	Market Presence, Economic Performance, Anti-Corruption, Anti-Competitive Behaviour
Sustainable Supply Chain	Supplier Environmental Assessment, Supplier Social Assessment, Customer Health and Safety, Marketing and Labelling, Forced or Compulsory Labour
Health and safety	Occupational Health and Safety
Training and Development	Employment, Training & Education, Diversity & Equal Opportunity
Community Development	Local Communities

### GRI Content Indexing

GRI Standard Title	Disclosure Number	Disclosure Title	Chapter/ Relevant Sections	Page No.
General Disclosure- Organisational Profile	GRI 102-1	Name of the Organization	Cover Page	-
General Disclosure- Organisational Profile	GRI 102-2	Activities, brands, products and services	Organisational Profile	11
General Disclosure- Organisational Profile	GRI 102-3	Location of headquarters	Organisational Profile	11
General Disclosure- Organisational Profile	GRI 102-4	Location of operations	Organisational Profile	11
General Disclosure- Organisational Profile	GRI 102-5	Ownership and legal form	Organisational Profile	11
General Disclosure- Organisational Profile	GRI 102-6	Markets served	Organisational Profile	11-14
General Disclosure- Organisational Profile	GRI 102-7	Scale of the organization	Organisational Profile, Economic Performance, Workforce Development	11-14, 30, 61
General Disclosure- Organisational Profile	GRI 102-8	Information on employees and other workers	Workforce Development	61
General Disclosure- Organisational Profile	GRI 102-9	Supply chain	Supply Chain Management	69-70
General Disclosure- Organisational Profile	GRI 102-10	Significant changes to the organization and its supply chain	Supply Chain Management	69-70



GRI Standard Title	Disclosure Number	Disclosure Title	Chapter/ Relevant Sections	Page No.
General Disclosure- Organisational Profile	GRI 102-11	Precautionary Principle or approach	Ethics & Corporate Governance	22-24
General Disclosure- Organisational Profile	GRI 102-12	External initiatives	Our Contribution towards SDGs	71-72
General Disclosure- Organisational Profile	GRI 102-13	Membership of Associations	Ethics & Corporate Governance	27
General Disclosure- Strategy	GRI 102-14	Statement from senior decision-maker	Message from the Chairman, and Vice Chairman	3-4
General Disclosure- Strategy	GRI 102-15	Key impacts, risks and opportunities	Risk management	28-29
General Disclosure- Ethics & Integrity	GRI 102-16	Values, principles, standards, and norms of behavior	Ethics & Corporate Governance	22-26
General Disclosure- Ethics & Integrity	GRI 102-17	Mechanisms for advice and concerns about ethics	Ethics & Corporate Governance	22-26
General Disclosure- Governance	GRI 102-18	Governance structure	Ethics & Corporate Governance	23-25
General Disclosure- Governance	GRI 102-19	Delegating authority	Ethics & Corporate Governance	22-27
General Disclosure- Governance	GRI 102-20	Executive-level responsibility for economic, environmental and social topics	Ethics & Corporate Governance	22-27
General Disclosure- Governance	GRI 102-21	Consulting stakeholders on economic, environmental, and social topics	Industry Associations	27
General Disclosure- Governance	GRI 102-22	Composition of the highest governance body and its committees	Ethics & Corporate Governance	22-27
General Disclosure- Governance	GRI 102-23	Chair of the highest governance body	Ethics & Corporate Governance	22-27
General Disclosure- Governance	GRI 102-24	Nominating and selecting the highest governance body	Ethics & Corporate Governance	22-27
General Disclosure- Governance	GRI 102-25	Conflicts of interest	Ethics & Corporate Governance	22-27
General Disclosure- Governance	GRI 102-26	Role of highest governance body in setting purpose, values, and strategy	Ethics & Corporate Governance	22-27
General Disclosure- Governance	GRI 102-27	Collective knowledge of highest governance body	Workforce Development	61
General Disclosure- Governance	GRI 102-29	Identifying and managing economic, environmental, and social impacts	Ethics & Corporate Governance	25-27
General Disclosure- Governance	GRI 102-30	Effectiveness of risk management processes	Ethics & Corporate Governance	25-27

GRI Standard Title	Disclosure Number	Disclosure Title	Chapter/ Relevant Sections	Page No.
General Disclosure-Governance	GRI 102-31	Review of economic, environmental, and social topics	Ethics & Corporate Governance	22-27
General Disclosure-Governance	GRI 102-33	Communicating critical concerns	Ethics & Corporate Governance	22-27
General Disclosure-Governance	GRI 102-34	Nature and total number of critical concerns	Ethics & Corporate Governance	22-27
General Disclosure-Governance	GRI 102-35	Remuneration policies	Ethics & Corporate Governance	26
General Disclosure-Governance	GRI 102-36	Process for determining remuneration	Ethics & Corporate Governance	26
General Disclosure-Governance	GRI 102-38	Annual total compensation ratio	Economic Performance	26
General Disclosure-Governance	GRI 102-39	Percentage increase in annual total compensation ratio	Economic Performance	26
General Disclosure-Stakeholder Engagement	GRI 102-40	List of stakeholder groups	Stakeholder Engagement & Materiality	19-21
General Disclosure-Stakeholder Engagement	GRI 102-41	Collective bargaining agreements	Workforce Development	61
General Disclosure-Stakeholder Engagement	GRI 102-42	Identifying and selecting stakeholders	Stakeholder Engagement & Materiality	19-21
General Disclosure-Stakeholder Engagement	GRI 102-43	Approach to stakeholder engagement	Stakeholder Engagement & Materiality	19-21
General Disclosure-Stakeholder Engagement	GRI 102-44	Key topics and concerns raised	Stakeholder Engagement & Materiality	21
General Disclosure-Reporting Practice	GRI 102-45	Entities included in the consolidated financial statements	Economic Performance	30-31
General Disclosure-Reporting Practice	GRI 102-46	Defining Report Content & Topic Boundary	About the report	5
General Disclosure-Reporting Practice	GRI 102-47	List of material topics	Stakeholder Engagement & Materiality	21
General Disclosure-Reporting Practice	GRI 102-48	Restatements of information	No Restatements	-
General Disclosure-Reporting Practice	GRI 102-49	Changes in Reporting	About the report	5
General Disclosure-Reporting Practice	GRI 102-50	Reporting period	Data Management	5
General Disclosure-Reporting Practice	GRI 102-51	Date of most recent report	Last Annual Report 2018-19	-
General Disclosure-Reporting Practice	GRI 102-52	Reporting cycle	About the report	5
General Disclosure-Reporting Practice	GRI 102-53	Contact point of questions regarding the report	About the report	5
General Disclosure-Reporting Practice	GRI 102-54	Claims of reporting in accordance with the GRI Standards	About the report	5

GRI Standard Title	Disclosure Number	Disclosure Title	Chapter/ Relevant Sections	Page No.
General Disclosure-Reporting Practice	GRI 102-55	GRI content index	GRI Content	73
General Disclosure-Reporting Practice	GRI 102-56	External Assurance	Not Applicable	-
Management Approach	103- 1,2,3	Management approach	Overarching Management Approach	8
Economic Standard	201-1	Direct economic value generated and distributed	Economic Performance	30-31
Economic Standard	201-2	Financial implication and other risks and opportunities due to climate change	Risk Management	28-29
Economic Standard	203-1	Infrastructure investments and services supported	Connecting with Community	49-60
Economic Standard	203-2	Significant indirect economic impacts	Connecting with Community	49-60
Economic Standard	204-1	Proportion of spending on local suppliers	Supply Chain Management	69-70
Environmental Standards	301-1	Materials used by weight or volume	Waste Management	38-40
Environmental Standards	302-1	Energy consumption within the organization	Energy & Emissions	35-38
Environmental Standards	302-3	Energy intensity	Energy & Emissions	35-38
Environmental Standards	303-5	Water consumption	Water & Effluent Management	41-43
Environmental Standards	305-1	Direct (Scope 1) GHG emissions	Energy & Emissions	37
Environmental Standards	305-2	Energy Indirect (Scope 2) GHG emissions	Energy & Emissions	37
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## List of Abbreviations

BOD: Biochemical Oxygen Demand
BRR: Business Responsibility Report
CCE: Chief Controller of Explosives
CESD: Centre of Excellence for Sustainable Development
CII: Confederation of Indian Industry
COC: Cycles Of Concentration
COD: Chemical Oxygen Demand
CPCB: Central Pollution Control Board
CPU: Condensate Polishing Unit
CSR: Corporate Social Responsibility
DAP: Diammonium Phosphate
DCM: Delhi Cloth Mills
DSCL: DCM Shriram Consolidated Limited
EHS: Environment, Health & Safety
EMS: Environment Management System
ERM: Enterprise Risk Management
GHG: Greenhouse Gas
GRI: Global Reporting Initiative
IBBI: India Business Biodiversity Initiative
IDP: Individual Development Program
IFA: International Fertilizer Association
IISR: Indian Institute of Sugarcane Research
IPCC: Intergovernmental Panel on Climate Change
ISO: International Organization for Standardization
JV: Joint Venture
KLD: Kilolitres Per Day
KW: Kilowatt
ODF: Open Defecation Free
LDR: Lost Day Rate
LTIR: Lost Time Injury Rate
LTIFR: Lost Time Injury Frequency Rate
MCM: Million Cubic Metre
MEE: Multi-Effect Evaporators
MoEFCC: Ministry of Environment, Forests and Climate Change
MOP: Murate of Potash
MoU: Memorandum of Understanding
MSDS: Materials Safety Data Sheet
NABET: National Accreditation Board for Education and Training
OHSAS: Occupational Health and Safety Standards
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
SMC: School Management Committee
SPCB: State Pollution Control Board
SSP: Single Super Phosphate
STP: Sewage Treatment Plant
TCD: Tonnes Crushed Per Day
tCO <sub>2</sub> e: Tons of Carbon Dioxide Equivalent
TJ: Terra Joules
TPA: Tonnes Per Annum
TREM: Transport Emergency
TSS: Total Suspended Solids
UPVC: Unplasticized Polyvinyl Chloride
ZLD: Zero Liquid Discharge



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