

BUSINESS RESPONSIBILITY REPORT

Section A: General Information about the Company

1. **Corporate Identity Number (CIN)** : L26940MH1936PLC002515
2. **Name of the Company** : ACC Limited
3. **Registered Address** : Cement House
121, Maharshi Karve Road
Mumbai 400 020
4. **Website** : www.acclimited.com
5. **E-mail id** : brr.info@acclimited.com
6. **Financial Year reported** : January 1, 2016 to December 31, 2016

7. **Sector(s) that the Company is engaged in (industrial activity code wise):**

| Group | Class | Sub class | Description |
|-------|-------|-----------|--------------------------------|
| 269 | 2694 | 26942 | Manufacture of Portland Cement |

8. **List three key product / services that the Company manufactures / provides (as in balance sheet):**

The Company manufactures cement of various kinds viz. Ordinary Portland Cement (OPC), Portland Pozzolana Cement (PPC), and Portland Slag Cement (PSC) and Ready Mixed Concrete (RMX).

9. **Total number of locations where business activity is undertaken by the Company:**

- i. Number of international locations : Nil
- ii. Number of national locations : 17 Cement Plants, 50 Ready Mixed Concrete Plants and 27 Offices including Registered Office, Regional Offices and Sales Offices.

10. **Markets served by the Company** : Pan India across all markets in India.

Section B: Financial Details of the Company

1. **Paid up capital (INR)** : ₹ 187.79 Crore
2. **Total turnover (INR)** : ₹ 10,936.41 Crore
3. **Total profit after taxes (INR)** : ₹ 602.40 Crore
4. **Total spending on Corporate Social Responsibility (CSR) as percentage of Profit After Tax (%)**:

The Company's total spending on CSR is 2.07% of the average net profit in the previous three financial years.

5. List of activities in which expenditure as mentioned in point 4 has been incurred:

- a. ACC - DISHA - for Youth Employability
- b. ACC - Swavlamban - focusing on women empowerment and livelihood
- c. ACC - LEISA - for farmer's livelihood (Low external input Sustainability Agriculture)
- d. ACC - Vidya Utkarsh (Quality of Education in Government Schools)
- e. ACC - Vidyasaarathi (Scholarship for Students)
- f. ACC - Arogyam (Preventive, Promotive and Curative Health Care)
- g. ACC - Sampurna Swachhata (towards open defecation free villages)
- h. ACC - Sanrakshit Paryavaran (Solar, Biodiversity and Soil & Water Conservation)
- i. ACC - Drona (to promote rural sports and traditional Indian culture)

Section C: Other Details**1. Does the Company have any Subsidiary Company / Companies?**

Yes, the Company has 5 subsidiaries, viz:

- a. ACC Mineral Resources Limited
- b. Bulk Cement Corporation (India) Limited
- c. Lucky Minmat Limited
- d. National Limestone Company Private Limited
- e. Singhania Minerals Private Limited

2. Do the Subsidiary Company / Companies participate in the BR initiatives of the parent Company? If yes, then indicate the number of such subsidiary company(s)?

Business Responsibility initiatives of the parent company are applicable to Bulk Cement Corporation (India) Limited; The remaining 4 Companies are non operational.

3. Do any other entity / entities (e.g. suppliers, distributors etc) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity / entities? [Less than 30%, 30-60%, More than 60%]

The Company engages and partners with several entities including reputed NGOs to implement several of its BR initiatives. The Company's CSR initiative "ACC ki Laadli" receives contributions from ACC Cement Dealers in the North Region in the form of incentive points which are then redeemed as financial inputs into this project. However these together comprise less than 30% of total entities.

Section D: BR Information

1. Details of Director / Directors responsible for BR:

a) Details of the Director / Directors responsible for implementation of the BR Policy / Policies:

Director Identification Number (DIN): 02298385

Name: Mr Harish Badami

Designation: Chief Executive Officer & Managing Director

b) Details of the BR Head:

| Sr. No. | Particulars | Details |
|---------|-----------------------------|-------------------------------------|
| 1 | DIN Number (if applicable) | NA |
| 2 | Name | Mr Burjor D Nariman |
| 3 | Designation | Company Secretary & Head Compliance |
| 4 | Telephone Number | (022) 3302 4321 / 3302 4329 |
| 5 | E mail Id | brr.info@acclimited.com |

2. Principle-wise (as per NVGs) BR Policy / policies (Reply in Y / N):

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

- P1** - Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
- P2** - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
- P3** - Businesses should promote the well being of all employees.
- P4** - Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
- P5** - Businesses should respect and promote human rights.
- P6** - Businesses should respect, protect and make efforts to restore the environment.
- P7** - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
- P8** - Businesses should support inclusive growth and equitable development.
- P9** - Businesses should engage with and provide value to their customers and consumers in a responsible manner.

| Sr No | Questions | Business Ethics | Product Responsibility | Wellbeing of Employees | Stakeholder Engagement & CSR | | Human Rights | Environment | Public Policy | CSR | | Customer Relations |
|-------|--|-----------------|---|------------------------|------------------------------|---|--------------|-------------|---------------|-----|---|--------------------|
| | | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 | | |
| 1 | Do you have a policy / policies for.... | Y | The policy is embedded in the Company's quality & environment policies which interalia, relate to safe & sustainable products | Y | Y | The policy is embedded in the Company's Code of Business Conduct, HR Policies & other various HR practices | Y | N | Y | Y | N | |
| 2 | Has the policy been formulated in consultation with the relevant stakeholders? | Y | - | Y | Y | - | Y | - | Y | - | - | |
| 3 | Does the policy conform to any national /international standards? If yes, specify? | Y | Bureau of Indian Standards (BIS) | Y | Y | This policy conforms to Guidelines of Companies Act, 2013. In addition the Policy is also in conformity with the Sustainability Development Goals (SDGs). All our projects are mapped to concerned SDGs and its related targets | Y | - | Y | - | - | |
| 4 | Has the policy been approved by the Board? If yes, has it been signed by MD/Owner/CEO/ appropriate Board Director? | Y | - | N | Y | - | Y | - | Y | - | - | |
| 5 | Does the Company have a specified committee of the Board / Director / Official to oversee the implementation of the policy? | Y | At Executive Committee Meetings | Y | Y | - | Y | - | Y | - | - | |
| 6 | Indicate the link for the policy to be viewed online? | * | - | - | # | - | Y** | - | - | # | - | |
| 7 | Has the policy been formally communicated to all relevant internal and external stakeholders? | Y | - | Y | Y | - | Y | - | Y | Y | - | |
| 8 | Does the Company have in-house structure to implement the policy/policies? | Y | Y | Y | Y | - | Y | - | Y | Y | - | |
| 9 | Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies? | Y | The Company has a redressal mechanism to address product related complaints i.e. customer complaint portal | Y | Y | - | Y | - | Y | Y | - | |
| 10 | Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency? | Y | - | N | Y | - | Y | - | Y | Y | - | |

* http://www.aclimited.com/assets/new/pdf/ACCCode_BusinessConduct2014.pdf
 # <http://www.aclimited.com/source/new/csr/CSR-Policy-finalised-after-28Nov2016-Board-CSR-Committee-meeting.pdf>
 ** http://www.aclimited.com/assets/new/pdf/Policy/ACCCorporate_EnvironmentPolicy2015.pdf

2a. If answer to Sr. No. 1 against any principle, is No, please explain why: (Tick up to 2 options)

| Sr. No. | Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---------|---|----|----|----|----|----|----|--|----|---|
| 1 | The Company has not understood the principles | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| 2 | The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| 3 | The Company does not have financial or manpower resources available for the task | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| 4 | It is planned to be done within next six months | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| 5 | It is planned to be done within next one year | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| 6 | Any other reason (please specify) | -- | -- | -- | -- | -- | -- | The Company has a track record of pioneering achievements, long experience and leadership position which has benefitted the cement industry at large in initiating dialogue with the Government. However, no need for a formal policy has been felt. | -- | The Company has a systematic process for assessing customer needs and fulfilling them with innovative products and services. It also has customer complaint redressal system. |

3. Governance related to BR:

Indicate the frequency with which the Board of Directors, Committee of the Board or CEO meet to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

3 to 6 months

Does the Company publish a BR or a Sustainability Report? What is the hyper-link for viewing this report? How frequently it is published?:

Yes, the Company publishes printed versions of its Sustainability Report annually. An electronic version of the report is uploaded on the Company’s website in the intervening year to serve as a web update. This report constitutes the Company’s fifth Business Responsibility Report. The hyperlink for viewing the Sustainability Report of the Company is <http://www.acclimited.com/source/new/csr/CSR-Policy-finalised-after-28Nov2016-Board-CSR-Committee-meeting.pdf>

Section E: Principle-wise Performance

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

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes / No. Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

The Company considers Corporate Governance as an integral part of good management. The Company has a Code of Business Conduct (along with an Anti-Bribery and Corruption Directive) and a vigil mechanism named EthicalView Reporting Policy that are approved by the Board of Directors. These are applicable to all Board Members and employees of the Company and all its subsidiaries, and an annual affirmation is taken from the designated employees. The Anti-Bribery and Corruption Directive and the EthicalView Reporting Policy also extends to the Company’s business partners viz. vendors/service providers/customers. The Code is available on the Company’s website at this web address: http://www.acclimited.com/assets/new/pdf/ACCCode_BusinessConduct2014.pdf

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

The Company received 104 complaints under the EthicalView Reporting Policy, out of which 94 were resolved and the balance 10 complaints are under various stages of investigation and completion.

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

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

Blended cements viz. Portland Pozzolana Cement (PPC) and Portland Slag Cement (PSC). The Company also uses industrial/municipal hazardous or non-hazardous waste and biomass as Alternative Fuel and Raw Materials.

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

i. Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain.

| Consumption per unit of production | Current Year (January - December 2016) | Previous Year (January - December 2015) |
|--|---|--|
| Electrical Energy (kWh/ Tonne of Cement) | 88.66 | 84.45 |
| Thermal Energy (K Cal / kg of Clinker) | 748 | 730 |
| CO ₂ Emissions (kg CO ₂ / Tonne of Cement) | 545 | 533 |

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

The Company’s products do not have any broad based impact on energy. However, as the cement manufacturing process is energy intensive, the Company takes several measures to reduce thermal and electrical energy consumption.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Yes, all the plants of the Company are situated close to limestone mines which helps minimize transportation. The Company deploys sustainable mining practices. Most bulk materials are transported inward by rail. Blended Cements are manufactured using flyash / slag which are by-products / wastes of other industries. Fly ash and slag are not environmentally friendly and need to be disposed off in a careful manner.

In the manufacture of clinker, the Company utilizes Alternative Fuel and Raw Materials (AFR) which help conserve natural resources. The Company encourages procurement through vendors who adopt sustainable practices.

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

The Company has a policy of procuring goods and services like horticulture, housekeeping and the like from nearby suitable sources of supply.

5. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste? (Separately as < 5%, 5-10%, >10%) Also, provide details thereof, in about 50 words or so.

The cement manufacturing process does not directly discharge any significant effluent or waste.

ACC has the facility of consuming used cement bags as Alternate Fuel in some of the manufacturing units. The location of cement plants are far away from markets, a very low percentage of used bags get recycled at the Plants. About 85% of cement manufactured by the Company comprises blended cement which is produced using slag and fly ash which are wastes from other industrial processes.

Recognizing the urgent need to address global problems of increasing paucity of fossil fuels and rampant practices of unsustainable waste disposal, the Company has pioneered the use of industrial, municipal and agricultural wastes as Alternative Fuels and Raw Materials (AFR) in India.

Principle 3: Businesses should promote the well-being of all employees.

1. Please indicate total number of employees:

| Sr. No. | Category of Employees | No. of Employees |
|---------|-----------------------|------------------|
| 1 | Management Staff | 4,222 |
| 2 | Shop Floor Associates | 3,582 |
| | Total | 7,804 |

2. Please indicate total number of employees hired on temporary / contractual / casual basis:

| Sr. No. | Category of Employees | No. of Employees |
|---------|-------------------------|------------------|
| 1 | Retainers / Advisors | 4 |
| 2 | Subcontracted Employees | 0 |
| 3 | Third Party Employees | 8,436 |
| 4 | Casual Employees | 29 |
| | Total | 8,508 |

3. Please indicate the number of permanent women employees:

Number of permanent women employees: 267

4. Please indicate the number of permanent employees with disabilities:

Number of permanent employees with disabilities: 20

5. Do you have an employee association that is recognized by the Management?

Yes, there are recognized trade unions affiliated to various central trade union bodies. Company's Shop Floor Associates and Office Associates are members of their respective unions.

6. What percentage of permanent employees are members of this recognized employee association?

Approximately 50% of permanent employees are members of recognized employee associations.

7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and those pending as on the end of the financial year.

| Sr. No. | Category | No of complaints filed during the financial year | No of complaints pending as on end of the financial year |
|---------|---|--|--|
| 1 | Child labour / forced labour / involuntary labour | NIL | NIL |
| 2 | Sexual Harassment | 1 | 0 |
| 3 | Discriminatory employment | NIL | NIL |

8. What percentage of undermentioned employees were given safety and skill up-gradation training in the last year?

- A. Permanent employees : 65%
- B. Permanent women employees : 53%
- C. Casual / Temporary / Contractual employee : NIL
- D. Employees with disabilities : NIL

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

1. Has the Company mapped its internal and external stakeholders? Yes / No.

Yes, the Company has mapped its stakeholders as a part of its stakeholder engagement strategy development process.

2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?

Yes, the Company has identified the disadvantaged, vulnerable and marginalized stakeholders with the help of Participatory Rural Appraisal to base village micro plans and secondary socio-demographic data of the community.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.

In 2016, ACC has started a first of its kind on-line Scholarship project to sustain higher education among underprivileged section of society.

The Company continues to run two Anti-Retroviral Treatment (ART) centres to support people affected by HIV/AIDS through medical treatment and counselling. The Company has also supported patients by organizing them in Self Help Groups and through life skills development programmes and providing nutritional support to HIV infected as well as affected family members. Moreover, quality education is also being provided to school going children from the affected families.

The Company has enhanced its access to healthcare for the community through health camps and mobile health clinics. The Company also jointly works with the local district administrations and promote national campaigns on Open Defecation Free, Skilling and Water conservation measures.

The Company continues to engage with vulnerable and marginalized stakeholders for their sustainable livelihood. Skill training was provided to 4,234 youths, farmers benefited through Low External Sustainable Agricultural projects, institutionalizing women SHG registered federations and achieving four Open Defecation Free villages are some of the accomplishments during 2016.

Principle 5: Businesses should respect and promote human rights.

1. Does the policy of the Company on human rights cover only the Company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?

All aspects of human rights are included and covered in the Code of Business Conduct as well as in various human resource practices / policies.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the Management?

NIL

Principle 6: Businesses should respect, protect and make efforts to restore the environment.

1. Does the policy pertaining to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others?

The Company’s Corporate Environment Policy to covers the entire Company.

2. Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyper-link for webpage etc.

Yes, the Company is committed to reduce GHGs emissions and being a part of the LafargeHolcim Group, we have set short term & long term targets to meet the commitment. The Company has five key levers to achieve the reduction of CO₂ emissions:

- Clinker substitution by making blended cements;
- Utilization of Alternative Fuel and Raw materials (AFR);
- Thermal and electrical energy efficiency;
- Waste Heat Recovery System (WHRS) and cleaner technologies & renewable energy;
- Energy efficient transport of raw materials & products.

The hyperlink for the same is <http://www.acclimited.com/sustainable/environment-and-energy>

3. Does the Company identify and assess potential environmental risks? Y / N

Yes, the Company has a mechanism to identify and assess potential environmental risks at the plant level. Potential Environmental risks form a part of Business Risk Management Model, where all business related risks are identified and their mitigation strategies and plans are formulated.

4. Does the Company have any project related to Clean Development Mechanism (CDM)? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

Yes, the Company has three registered projects under the Clean Development Mechanism (CDM).

- “Blended Cement Project registered during May 2006,
- Tamilnadu Wind Mill Project registered during September 2009
- Rajasthan Wind Mill Project registered during July 2012”

5. Has the Company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy etc? Y/N. If yes, provide hyper-link to web page etc.

Yes, the Company has made significant strides in attaining energy efficiency in our cement plants as well as in our captive power plants. Details of such measures are given in Annexure E to the Boards’ Report. Some of the initiatives to build our capacities in renewable energy sources and cleaner technologies include:

- Three wind farms - one each in Maharashtra, Tamil Nadu and Rajasthan with the total capacity of 19 MW
- Waste Heat Recovery System (WHRS) at Gagal Cement Works
- Waste co-processing in all cement plants
- Use of Green Power at our plants through power purchase agreements
- Harnessing Solar Power which will commence in 2017

The hyperlink for the same is <http://www.acclimited.com/sustainable/environment-and-energy>

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

Yes, the emissions / waste generated by the Company are within the permissible limits prescribed by CPCB / SPCB.

7. Number of show cause / legal notices received from CPCB / SPCB which are pending (i.e. not resolved to satisfaction) as of end of financial year.

None.

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

1. Is your Company a member of any trade and chambers of association? If yes, name only those major ones that your business deals with.

The Company is a Member of:

- i. Confederation of Indian Industry (CII)
- ii. Indian Green Buildings Council (IGBC)
- iii. Federation of Indian Chambers of Commerce and Industry (FICCI)
- iv. Bombay Chamber of Commerce and Industry (BCCI)
- v. Indian Merchants' Chambers (IMC)
- vi. PHD Chamber of Commerce
- vii. Indian Geological Congress
- viii. Federation of Indian Mineral Industries (FIMI)
- ix. Cement Sustainability Initiative (CSI) / World Business Council for Sustainable Development (WBCSD)
- x. Leaders for Nature (LfN)
- xi. International Union for Conservation of Nature (IUCN)
- xii. National Safety Council (NSC)

2. Have you advocated / lobbied through above associations for the advancement or improvement of public good? Yes / No. If yes, specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Polices, Energy Security, Water, Food Security, Sustainable Business Principles, Others)

Yes, following are the broad areas:

- i. Health & Safety
- ii. Climate Change & GHG emission reduction
- iii. Sustainable Mining Practices
- iv. Composite Cement
- v. Petcoke Utilisation in Cement Kilns
- vi. Emission reduction
- vii. Co-processing of municipal & industrial hazardous and non-hazardous wastes in cement kilns
- viii. Energy Conservation and use of renewable energy
- ix. Promotion of Concrete Roads
- x. Affordable housing & toilets, sustainable building materials
- xi. Water conservation and water harvesting
- xii. Biodiversity conservation

- xiii. Green procurement policies
- xiv. Propagation of circular economy and natural resources conservation (use of recycled materials as raw materials and fuels instead of virgin natural resources)

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

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

Yes, the Company has specific programs/initiatives/projects in pursuance of its CSR policy. (Ref. <http://www.acclimited.com/source/new/csr/CSR-Policy-finalised-after-28Nov2016-Board-CSR-Committee-meeting.pdf>)

All sections in host communities are engaged by the Company for developing village micro plans through participatory methods of planning. Individual projects are thereafter designed to address the various needs of the host communities in accordance with the priority given by the communities. Conscious efforts were made to prioritizing, landless and small and marginal land holdings which were headed by women. Special drive for exclusive skilling of women and for ensuring half for the scholarships of higher education go to girls has been initiated. HIV+ and differently abled beneficiaries are specially tracked within all social and business measures.

Implementation of these projects are thereafter monitored by the representatives of the villagers at all locations and course correction measures suggested by them are implemented. A Community Advisory Panel (CAP) has been set up to help at all stages of CSR interventions i.e. planning of CSR projects and process monitoring. The Company also organized third party social audit committee by taking people from different sectors to spearhead annual evaluations through rigorous field visits and secondary data analysis. The CSR project participants include the disadvantaged, vulnerable and marginalized sections of the society.

The Company carried out CSR projects in pursuance of inclusive development, primarily focusing on:

- Sustainable livelihood
- Quality of Elementary Education
- Water Sanitation and Health (WASH)

2. Are the programmes / projects undertaken through in-house team / own foundation / external NGO / Govt. structure / any other organization?

The Company's CSR Projects are implemented through an in-house CSR Department, ACC Ayushmaan Trust as well as in partnership with Non-Governmental Organizations (NGOs), Academic and Government Institutions.

3. Have you done any impact assessment of your initiative?

Yes, the Company has conducted impact assessments of its CSR initiatives. A third party Social Audit of CSR expenses was done for the third consecutive year.

Social Audit Committee, comprising renowned experts from the social sector and academic institutions assisted by a team of social sector professionals, conducted a social audit of CSR work at ACC plant sites. Based on field findings on parameters of compliance, effectiveness, efficiency, rigor of implementation and sustainability, each plant was provided with a performance score for the year 2016. As a measure of good governance practice, this score was included in ACC's Performance Management System.

4. What is the Company's direct contribution to community development projects - Amount in INR and details of the projects undertaken?

The Company spent an amount of ₹ 22.27 Crore on developmental projects as under:

| Sr. No. | Focus Areas | Expenditure (₹ Crore) |
|---------|---|-----------------------|
| 1 | ACC - Disha - for Youth Employability | 2.80 |
| 2 | ACC - Swavlamban - focusing on women empowerment and livelihood | 2.26 |
| 3 | ACC - LEISA - for farmer's livelihood (Low External Input Sustainability Agriculture) | 3.81 |
| 4 | ACC - Vidya Utkarsh (Quality of Education in Government Schools) | 4.13 |
| 5 | ACC - Vidyasaarathi (Scholarship for Students) | 0.38 |
| 6 | ACC - Arogyam (Preventive, Promotive and Curative Health Care) | 2.67 |
| 7 | ACC - Sampurna Swachhata (towards Open Defecation Free villages) | 3.70 |
| 8 | ACC - Sanrakshit Paryavaran (Solar, Biodiversity and Soil & Water Conservation) | 1.89 |
| 9 | ACC - Drona (to promote rural sports and traditional Indian culture) | 0.63 |
| | Total | 22.27 |

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words.

Yes, the Company follows a participatory approach in the selection of CSR initiatives. All CSR Projects are initiated based on a need assessment report which is carried out by a third party through a Participatory Rural Appraisal tool based micro plan. A Community Advisory Panel (CAP), comprising different stakeholders from community representatives and opinion leaders of the community i.e. functional managers at ACC plants, regularly monitor the implementation of CSR initiatives and suggest measures for course corrections. Community ownership and sustainability are the criteria that are built into CSR initiatives from the start by creating community managed organizations. Community contribution is always a priority as it ensures continuance of the project through self governance.

Communities management principles are built into all the CSR projects from the need assessment stage to the project graduation stage. Capacity building and institutional sustainability are two integral parts of all CSR projects.

Stakeholder Engagement Surveys (SES) are conducted at a regular intervals to collect written feedback of the community, required modifications are carried out in ongoing initiative implementation projects. This helps in fostering ownership amongst local communities.

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

1. What percentage of customer complaints / consumer cases are pending as on the end of financial year 2016?

A total of 435 complaints were received from customers (end-consumers) in 2016, out of which none (amounting to <1%) was pending as of December 31, 2016.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. / Remarks (additional information)

No, currently we are only displaying information as mandated by local laws. No additional information is being mentioned on the cement bag.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.

a) Competition Appellate Tribunal (COMPAT) Appeal

The Competition Commission of India (CCI) had originally passed an Order in June, 2012 against several cement manufacturing companies, including the Company, in the matter of a complaint filed by the Builders' Association of India for alleged violation of the provisions of Sections 3 and 4 of the Competition Act and in terms of the said Order, imposed a penalty on the Cement manufacturers which in the case of the Company amounted to ₹ 1,147.59 crore.

CCI had also passed an Order directing the Company to "cease and desist" from indulging in any activity relating to agreement, understanding or arrangement on price, production and supply of cement in the market.

Pursuant to an Appeal filed by the Company before the Competition Appellate Tribunal (COMPAT), the said order of CCI of June, 2012 was stayed, subject to deposit of 10% of the amount of penalty. Thereafter, COMPAT by its order dated December 11, 2015 set aside CCI's Order of June 20, 2012, remanding the matter back to the CCI for a fresh hearing and adjudication. Further in terms of the said Order, the deposit amount along with interest thereon was refunded to the Company.

CCI on rehearing the arguments, by its order dated August 31, 2016, once again held that the cement companies and the Cement Manufacturers' Association (CMA) are guilty and in violation of the Sections 3(1) read with 3(3)(a) and 3(3)(b) of the Competition Act and imposed the same penalty which in the case of the Company again works out to ₹ 1,147.59 crore. The usual order for cease and desist was also imposed.

The Company thereafter approached the COMPAT, which by its order dated November 7, 2016 stayed the operation of the CCI order dated August 31, 2016 subject to deposit of 10% of the penalty amount within one month which in the case of the Company works out to ₹ 114.76 crore. The Company has accordingly deposited the said amount in December, 2016 in the form of a bank Fixed Deposit in favour of COMPAT on behalf of ACC. The case is now pending before the COMPAT.

b) CCI's Order on Complaint filed by Director, Supplies & Disposals, State of Haryana in 2013

In January 2017, the Competition Commission of India (CCI) passed an Order against seven cement manufacturers including the Company imposing a penalty calculated at the rate of 0.3% of the average turnover of the last three years viz. 2012-13, 2013-14 and 2014-15. In respect of the Company, the amount of penalty works out to ₹ 35.32 crore. The said Order was issued on the basis of a complaint filed in 2013 by the Director, Supplies & Disposals, State of Haryana before the CCI.

The Company believes it has a strong case on merits to challenge the Order and plans to file an appeal before the Competition Appellate Tribunal (COMPAT). As at December 31, 2016, the penalty amount of ₹ 35.32 crore and interest thereon is disclosed as a contingent liability in the Notes to Accounts (Refer Note 36(A)(d)(ii)).

4. Did your Company carry out any consumer survey / consumer satisfaction trends?

Yes, a Customer Satisfaction Survey is carried out by the Company every year.