

Executive Summary

This report summarises the results of Social Audit of ACC's CSR programme execution around its 14 manufacturing locations spread across the country.

For an independent external evaluation a team of professionals from Sattva visited each of the location and assessed the alignment and rigour of CSR programmes for the year 2015. The field level assessment was conducted at the end of the year 2015 and findings were shared with the experts in the domain for further reference and evaluation.

The report provides an independent view of the effectiveness of each of the plant's CSR activities in terms of clarity of the programme, rigour of implementation, engagement with the external ecosystem, capacity of the CSR team and employee engagement. In addition, the plants were also assessed on the basis of the ACC CSR scorecard and an independent framework developed by Sattva. Overall recommendations as well as inputs towards improving the effectiveness of the CSR implementation at each of the plants has also been outlined by the third party evaluator.

Overall, the CSR programmes across plants demonstrate strong alignment with the company's CSR vision and adherence to the CSR processes. The CSR initiatives across all the plant locations adhere to Schedule VII of Indian Companies Act and ACC's CSR focus areas. All the plants follow the processes being formulated by the company for definition, design and execution of CSR projects on the ground.

Plant level CSR managers have a sound understanding of the scope of activities that fall under CSR, of key local community needs and key social development programmes. Majority of the CSR managers engage effectively with both internal stakeholders, namely Plant Director and HR head, and the external stakeholders such as local administration, local institutions, community and range of implementation support agencies.

A critical external risk that ACC needs to address

to further improve their CSR implementation is the **effectiveness and capacity of the implementation agencies**. In close to 50% of the plants the implementation support agencies had gaps in either technical expertise or engagement with the community. Certain plants also highlighted lack of credible implementation support agencies for the plant CSR teams to choose from. It is important for ACC to strengthen their engagement with implementation support agencies and proactively invest in building the capacity of these organisations.

Coming to the intervention design, specific sectors such as Livelihoods show limited impact on the beneficiaries in their current status. Going forward to strengthen the impact of such programs, ACC could explore creation of flagship initiatives in these areas, whereby market to community view and engagement with the ecosystem (such as technical agencies, allied services and market linkages) can be **centrally orchestrated across plants** to help scale these initiatives.

Going forward, ACC has built a strong process and people foundation to further improve their CSR processes to include **regular impact assessment, stringent monitoring approaches and continuous need assessment**. However there are few areas that needs attention such as 10 out of the 14 plants have not completed impact assessment of their projects, even in cases where there are mature projects. In select cases it was observed that the need assessment is outdated as it was done 3-6 years ago. Introducing clear guidelines for regular need and impact assessment will ensure stronger execution on the ground. Similarly, building capacity of the CSR teams on monitoring approaches such as dipstick surveys will help strengthen the rigour of implementation.

Finally, **Employee engagement** around CSR is markedly low across all plants with almost all plants ranking low in Sattva's assessment of Employee engagement.

Introduction

Making a Difference- 2015				
Total number of vil-lages Covered? 156	Total Population Covered? 410976	Total number of chil-dren reached through education initiatives? 34875	Number of schools reached through edu-cation innitiatives? 142	Number of meritori-ous students support-ed with scholarship? 409
Number of schools with 100% sanitation? 106	Number of schools introduced to elearn-ing initiatives? 27	Open Defecation free Village? 1	Number of teachers and teaching assis-tants trained? 236	Number of libraries operationalised in community schools? 42
Number of House-hold sanitation Units constructed? 864	Number of villages supported through initiatives for achiev-ing nirmal GramSta-tus? 24	Number of people benefitted through drinking water initia-tives? 70684	Number of people benefitted through excavation of ponds? 25705	Number of Bore-wells repaired and recharged? 321
Number of Rain water Harvesting Structures created? 52	Number of youth benefitted through placement linked employability programs? 1833	Number of function-al SHGs(Cumula-tive): 1213	Number of new SHGs created: 203	Number of SHGs brought at NAB-ARD's'A' level rating? 407
Number of women having membership of NABARD 'A' level rated SHGS? 4568	Total saving of all SHGs Rs 3.67 Cr	No.of farmer's club/ Farmer's Group (cumulative):140 Members: 2149	Number of angan-wadi centres Sup-ported:156 Children benefitted: 7940	Number of general and special Health Camps conduct-ed:880 People bene-fitted:57234
Number of partici-pation in #Save Kids Lives Campaign: 32673				

ACC has a long and accomplished tradition of Corporate Social Responsibility (CSR) initiated in the pre-independence era and continuing ever since with an active focus on the communities living around ACC's operations who are the key stakeholders of the organisation.

At ACC CSR is seen as the commitment of businesses to manage and improve the economic, environmental and social implications of company's activities at local, regional and global levels by undertaking appropriate and effective initiatives. To achieve this objective, ACC aims to

- “Develop community development plans based on needs and priorities of host communities and measure the effectiveness of community development programs.
- Work actively in the areas of skills for employabil-

ity, livelihoods and income generation, education, preventive health and sanitation , , waste resource management and water conservation for host communities for enhancing human development index”

A strong mandate at ACC is to continuously assess these programmes both in terms of the rigour of the process followed as well as strong value creation for relevant stakeholders. Towards this, ACC has created internal mechanisms to monitor programmes across all the plants and evaluating the same periodically.

In recognition of the fact that the Indian Companies Act, 2013 (ICA) recommends a third party audit, ACC initiated a third party evaluation through Sattva with the overall objective of further strengthening its systems and processes. Sattva's role has been to act as an independent external evaluator in

order to assess ACC's CSR mechanisms and validate the same on field and further provide inputs to the Social Audit Committee who in turn was responsible for providing expert insights and direction for future.

This report summarises the results of Social audit across all plants. The report is divided into the following key sections:

- Overview of Social Audit team's approach
- Summary of the plant assessments showing the relative performance of all plants
- Summary of recommendations across all plants
- Detailed reports per plant summarising the overall results of the audit and the recommendations categorised by zone for all plants under East, South, West and North Zone.
- Annexures with scorecard, summary notes from panellists, profiles of panellists and the profiles of the assessors and documentation of best cases from year 2015.