

BUSINESS RESPONSIBILITY REPORT FOR THE FINANCIAL YEAR 2014

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, 2014 to December 31, 2014
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 Pozollana 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, 47 Ready Mixed Concrete Plants, and 26 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)** : ₹ 187.95 Crore
2. **Total turnover (INR)** : ₹ 11,481.05 Crore
3. **Total profit after taxes (INR)** : ₹ 1,168.29 Crore

4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):

The Company's total spending on CSR is 2% of the average profit after taxes in the previous three financial years.

5. List of activities in which expenditure in 4 above has been incurred:

- a. Literacy & Education for the community
- b. Livelihood, Employability & Income generation
- c. Health and Sanitation Programmes
- d. Empowerment and Gender Equality
- e. Building Community Infrastructure
- f. Other Development Areas

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 the subsidiary companies.

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 program "ACC ki Laadli" is a flagship CSR Project of North Region. The Company partnered with an NGO called "IIMPACT" to establish learning centres for school drop out girl children in the age group of 6-14 years. Almost 750 girl children especially those out of school and belonging to marginalized and deprived sections of the society are enrolled in these schools and are given quality primary education. The aim is to mainstream the girls, preparing them to take the class V exam at State level.

The project implementation started in October 2013. 25 learning centres have been set up in the different blocks of Uttar Pradesh, Rajasthan and Uttarakhand and teaching has commenced in these centres. The dealer network of ACC participates in this five year project. As the project is in the initial stages, the dealers' participation presently is < 30%.

Section D: BR Information

1. Details of Director / Directors responsible for BR:

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 and Managing Director

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 and Head Compliance
4	Telephone Number	(022) 3302 4321 / 3302 4329
5	E mail Id	brr.info@acclimited.com

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

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) 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	Y The policy is embedded in the Company's quality and environment policies which inter alia, relate to safe and sustainable products	Y	Y	Y The policy is embedded in the Company's Code of Business Conduct, HR policies and various other HR practices	Y	N	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	Y Bureau of Indian Standards (BIS)	Y	N	--	Y	--	N	--
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	--	N	--	Y	--
5	Does the Company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?	Y	Y At Executive Committee Meetings	Y	Y	--	Y	--	Y	--
6	Indicate the link for the policy to be viewed online?	*	--	--	#	--	--	--	#	--
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	--	Y (to internal stakeholders)	Y	--	Y	--	Y	--
8	Does the Company have in-house structure to implement the policy/policies?	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	N	--	N	--	N	--
10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	N	--	N	Y	--	Y	--	Y	--

* <http://www.acclimited.com/newsite/finance.asp?tag=cbc># http://www.acclimited.com/newsite/pdf/Policy/CSRPoly2013_Aproved_CEO_MD.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 principle	--	--	--	--	--	--	--	--	--
2	The Company is not at stage where it finds itself in a position to formulate and implement the policies on specified principle	--	--	--	--	--	--	--	--	--
3	The Company does not have financial or manpower resources available for the task	--	--	--	--	--	--	--	--	--
4	It is planned to be done within next six month	--	--	--	--	--	--	--	--	--
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 Government. However, no need for a formal policy has been felt.	--	The Company has a systematic process of assessing customer needs 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 assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

The Committee meets twice a year.

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 in a two year cycle. 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 third Business Responsibility Report. The hyper-link for viewing the Sustainability Report of the Company is <http://www.acclimited.com/newsite/sdevelopment.asp>.

Section E: Principle-wise Performance

Principle 1: Business 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. Company has a Code of Business Conduct (along with an Anti-Bribery and Corruption Directive) and a vigil mechanism named Fraud Risk Management 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 a quarterly / annual affirmation is taken from the designated employees. The Anti Bribery and Corruption Directive and the Fraud Risk Management 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/newsite/finance.asp?tag=cbc>.

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 83 complaints under the Fraud Risk Management response mechanism, out of which 47 were resolved and the balance 36 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 namely Portland Pozzolana Cement (PPC) and Portland Slag Cement (PSC). The Company uses industrial / municipal hazardous waste as alternative fuel. The Company uses biomass in its manufacturing process.

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 through the value chain

Consumption per unit of production	Current Year (January – December 2014)	Previous Year (January – December 2013)
Electrical Energy (kWh/ Tonne of Cement)	80	81
Thermal Energy (K Cal / kg of Clinker)	730	733
CO ₂ Emissions (kg CO ₂ / Tonne of Cement)	526	538

ii. Reduction during usage by consumers (energy, water) 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 highly 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 Company's plants are situated close to limestone mines which helps minimize transportation. The Company employs sustainable mining practices. Most bulk materials are transported inward by rail. Blended Cements are manufactured using fly ash / slag which are waste products 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.

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

ACC has the facility of consuming used cement bags as Alternate Fuel some of manufacturing units. However, as the location of cement usage is in far away markets spread across geographies, a very low percent of used bags get recycled by ACC. About 87% 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	4665
2.	Shop Floor Associates	4363
	Total	9028

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

Sr. No.	Category of Employees	No. of Employees
1.	Retainers/Advisors	52
2.	Subcontracted Employees	2084
3.	Third Party Employees	4696
4.	Casual Employees	43
	Total	6875

3. Please indicate the number of permanent women employees:

Number of permanent women employees: 334

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

Number of permanent employees with disabilities: 29

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 60% 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	NIL	NIL
3	Discriminatory employment	NIL	NIL

8. What Percentage of under mentioned employees were given safety and skill up-gradation training in the last year?

A. Permanent employees	:	76%
B. Permanent women employees	:	68%
C. Casual/Temporary/Contractual employee	:	NIL
D. Employees with disabilities	:	48%

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/No

Yes, the Company has identified the disadvantaged vulnerable and marginalized stakeholders with the help of socio-demographic data of the community through base line surveys.

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.

The Company continues to run two Anti-Retroviral Therapy (ART) centers 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.

The Company has enhanced access to healthcare for the community through health camps and mobile health clinics. The Company also jointly works with the local district administration for promoting national campaigns on DOTS for TB, Malaria prevention and immunization.

The Company's pilot initiative for energy security in remote tribal areas and education support for dropout girl children are some of the other special initiatives undertaken to engage with the vulnerable and marginalized stakeholders.

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?

The Company does not have a stated Human Rights Policy. However, most of the aspects are covered in the Company's Code of Business Conduct and Ethics as well in various human resource practices.

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 extends to cover the Company and its subsidiaries.

- 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 has a clear road map to achieve the same. The hyperlink for the same is: <http://www.acclimited.com/newsite/sdevelopment/asp>

- 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 in its plants and projects.

- 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 Clean Development Mechanism (CDM) and Environmental Compliance Report (Validation & Verification Reports) has been filed and Certified Emission Reductions were issued.

- 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.**

The Company has taken up several initiatives on clean technology, energy efficiency and renewable energy. Details of these are available at <http://www.acclimited.com/newsite/sdevelopment.asp>.

- 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 given 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.**

Nil.

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. Federation of Indian Chambers of Commerce and Industry (FICCI)
- iii. Bombay Chamber of Commerce and Industry
- iv. Federation of Indian Mineral Industries (FIMI)

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. Sustainable Mining Practices
- ii. Waste Management
- iii. Energy Conservation
- iv. Promotion of Concrete Roads

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 the specific programs / initiatives / projects in pursuance of its CSR policy.

The Company engages host communities through Community Advisory Panels (CAP) at all plant locations for planning of CSR activities, process monitoring and evaluation. 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:

- a. Literacy & Education for the community
- b. Livelihood, Employability & Income generation
- c. Health and Sanitation Programmes
- d. Empowerment and Gender Equality
- e. Building Community Infrastructure
- f. Other Development Areas

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 internal team as well as in partnership with non-Governmental Organizations (NGOs), and Government Institutions.

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

Yes, the Company has conducted impact assessments of its CSR initiatives.

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 ₹ 27.45 Crores in development projects as under in 2014:

Sr. No.	Focus Areas	Expenditure (₹ in Crore)
1	Literacy and Education for the community	6.23
2	Livelihood, Employability and Income Generation	7.74
3	Health, Sanitation and Water	6.38
4	Equality and Women Empowerment	2.53
5	Promotion of Sports and Cultures	0.08
6	Building Community Infrastructure	4.49
	Total	27.45

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 participatory approach in selection of CSR initiatives. A Community Advisory Panel (CAP), comprising representatives and opinion leaders of the community are functional at plant locations, which facilitate inclusive project planning, information sharing and participatory implementation. Stakeholder Engagement Survey (SES) is conducted at a regular interval to identify needs of the community, required modifications in ongoing initiative implementation and assess project outcomes, 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 2014?

A total of 217 complaints were received from customers (end-consumers) in 2014, out of which none (amounting to <1%) were pending as of December 31, 2014.

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)

Yes, in respect of special products like 'ACC F2R (Foundation to Roof) Cement', Concrete+, ACC Gold etc., apart from the statutory information, the key product benefits are also highlighted on the packing of 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 of end of financial year? If so, provide details thereof, in about 50 words or so.**

The Builders Association of India (BAI) had in July 2010 filed a complaint before the Competition Commission of India (CCI) alleging anti competitive practices on the part of major cement manufacturers including the Company, which was investigated. The CCI has thereafter passed an Order against the cement manufacturers and a penalty of ₹ 1,147.59 Crore was levied on the Company.

This Order has been challenged by the cement manufacturers including your Company before the Competition Appellate Tribunal (COMPAT) and as on date the matter is subjudice. COMPAT has directed the Company to deposit 10% of the penalty amount, i.e. ₹ 114.7 Crore which has been deposited in the form of a bank fixed deposit with a lien in favour of COMPAT.

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

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