

MD's Message: ACC's Sustainable Development Web Update 2008 and Commitment to UN Global Compact Principles

MD's Message



Sumit Banerjee
Managing Director

Delivering on our commitment to present a web update to our First Sustainable Development Report 2007, I am happy to share with you the progress made by us in 2008.

This update introduces you to our approach to sustainable development derived from issues relevant to our business and also aligned with the Global Reporting Initiative's (GRI) sustainability reporting guidelines.

At ACC, we believe that Sustainable Development is an outcome of value creation brought about by multi - stakeholder orientation and actions. In 2008, we conducted an External Materiality Matrix exercise based on the Sustainable Development issues with the help of SustainAbility Ltd, an independent external agency based in the UK. The aim was to prioritize issues that are material to our stakeholders and have a current or future potential impact on ACC. It is hoped that this exercise would help us identify longer term value drivers and a route to the convergence of sustainability and the market place.

This update would also evidence progress on the commitments of the United Nations Global Compact, to which we are a signatory. It presents the work we have undertaken in 2008 in the areas of human rights, labor, the environment and anti-corruption.

In 2008, we deepened our SD participation across different functions and plants to initiate an inclusive SD Journey by recreating our Vision statement. We began executing this by reinforcing our Management approach. To ensure accountability to the sustainable development agenda and to better integrate it with business strategy, we put in place a sustainable development organization through a nominated apex corporate council and plant-specific councils. This would also go a long way in reinforcing the sustainable development mindset at various levels across functions. As the chairman of ACC SD council, I take the ownership of this agenda and shall update the ACC board with developments on our SD Performance.

It would also be useful to mention here that the theme of our Corporate Annual Report this year was "Sustainable Development", underscoring our belief that, going forward, SD would create value to all our stakeholders. It will also entail fostering of right mindsets among people so that the twin goals of economic and social development as well as environmental protection are achieved. The materiality Matrix exercise carried out with our external stakeholders has been helpful in initiating this process.

I would like to thank those who participated in this exercise. The matrix was discussed and deliberated at the ACC SD Council and each council member signed on to the findings with a promise to respond to the feedback generated in the materiality exercise. This dialogue makes us aware of expectations, establishes the atmosphere for a candid debate, and enables us respond.

The year 2008 showed an unprecedented rise in the input costs due to sharp increases in energy and transportation expenses. ACC did not pass on the increased costs to its consumers in view of its commitment to the Government of India to help control the rising inflation. Also, while cost of other inputs in the construction business registered quantum jumps, cement prices have risen only moderately over the past 10 years.

In spite of the economic slowdown, ACC is moving ahead with its planned expansions. There is no slowdown in the projects that have been taken up for implementation.

Going beyond manufacturing facilities, we also started the integration of CSR and Occupational Health and Safety (OH&S) with the procurement function to inculcate responsible behaviour in our sphere of influence. All the suppliers that approach ACC receive a standard questionnaire on CSR and OH&S practices at suppliers' premises and it is mandatory for the suppliers to populate it before entering into a business relationship with us.

Our sustained focus on building renewable energy assets was also evident in the creation of the wind farm in Rajasthan. This fresh investment would help us achieve our objective of attaining sustainable development of our business and also underscore the Company's commitment to a greener tomorrow. During the year, we generated 27.2 million units of clean and green power from our wind farms in Tamil Nadu and Rajasthan.

We also actively participated in discussions on the role of business in the National Action Plan on Climate Change. To illustrate this, I would like to bring to your notice that ACC is using Alternate fuels and Raw materials (AFR) that also have an economic value. Through this route, we recorded a saving of Rs. 22.8 crore (previous year Rs. 16.7 crores). Our manufacturing facilities co-processed about 12,900 tonnes of industrial waste, as compared to about 3200 tonnes in 2007.

Our continuous efforts in the areas of energy conservation (both thermal and electrical), alternate fuels and Clinker factor reduction etc., has resulted in achieving a reduction of 0.48 Million Tonnes of CO₂ emissions and 9.47 Kg CO₂/Tonne of Cementitious material in the year 2008. The combined effect of electrical energy and thermal energy reductions resulted in savings of 37000 Metric tons of Coal equivalent.

OH&S is a very important issue for us. Progress on our safety targets can be seen by the fact that Lost Time Injury Frequency Rate (LTIFR) halved from 0.90 to 0.45 and Lost Time Injury Severity Rate (LTISR) reduced from 38.85 to 26.24 in 2008. Also, to drive our OH&S Policy of "No Harm" to employees, contractors and visitors, we introduced a new directive on contractor safety management to ensure that adequate processes are developed and implemented to minimize risks associated with outsourced activities.

Going beyond our operations, we also strive to support community health around our manufacturing plants. Many of our operating locations are below the state average in terms of attainment of Human Development. Hence, our community involvement initiatives are based in this context.

In 2008, we have touched a population of more than 0.35 million through our medical camps. Also, our mobile vans operating at some of our locations catered to more than 58 thousand people.

We continue to support the National effort to combat HIV/AIDS through various initiatives. These include the ART centers managed by the ACC Aayushman Trust at Wadi and ACC CMC Trust for Infectious Diseases at Vellore. During the year, the Aayushman Trust counselled 4998 people while the ACTFID Center saw 3225 persons with AIDS.

Sustainable Development requires not only our ongoing commitment and consistent execution of the outlined strategy, but also the continued need to critically review and understand our business and industry challenges. The recognition through awards such as the CNBC - TV 18 India Business Leaders Award in the category India Corporate Citizen of the Year 2008 and the Best Audit Committee Award 2008 by the Asian Centre of Corporate Governance and Sustainability & Indian Merchant's Chamber encourages us to stay committed, while not losing sight of the immediate need to reward our shareholders.

I hope that you will have a good experience going through this web update. I look forward to your feedback to Mr. Ravi D Puranik, Head - CSR (ravi.puranik@acclimited.com), who coordinates our SD agenda.

Going forward, we propose to come out with the next edition of our SD Report in 2010, as committed in our SD Report 2007.

United Nations Global Compact

ACC is signatory to the United Nations Global Compact and is committed to the ten principles of the Compact which foster better corporate responsibility in the areas of human rights, labour, environment and anti-corruption.

Our support to UNGC stems from our belief that the principles enunciated there in have a synergy with our intent to be a fair and inclusive business.

Below find list of Sustainable Development issues, which also highlights the progress made by ACC in 2008 in the areas of human rights, labor, the environment and anti-corruption.

1. Employment practices

- ▶ Training and recruitment, job creation and salaries
- ▶ Employee satisfaction
- ▶ Human rights, labour relations
- ▶ Diversity, equal opportunities
- ▶ Restructuring

2. Energy

- ▶ Fossil fuel use
- ▶ Energy efficiency
- ▶ Alternative fuels and raw materials (AFR)

3. Eco-Efficient Products

- ▶ Mineral Components (MIC)
- ▶ New Product Development

4. CO2

- ▶ Strategy
- ▶ Emissions reduction

5. Atmospheric emissions

- ▶ NOx
- ▶ SO2 and dust

6. Corporate governance

- ▶ Fair competition
- ▶ Bribery and corruption

Sustainable Development Issue: Employment Practices

Issue Owner at ACC SD Council: Anand Shukla, Chief People Officer

Contact person email - id: anand.shukla@acclimited.com

UN Global Compact Principles:

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.



Labour Standards

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

ACC's Interpretation of the Issue:

We aim to be the employer of choice, acknowledging that our employees are our greatest asset, and that their expertise, passion and enthusiasm are the key to our performance.

Sub - Issues of Employment Practices:

- Training & recruitment
- Job creation & salaries
- Employee satisfaction
- Human rights, labor relations
- Diversity, equal opportunities
- Restructuring

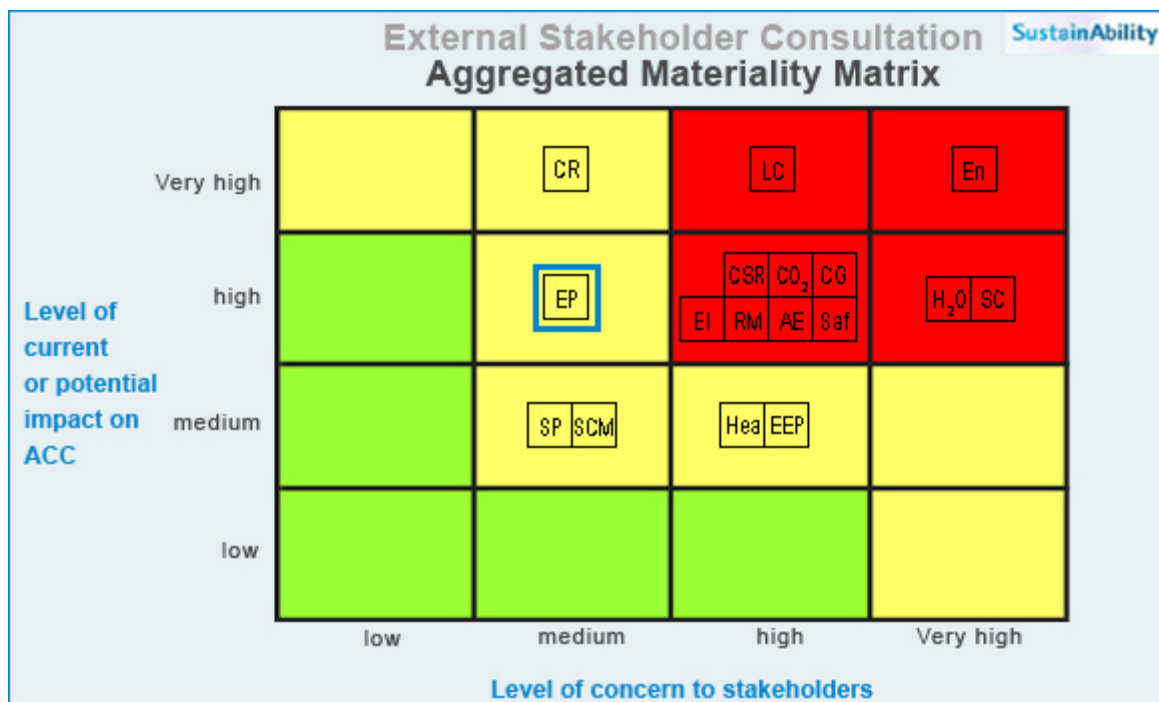
Materiality Matrix Result and observations of stakeholder groups

Holcim has identified 18 issues constituting Sustainable Development. These issues stem out of group SD aspirations; the WBCSD Cement Sustainability Initiative; peer group reporting; and international sustainability reporting guidelines. As a part of the HOLCIM group, ACC decided to adopt this set of issues as a part of its accountability to HOLCIM and its stakeholders. It then adapted this to the Indian context through the "materiality" exercise in order to bring in its accountability to stakeholders in India.

It is in this context that we requested [SustainAbility Limited](#) to help us in prioritizing issues that are material to external stakeholder groups with a view to secure an unbiased understanding of external expectations that would input in our SD Journey. Accordingly, SustainAbility Ltd has carried out the Materiality matrix in a consultative mode with stakeholders.

When mapped as a relation between level of concern to stakeholder groups and Level of current or potential impact on ACC, this issue attains **medium priority**. A consolidation of their response is as below:

- Many stakeholders felt that the company would not come under pressure for this as much as for other issues because this issue is not externally visible: "The Indian reality is that employee-related issues don't matter as much."
- Some sub-issues under this category, such as gender and human rights, ranked as more important than others.
- Several pointed out, however, that this *should be an internal priority*: "Happy and satisfied employees are the best brand ambassadors".



HR Vision: Build a strong, value driven, people oriented and accountable organization for becoming "Employer of Choice".

Strategy of the Organization: Maximize the performance of the workforce through alignment of HR activities and programmes with strategic directions to meet the business needs.

Initiatives to align HR Strategy with Business Goal.

During the year 2008, various new initiatives were undertaken, some of them are listed below:-

- **Employees Engagement Survey:** "Engaging for Results" (EFR) survey 2008 was conducted in December 2008. We received more than 89% response. This extensive participation represented our collective belief in the feedback process, and made the whole exercise very representative and meaningful. A similar survey was conducted in the year 2007, wherein we had received similar responses from everyone and as a team we have taken many initiatives for improving the people processes.
- **Performance Management System:** Introduction of New Performance Management System focusing on the objective to bring in transparency and to enhance objectivity towards assessment of employees. The Performance Management System was modified to align all its employees around six Corporate Objectives, viz. Safety, EBITDA, Market Share, Competitiveness, Organization and Corporate Citizenship.
- The new Performance Management System is used as a tool for assessing gaps and developing all the employees against that through various modes like class room training, on-the-job training, job rotation etc, for enhancing employee engagement.
- **Portal:** ACC has launched "ACCELERATE "portal for employees to encourage open communication throughout ACC .It also has a discussion board wherein employees are free to communicate their views and also obtain the response from the concerned Leadership Team.
- **People Focus Excellence Project.** ACC launched a people focus excellence Initiative to strengthen and energize relations between team leaders and their colleagues to enhance employee engagement, performance and development.

Steps taken to develop the Employees:

- In order to ensure that training and development of an employee meets both the Organizational requirement as well as Development potential of each individual, we work out a detailed training calendar each year covering the areas of Occupational Health and Safety Training, Technical training, Commercial training, Behavioral training, IT training and also training in specified functional areas.

- The Company became a part of the Swiss Multinational Holcim in 2006. The Company has been sending Senior Executives recruited in 2006 and later for an orientation to Holcim Switzerland for familiarization with Holcim Values, Operation and Reporting System. Those Senior Executives who joined the Company prior to 2006 also went through this training.
- All the Senior Executives have participated in assessment centers based on 14 Holcim leadership competencies. Individual Development plans have been developed and the same are monitored at periodic intervals.
- Moreover various training initiatives for Non Management Staff are implemented and reviewed at the Plant level for enhancing their knowledge and practice in the areas of Occupational Safety & Health, Operation and Maintenance of Plants, Process Optimization, IT intervention, Cost consciousness, Team working, Product knowledge, Product quality, Inventory Management and Work Life balance.

For Development of Employees, the Company has instituted award in the following areas:

Innovate to EXCEL award - The Company has an annual innovation contest which was started in 2005 and there are elimination rounds first held at the Plant, then at the Region and then at the Corporate level.

Annual Plant award - In order to improve the spirit of competitiveness amongst the Plants and also to have employee involvement, the Company, in 2008 instituted an award for the Plant which has worked in the area of improving competitiveness by being best in the cluster and also for the plants that comes up with the most innovative ideas to improve competitiveness.

The Company continues with its various awards at the Plant level for excellent and exemplary work done. Best Employee Award at the Plant level, best suggestion award and best Performance Management System Award (The Company improvises each year in an innovative manner to make the award more attractive .This fosters a culture in ACC to encourage ,recognize and reward innovative ideas and best practices adopted by the employees).

Steps taken to improve Employee Relations:

- The Company firmly believes in ensuring two way effective communications and in order to achieve this, various steps have been taken at the Corporate level, Regional level, Plant and Sales Office. There are certain communications / publications which are share with employees on need basis. To cite an example, some of them are listed below:-
 1. Quarterly publication of in house journal called "ACC PARIVAR" to all employees in English and major Regional languages.

2. Letter addressed by the Managing Director to each employee individually by his / her name on a quarterly basis, both in English and the major Regional Language (the letter is published in English + Seven other languages).
3. Whenever the Managing Director or the Top Management team visits the Plant / Sales Office, there is a meeting held along with the representative of the Non Management Staff so that there can be face to face dialogue involving communication of point of view on either side with an effort to ensure resolution of problems / grievances in a speedy manner.
4. Introduction of the Portal in the year 2008 has facilitated employees to directly communicate even to the MD or Senior Executives on their specified email IDs. The Portal also provides information on policy documents, and used to communicate vacancies within the organization for lateral movement / promotion.

GRI Indicators Mapped - LA1 , LA2 , LA3 , LA4 , LA5 , LA10 , LA11 , LA14 , EC5 , EC7 , HR4 , HR5 , HR6 , HR7 , LA12 , LA13

LA1: Total workforce by employment type, employment contract, and region

Total Workforce by Employment Type and Category

	Management Level						Other Employees		Total	
	Top		Senior		Middle					
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
Male FTE	36	65	220	325	3055	1317	5606	8175	8917	9882
Female FTE		1	3	7	158	56	60	90	221	154
Total FTE	36	66	223	332	3213	1373	5666	8265	9138	10036

- *Middle Management includes MML & FML both , Other Employees incorporates the Non- Management Staff figures*
 - *FTE - Full Time Equivalents*
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LA2 : Total number and rate of employee turnover by age group, gender, and region

(Including those leaving voluntarily or due to redundancy, dismissal, retirement or death in service)

	Male		Female		Total	
	2007	2008	2007	2008	2007	2008
Number of FTEs leaving the Company	463	412	47	10	510	422

	Under 30 yrs		30 - 50 yrs		Over 50 yrs	
	2007	2008	2007	2008	2007	2008
Number of FTEs leaving the Company	147	176	302	171	61	75

LA3 : Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations

Full time equivalents (FTE) are engaged on core jobs, such as manufacturing of cement, are governed by the service conditions offered by us and arrived through collective bargaining. The Sub contract FTE are engaged on non core jobs and are governed by the wage structure framed by the respective state governments. Therefore there is difference in the wages and service conditions of permanent FTE and sub contract FTE. Statutorily both the categories of employees are on the same pedestal as far as the benefits arising out of various statutes are concerned. However facilities provided to the permanent FTE are different than that of the sub contract FTE on the following counts:-

- Difference in wage structure
- Super annuation benefits
- Medical re-imbursement
- Leave travel assistance
- Housing facilities
- Loans & other benefits

LA4 : of employees covered by collective bargaining agreements

The Company supports freedom of association and the right to collective bargaining which are part of the ILO core conventions. Hence, the Company has Unions at various locations and has entered into long term settlements. The History of employee relations is that the Company has not had any work stoppage in any of its Plants / Offices involving its employees over the last four decades.

68% of the company's FTE is covered under collective bargaining agreements. In collective bargaining the stakeholders are employers, workers and Government who bargain on wages, Allowances, benefits, working conditions, Condition of service.

The Major factors affecting collective bargaining are

- State regulations (labour legislation)
- Employer's paying capacity
- Change in technology
- Industry practices

Bargaining is done at:

- Bipartite level (Bargaining is done at Unit level between the management and Union representing workers of the Unit)
- Tripartite level (conciliation- where government machinery - labour department is involved)

LA5 : Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements

We meet local Employment Laws as per Sect 9A of Industrial Dispute Act regarding minimum notice periods for any operational changes that affect employee's jobs or working agreements. We provided an average of 21 days (3 weeks) notice regarding operational changes during 2008.

LA10 : Average training hours per employee by Employee category

Level Wise	Mandays	Man hours	Avg Trg Hours / Emp Category
NML to FML	28321	226572	29
NML	22847	182780	133
SML & TML	2572	20579	48

LA11 : Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings

We have framed a Human Resource policy to ensure achievement of a target of at least five man days of training per employee per year. The effectiveness can be measured not by just man days attended but by also computing the impact of these programmes on the Company's performance.

Training workshops conducted:

- Technical Skills
- Behavioural skills
- Management skills

We have also built a state of art training facility "ACC Academy" at Thane which was inaugurated in January 2008. In this facility, programmes involving technical courses, commercial courses and management courses were conducted throughout the year for the executives and other personnels.

LA14 : Ratio of basic salary of men to women by employee category

Average Annual base salary of male and female employees by management level

	Management level		
	Top	Senior	Middle
Male to Female Ratio of annual base salary	-	1.12	0.96

EC5 : Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation

The Non management staff is paid high than the Minimum wages prescribed by the government for the said area. The wages include Basic, Fixed DA, variable DA, HRA, Washing allowances, etc. The employees are also given wide range of perquisites and amenities like Leave travel allowance, Medical benefits, Accommodation, co-operative credit society, Canteen, Community health centers for employees, Recreation facility, schools where employee's children are provided education at subsidized rates, Educational loans for employee's children at 2% interest, Reimbursement for medical expenditure incurred for critical illness.

The contract Labour is paid wages as per the minimum wages prescribed by the Government for the local area and they are also provided with medical facility at the Community health centers.

EC7 : Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation

As an equal opportunity employer, we are committed to staffing our operations with as many local residents as possible. We hire and promote the most qualified individuals for each position compatible with the job requirements.

We at ACC strive to increase diversity and employee engagement by providing a culture of flexibility, trust and understanding. Our objective is to incrementally increase employee engagement and retention, improve productivity and reduce turnover costs.

For example at our Maddukarai Plant, we have

Total No. Senior Mgt Employee - 9
out of which Total No. local Senior Mgt employees - 3

HR4 : Total number of incidents of discrimination and actions taken

As an equal opportunity employer, we treat our members in ACC Parivar with respect, dignity and is free from discrimination or harassment of any kind.

We are dedicated to preventing discrimination and upholding the principles of the United Nations Global Compact that covers human rights and labor standards.

HR5: Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk and actions taken to support these rights

In each of our manufacturing units, employees in non management staff category are well represented by unions. There are multiple unions at each of the locations, Even Sub contract FTE are well represented either through their separate unions or unions representing permanent FTE

From time to time company has been entering into unit wise bipartite settlement with its unions functioning at different units on issues ranging from wage revision to change in service condition etc. In 2005 on the request of majority of the unions; the company had adopted the national level wage settlement.

All company owned facilities encourage collective bargaining and promote the right to exercise freedom of association.

HR6: Operations identified as having significant risk for incidents of child labor and measures taken to contribute to the elimination of child labor

Consistent with our commitment to respect the Universal Declaration of Human Rights, we do not employ child labor under any circumstances in any of our owned facilities.

At ACC, all the external parties, with whom we work, are informed that no child labour should be practiced.

The company is also governed under the Mines act & Factory's act which do not permit engagement of child labour; moreover we are also governed by child labour prohibition & Regulation act

Also in case of sub contract Full time employees, screening process is adopted to prohibit engagement of child labour, by checking the age proof, which is statutorily required to be mentioned in the identity card. Our entire subcontract FTE carries this identity card with them while entering into a unit.

HR7: Operations identified as having significant risk for incidents of forced or compulsory labor and measures taken to contribute to the elimination of forced or compulsory labor

- We do not have any forced or compulsory labour in our owned facilities.
- All appointments are done by well laid down process of recruitment and selection.
- No workplace requires engagement of forced or compulsory labour.
- There is an interstate migrant workmen act which deals with workmen migrating from one state to another. Establishments engaging migrant workmen are required to register themselves under the act, which provides protection to such labour.

LA12: Employees receiving regular performance and career development reviews- Employees get regular performance feedback

Entire management staff goes through a performance review and receives feedback. Employees are required to develop and implement their Individual Development Plan in consultation with their immediate manager. Employee identifies his development needs and makes a detail note in his Self-Appraisal Template which he submits while doing his annual PMS discussion with his reporting manager.

LA13: Composition of governance bodies and break-down of employees per category according to gender, age, minority group membership and other indicators of diversity

We believe that diverse workforce helps in creation and exchange of multiple ideas and enhances team performance at all levels. Diversity not only enhances employer image, but also stimulates creativity and innovation.

While ACC promotes youth generation, at the same time experience of the seniors in diverse fields is not to be forgotten. ACC has various councils at all its plant location which includes a mix blend of people depending on the requirement of the profile, a person needs to shoulder.

Sustainable Development Issue - Energy

Issue Owner at ACC SD Council: U V Parlikar, Director - AFR Business

Contact person email - id: ulhas.parlikar@acclimited.com

UN Global Compact Principles:

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.



ACC's Interpretation of the Issue:

The use of thermal (fossil or alternative) and electrical energy sources in the manufacturing production process.

Sub - issues of Energy

- Fossil fuel use
- Energy efficiency (incl. electrical)
- Alternative fuels and raw materials (AFR)

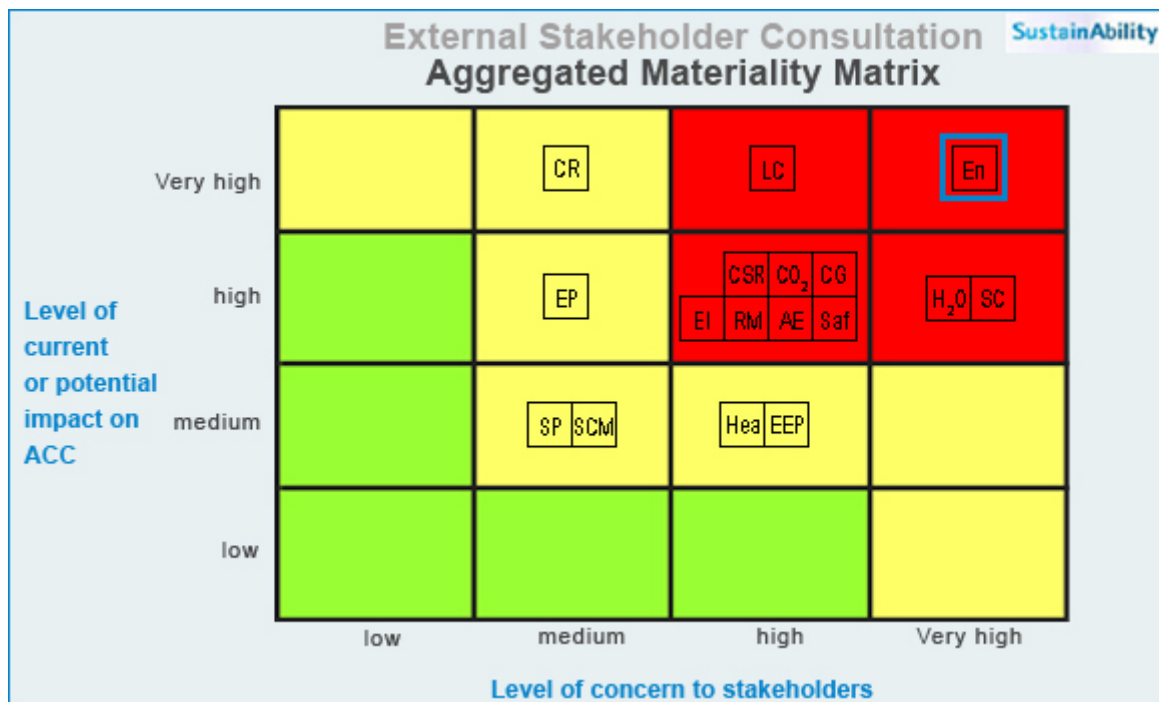
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It is in this context that we requested [SustainAbility Limited](#) to help us in prioritizing issues that are material to external stakeholder groups with a view to secure an unbiased understanding of external expectations that would input in our SD Journey. Accordingly, SustainAbility Ltd has carried out the Materiality matrix in a consultative mode with stakeholders.

When mapped as a relation between level of concern to stakeholder groups and Level of current or potential impact on ACC, this issue attains **high priority**. A consolidation of their response is as below:

- "It's the bottom line"
- Most stakeholders ranked energy use highly, pointing out that cement manufacturing requires huge amount of energy and raw materials.
- Many also indicated that there will be an economic advantage in future from energy conservation and the use of renewable sources.



We attribute high importance to Energy conservation. We continue to explore for renewable energy and build that into our energy basket. The efforts made by us and our contributions to the cause of sustainable development were recognized by the World Environment Foundation (WEF) and an eminent body of juries conferred upon us the prestigious Golden Peacock Eco-Innovation Award in 2008. We also won the Greentech Foundation's Silver Award 2008 for Environment Excellence in the cement sector. ACC has installed Continuous Emission Monitoring Systems for online monitoring of various emissions from the Kiln at one of its cement Works. This is the first initiative of its kind in the Indian Cement Industry.

Our sustained focus on building renewable energy assets is evident in the expansion of the wind farm in Rajasthan. This initiative would help us achieve our objective of attaining sustainable development of its business and underscore our commitment to a greener tomorrow. In 2008, we generated 27.04 million units of clean and green power from our wind farms in Tamil Nadu and Rajasthan. We also initiated the use of solar energy for colony lighting, street lighting, and water heating etc in some sites.

Under this issue, we are reporting EN2, EN3, EN4, EN5, EN6 and EN7. We follow stringent corporate policy and guidelines to ensure spill control and proper waste disposal. Being a responsible organization, we take due care so that no damage is done to the environment or society. The only hazardous waste generated is used oil, which is re-used at the plant itself. Moreover, in keeping with our commitment towards sustainable development, we started extending waste management services to industry and society. However, we are not engaged in the export or import of hazardous waste material.

GRI Indicators Mapped - EN2, EN3, EN4, EN5, EN6

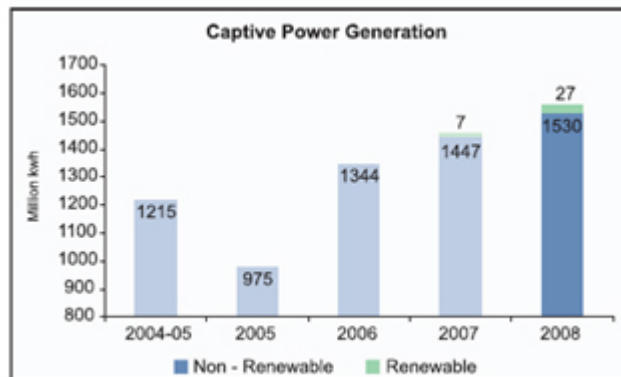
EN2: Percentage of materials used that are recycled input materials

AFR Business organization was initiated in August 2005 with a defined roadmap and endorsement of global AFR policy, under the aegis of our promoting company, Holcim, Switzerland. AFR business has grown steadily from its humble beginning in 2005. In 2008, the team put in concerted effort in building up a strong clientele, comprising leaders in industrial sectors such as chemicals, automobiles, pharmaceuticals, fast-moving consumer goods (FMCGs), etc. In 2008, our works have co-processed around 12,900 tonnes of industrial wastes and 12,750 tonnes of biomass. The business has also increased its portfolio, safely and successfully co-processing twenty different streams of industrial-waste streams at our various cement works. The global experience and expertise of the Holcim Group in this field and the strong support of the plants extended towards waste co processing has helped the team in working intensively on the difficult-to-handle materials and making them compatible with the process of cement manufacturing.

	Unit	2008
• Total weight or volume of Alternative raw material used	T	177518.00
• Total weight or volume of alternative fuel used	T	63647.00

EN3 & EN4: Direct energy consumption by primary energy source

We, at ACC, meet our energy requirements mainly by generating primary energy at our captive power plants using both traditional (various grades of coal and other fuel) as well as biomass based fuel. Additional power and fuel requirements are met by purchasing from outside. We are also stepping into generating green energy by commissioning wind farms at several locations and recovering fuel value from wastes of other industries through co-processing them in our kilns.



Energy Consumption	2008	2007
Fuel Consumption (Million Tonnes / annum of cement production)	2.65	2.40
Coal for onsite power generation (million tones/annum)	1.59	1.49
Process power consumption (KWH / Tonne of cementitious material)	87.00	89.00
Total power consumption (KWH / Tonne of Cementitious material) including colony	92.48	94.71
Specific thermal energy consumption (GJ / Tonne of clinker)	3.12	3.14

It may be noted here that the increase in total fuel consumption is due to the increase in cement production and per unit fuel consumption figures show noticeable improvement.

EN5: Energy saved due to conservation and efficiency improvements

We have implemented several initiatives and projects to optimize the performance of various equipments so as to achieve optimum utilization of electrical and thermal energy. This has helped in reducing power consumption of all our Plants including colony power consumption.

		2008	2007
Thermal Energy saved	GJ/Tonne clinker	0.020	- 0.070
Electrical energy saved for up to cement manufacture	KWH / Tonne clinker	2.241	1.554

EN6: Initiatives to provide energy-efficient or renewable energy-based products and services, and reductions in energy requirements as a result of these

Major initiatives are listed below:

Initiatives	Impacts (in terms of energy savings)
Electrical energy saved	
Optimization of crusher at the mines at Chanda	0.52 KWH/T of clinker
Optimization of power consumption in operation of VRM Bag house Fan and minimizing VRM Ball mill running hours by optimizing VRM output at Galgal	0.50 KWH/T of raw material
Commissioning of Distributed Control System and elimination of idle running axillaries at Jamul	1.70 KWH/T Clinker
Improvement in specific output of Coal VRM by dam ring optimization, and rectification of the limit setting of bag house out let damper at Chaibasa	0.03 KWH/T clinker
Air consumption reduced to 2.1 NM3/Kg clk from 2.3 NM3/Kg clk as a result of cooler maintenance at Chaibasa	0.06 KWH/T clinker equivalent
Installation of VVFD for Cooler Fans at Jamul	0.50 KWH/T
Installation of Dense Phase pump for Cement Mill 3 resulted in increased throughput at Chanda	2.01 KWH/T of cement
Mechanical conveying of cement mill 3 to 8 and close circuiting of mills at Jamul	2.20 KWH/T of cement
Installation of Capacitor Bank for Power Factor Improvement at Damodar	0.75 KWH/T of cement
Installation of screw compressor in	0.50 KWH/T of cement

packing plant at Jamul	
Thermal Energy Saved	
Provision of additional flap damper for K-5 feed damper, modification of K-5 feed box and installation of Orifice at calciner inlet TAD at the kiln in Lakheri	1.50 Kcal/Ton of clinker
Replacement inlet seal of K-3 and by increasing momentum of Kiln no. 3 Burner at the kiln in Jamul	3.00 Kcal/T Clinker
Modification done in cooler IKN area and 3rd compartment grate plate re-orientation at Lakheri	2.50 Kcal/T clinker
Captive Power Plant	
Reduction of compressed air pressure and Trimming of impeller of hot well cooling tower pumps at Chaibasa	Reduction in Auxiliary consumption by 0.21%
Non Conventional Energy	
Wind power generated by Madukkarai Cements	23400744 units
Wind power generated by Lakheri Cement Works	3640000 units

Sustainable Development Issue - Eco - efficient Products

Issue Owner at ACC SD Council: N Chadha, Head - Operations Support

Contact person email - id: NChadha@acclimited.com

UN Global Compact Principles :

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.



ACC's Interpretation of the Issue:

Products which are less resource-intensive in their manufacture (i.e. the input of materials, natural resources and energy are less than in a 'business as usual scenario) - can be expressed also as 'doing more with less'.

Sub - issues of Eco-Efficient Products:

- Mineral components (MIC)
- New product development

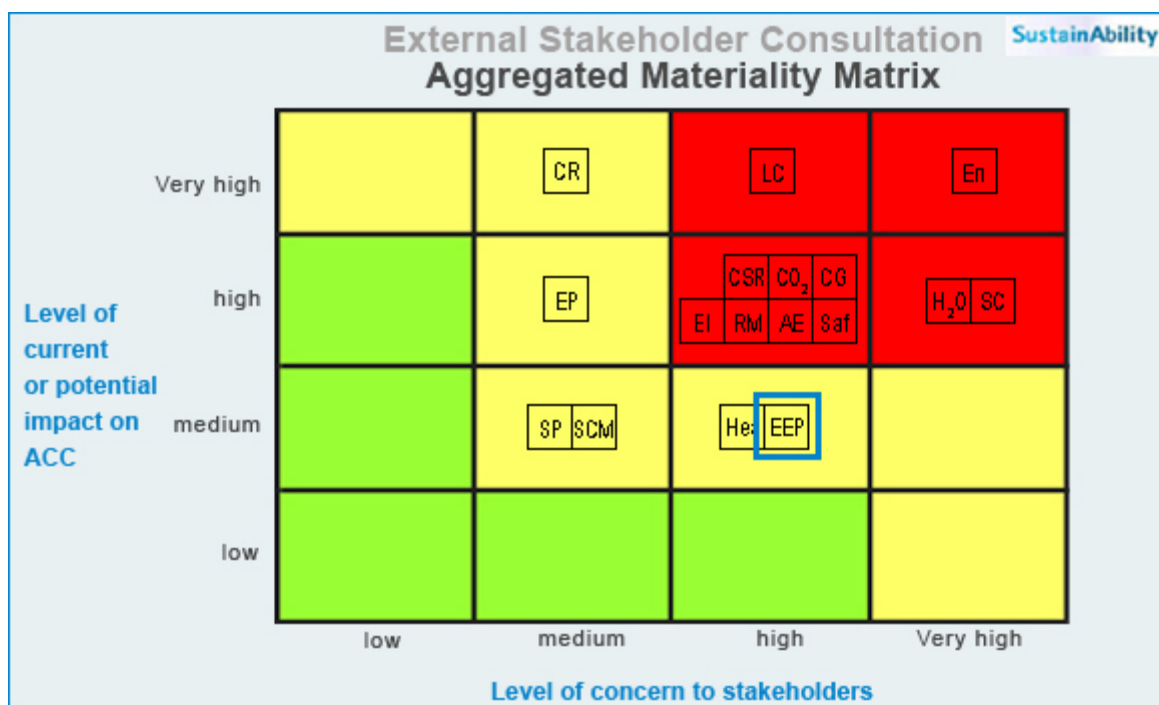
Materiality Matrix Result and observations of stakeholder groups

Holcim has identified 18 issues constituting Sustainable Development. These issues stem out of group SD aspirations; the WBCSD Cement Sustainability Initiative; peer group reporting; and international sustainability reporting guidelines. As a part of the HOLCIM group, ACC decided to adopt this set of issues as a part of its accountability to HOLCIM and its stakeholders. It then adapted this to the Indian context through the "materiality" exercise in order to bring in its accountability to stakeholders in India.

It is in this context that we requested [SustainAbility Limited](#) to help us in prioritizing issues that are material to external stakeholder groups with a view to secure an unbiased understanding of external expectations that would input in our SD Journey. Accordingly, SustainAbility Ltd has carried out the Materiality matrix in a consultative mode with stakeholders.

When mapped as a relation between level of concern to stakeholder groups and Level of current or potential impact on ACC, this issue attains **medium priority**. A consolidation of their response is as below:

- Many stakeholder groups saw a need for ACC to play a role - wanted to see ramped up product innovation.
- "It is expected of a company the stature of ACC to come up with new innovative and environmentally friendly products."
- Issue was seen as linked to sustainable construction and energy.
- Stakeholders flagged opportunity for cost savings associated with eco-efficient products, and increased revenue because of their growing interest from consumers; an opportunity to differentiate.



We have presence in almost all corners of India with total installed capacity of 22.41 million metric tonne (MMT) of cement manufacturing per annum.

The basic raw material required for cement manufacturing is Limestone which is a limited non renewable mineral resource. Extraction of Limestone from mines involves fugitive dust generation, noise pollution, waste generation; effects etc. and also put pressure on limited limestone reserves. Moreover, the calcination reaction of limestone inside the kiln is responsible for releasing approximately 45% of the total CO₂ generated from the cement manufacturing process. Hence the conservation of this valuable and natural non renewable resource is essential to ensure availability of the same for future usage. We have pioneered the usage of Mineral Components (MIC) like Fly ash, Blast Furnace Slag, Gypsum etc as a substitute for limestone as a raw material and as a CO₂ mitigation measure. Usage of MIC leads to reduction in limestone usage

and lesser CO₂ emission ensuring Sustainable Development. The usage limit according to Bureau of Indian Standards is:

- Blast Furnace Slag - up to 65% to produce PSC.
- Fly Ash from Power and Steel Plants - up to 35% to produce PPC.

In 2008, we focused on blended cement production and with higher quantity of MIC utilization.

GRI Indicators Mapped - EN1

EN1: Materials used by weight or volume

Details of Raw Materials consumed			
Raw Material	Unit	Quantity	
		2008	2007
Slag	Million Tones	1.977	1.858
Gypsum	Million Tones	1.13	1.075
Fly Ash	Million Tones	3.986	3.535

Sustainable Development Issue - Carbon Dioxide

Issue Owner at ACC SD Council: K N Rao, Head – EECC

Contact person email - id:

narayanrao.kapilavai@acclimited.com



United Nations Global Compact Principles:

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: Undertake initiatives to promote greater environmental responsibility;

Principle 9: Encourage the development and diffusion of environmentally friendly technologies.

ACC's Interpretation of the Issue:

The main greenhouse gas responsible for climate change that is emitted during the cement manufacturing process.

Sub - issues of Carbon dioxide: (CO₂)

- Strategy
- Emissions reduction

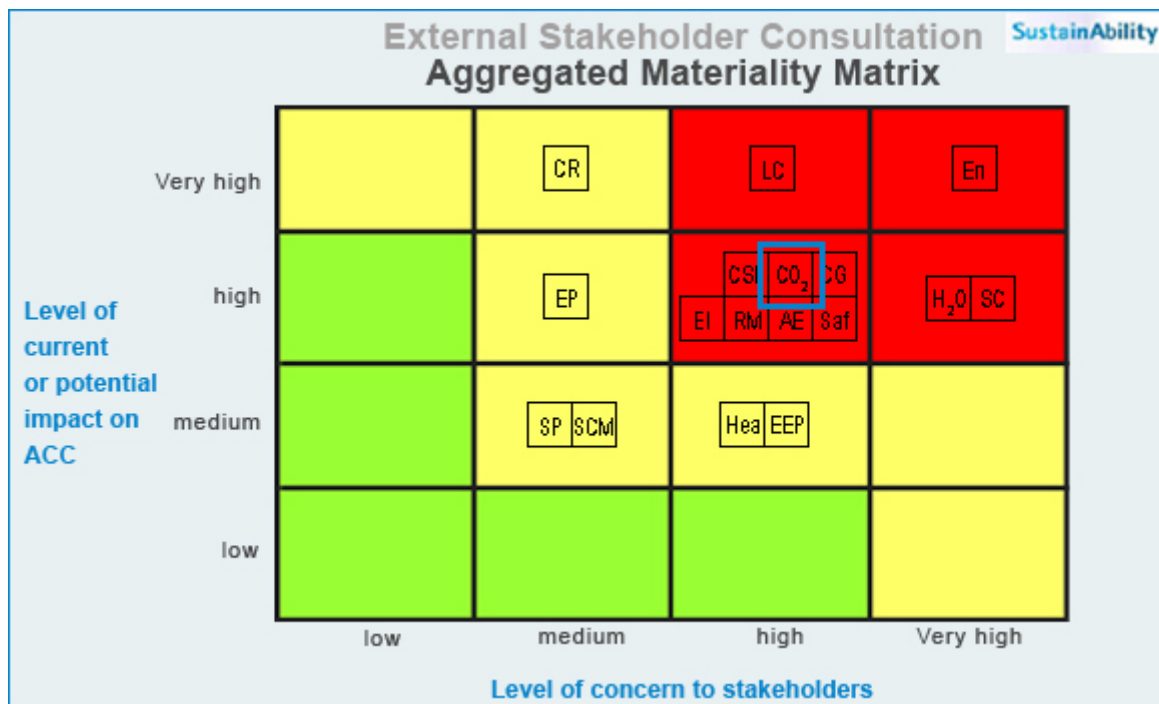
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It is in this context that we requested [SustainAbility Limited](#) to help us in prioritizing issues that are material to external stakeholder groups with a view to secure an unbiased understanding of external expectations that would input in our SD Journey. Accordingly, SustainAbility Ltd has carried out the Materiality matrix in a consultative mode with stakeholders.

When mapped as a relation between level of concern to stakeholder groups and Level of current or potential impact on ACC, this issue attains **high priority**. A consolidation of their response is as below:

- Most stakeholders prioritized it, both as an important issue for their organizations, as well as an issue of high potential impact on ACC's business.
- A number of stakeholders stressed the business opportunities related to this issue for Indian companies able to leverage the CDM.
- Several stakeholders pointed also to the need for a climate change strategy and targets in the face of possible regulation.



The cement industry contributes about 5% to global anthropogenic CO₂ emissions, making the cement industry an important sector for CO₂ - emission mitigation strategies.

ACC demonstrate its commitment to the conservation of precious mineral resources by using eco-friendly and clean mining practices and by other means such as enrichment of low grade limestone through beneficiation.

We are having well established Environment Management System as per ISO 14001 standard. We relentlessly pursue the development of cleaner production processes that inherently reduce pollution levels and require fewer resources. To help us gauge and benchmark our environment management systems, we engage competent external parties for environmental auditing. We strive to work in close consultation with State Pollution Control Board and regulatory bodies.

In our efforts to support sustainable development we have developed a four year roadmap to reduce CO₂ emissions by 10% @ 2.5% per annum from year 2008 onwards.

We are taking proactive steps to reduce specific CO₂ emissions. In 2008, we have reduced specific net CO₂ emissions by 21% compared to the year 1990.

We have reduced CO₂ emissions by adopting the combination of the various measures as indicated below

- (1) By reducing the clinker factor
- (2) By increasing thermal energy efficiency
- (3) By adopting various electrical energy conservation measures
- (4) Continuous up-gradation of cement manufacturing practices
- (3) By replacing fossil fuels with alternative fuels and optimizing fuel composition.

In the year 2008, we could achieve a reduction in specific CO₂ emissions by 9.75 Kg CO₂/ton of Cementitious material excluding onsite power generation.

It is matter of pride to share that ACC is a trendsetter in blended cements (PPC & PSC) in India and has contributed substantially in the efforts to reduce CO₂ emissions from Indian Cement Industry. Our blended cement project has been registered with Clean Development Mechanism (CDM) Executive board and the wind power project is under registration. However as per industry standards, there is a scope to reduce CO₂ emissions through various measures as indicated above.

GRI Indicators Mapped - EN7 , EN18 , EN26

EN7 : Initiatives to reduce indirect energy consumption and reductions achieved

The indirect energy in 2008 consumed is mainly in the form of power procured from the electricity boards. The power purchased from electricity boards was around 44% and only 56% of the power is produced in captive power plants (CPPs).

We have initiated programs on the energy conservation based on the process optimization and equipment up gradation. In 2008 we have saved 0.28 million GJ of the thermal energy and 46423 MWH electrical energy.

Specific Electrical Energy Consumption

	Unit	2008	2007
Overall Performance	KWH/ Ton Cement	92.48	94.71

Specific Thermal Energy Consumption

	Unit	2008	2007
Overall Performance	GJ/Ton Clinker	3.12	3.14

Over all CO₂ Reductions Achieved

	Unit	2008
On account of thermal savings	T CO ₂	27103.68
On account of electrical savings	T CO ₂	60657.40
On account of clinker factor improvement**	T CO ₂	279476

**Note : CO₂ emission reductions on account of clinker factor improvement is calculated by using the thumb rule that for 1% improvement in clinker factor there is reduction of 7.5 Kg CO₂/T Cement.

EN18: Initiatives to reduce greenhouse gas emissions and reductions achieved

We employ the CSI CO₂ protocol to measure monitor and report CO₂ emissions from our operations. The increased use of alternative "less energy intensive" materials has helped the company to substantially reduce its overall specific energy, which in turn has led to lower net direct CO₂ emissions. The company has initiated programs on the energy conservation based on the process optimization and equipment up gradation. During the year we have saved 0.28 million GJ of the energy.

The CO₂ emissions are restricted at 704.54 Kg per ton of cementitions products which includes CO₂ from the captive power generation and CO₂ generated on account of purchased power. The organization meets around 44% of the total electrical energy through purchased grid power which is accounted as indirect CO₂.

The net CO₂ emission is 571.25 Kg CO₂/t of cementitions material, excluding the CO₂ from onsite power generation and indirect CO₂ from the grid power, We are also focusing on the use of biomass based alternative fuels to lower our carbon footprint.

Overall CO₂ performance

Parameter	Unit	2008	2007
Net CO ₂ emissions (from cement production)	Kg/t cem. products	571.25	581
CO ₂ emissions (from onsite power generation)	Kg/KWH	1.4	1.41

EN26 : Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.

At ACC, we have a full fledged Environmental and Energy Conservation Cell, which takes care for all the environmental issues related to us. Cement as such does not have any significant environmental impact after coming in to the structure. We provide technical support and training to contractors and masons for safe and effective use of the product.

Also in the production phase, emphasis is given on the blended cement production to reduce pollution. Also the main focus is on use of fly ash and slag. Our PPC production increased from 12.53 Mio T in 2006 to 14.35 Mio T in 2008. This shows an increase in fly ash absorption by 34%. Also PBFS production increase from 3.73 Mio T in 2006 to 4.08 Mio T in 2008.

We are also in the process of utilizing the rejects in making masonry cement, fly ash bricks and as replacement of sand.

Also care is taken not only in the production cycle but also during transportation. During transportation of our products to our dealers, air pollution takes place. In this regard, we have increased rail transportation vis-à-vis road transport to reduce pollution through transportation. 51% of our cement dispatch is via rail mode while 49% is via road, reason being our plants are located in very remote areas and are inaccessible to the rail services.

We also offer bulk cement through our subsidiary company, Bulk Cement Corporation of India (BCCI) situated at Kalamboli, in Navi Mumbai. BCCI caters to bulk cement requirements of the city of Mumbai and its environs. The plant receives cement in bulk from our plant at Wadi and has its own special purpose railway wagons and rakes and its own railway siding. The first of its kind in India, BCCI is equipped with all the facilities required by increasingly sophisticated construction sites in a bustling metropolis, including a laboratory, a fleet of specialized trucks and site silos for the convenience of customers.

Sustainable Development Issue - Atmospheric Emissions

Issue Owner at ACC SD Council: K N Rao, Head - EECC

Contact Person email - id:

narayanrao.kapilavai@acclimited.com



UN Global Compact Principles:

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges

Principle 8: Undertake initiatives to promote greater environmental responsibility

Principle 9: Encourage the development and diffusion of environmentally friendly technologies.

ACC's Interpretation of the Issue:

The major emissions to air are particulate matter and gases, apart from CO₂ generated by the cement manufacturing process. These emissions are included in our Emissions Monitoring and Reporting (EMR) standard.

Sub issues of atmospheric emissions:

- NO_x, SO₂ & Other atmospheric emissions

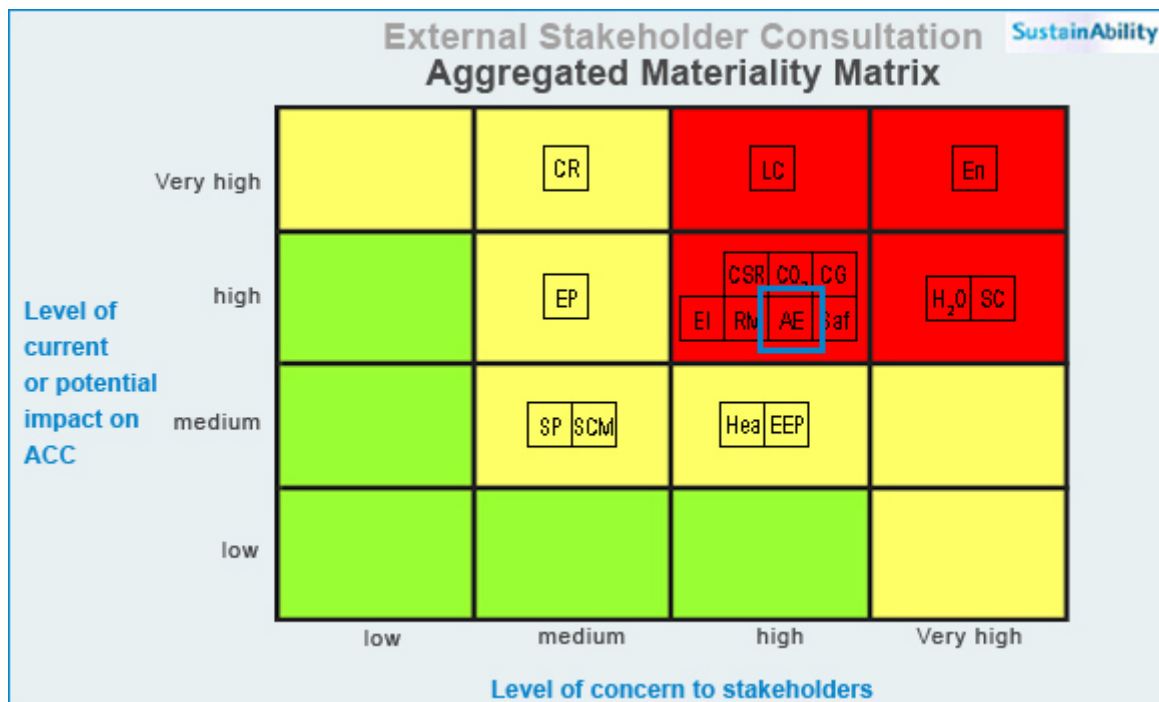
Materiality Matrix Result and observations of stakeholder groups

Holcim has identified 18 issues constituting Sustainable Development. These issues stem out of group SD aspirations; the WBCSD Cement Sustainability Initiative; peer group reporting; and international sustainability reporting guidelines. As a part of the HOLCIM group, ACC decided to adopt this set of issues as a part of its accountability to HOLCIM and its stakeholders. It then adapted this to the Indian context through the "materiality" exercise in order to bring in its accountability to stakeholders in India.

It is in this context that we requested [SustainAbility Limited](#) to help us in prioritizing issues that are material to external stakeholder groups with a view to secure an unbiased understanding of external expectations that would input in our SD Journey. Accordingly, SustainAbility Ltd has carried out the Materiality matrix in a consultative mode with stakeholders.

When mapped as a relation between level of concern to stakeholder groups and Level of current or potential impact on ACC, this issue attains **high priority**. A consolidation of their response is as below:

- More practical and easier technologies are available to control / reduce particulate matter emissions than gaseous emissions including CO₂ emissions.
- A number of stakeholders said that acceptable degree of action is in place to comply with regulatory norms. However they felt that this may change to: "Leadership in environmental sustainability will define leadership tomorrow."



In 2008, we started to systematize our Sustainable Development thinking and came out with our Sustainable Development Agenda. To ensure accountability to the sustainable development agenda and to better integrate it with business strategy, we have put in place a sustainable development organization through a nominated apex corporate council and plant-specific councils. This can be seen as one of the rare achievements by an Indian cement producer with the scale and geographical diversity of the Company. This would also go a long way in reinforcing the sustainable development mindset at various levels and across functions. It is a step towards the Company's goal of a matrix form of working, a structure and culture that would enhance stakeholder responsiveness.

We recognize the need to be in the forefront of change in the climate change space and hence are involved in the TERI BCSD India Draft Corporate Action Plan on Climate Change developed as a part of the National Action Plan for Climate announced by the Government of India.

We plan to reduce CO₂ by improving the Plant thermal and electrical efficiencies of the captive power plants, using alternative raw materials and fuels, improving the clinker factor, recovery of low temperature waste heat, and adopting best operation and maintenance practices.

It is matter of pride to share that ACC is a trendsetter in blended cements (PPC & PSC) in India and has contributed substantially in the efforts to reduce CO₂ emissions from Indian Cement Industry. Our blended cement project has been registered with Clean Development Mechanism (CDM) Executive board and the wind power project is under registration. Continuous efforts are on to improve thermal and energy efficiencies and thereby achieving a substantial reduction in CO₂ emissions.

Our outstanding contribution towards achieving the national goal of sustainable development was rewarded by the Federation of Indian Mineral Industries, New Delhi, which chose ACC and three other companies to be the members of the Sustainable Miner's Club.

In 2008, we generated 27.2 million units of clean and green power from its wind farms in Tamil Nadu and Rajasthan.

GRI Indicators Mapped - EN16 , EN17 , EN19 , EN20 , EN30

EN16: Total direct and indirect greenhouse gas emissions by weight

CO ₂ emissions from Cement Production			
		2008	2007
Absolute gross CO ₂ emissions	Million [t CO ₂]	11.95	11.57
Absolute net CO ₂ emissions	Million [t CO ₂]	11.95	11.57
Specific gross CO ₂ emissions	[kg CO ₂ /t cem mat]	571.25	581
Specific net CO ₂ emissions	[kg CO ₂ /t cem mat]	571.25	581

CO ₂ emissions from onsite power generation			
		2008	2007
Absolute CO ₂ emissions	Million [t CO ₂]	2.099	1.99
Specific net CO ₂ emissions	[kg CO ₂ /KWH]	1.4	1.41

Clinker factor improvement			
		2008	2007
Clinker factor	%	65.79	67.58
Blast furnace slag consumption	Million Tons /annum	2.0	1.86

fly ash consumption	Million Tons /annum	3.92	3.54
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EN17 : Other relevant indirect greenhouse gas emissions by weight

Cement industry do not contribute to release of other GHG gases. Hence this is not applicable.

EN19 : Emissions of ozone-depleting substances by weight

"Cement Industry is not emitting any ozone-depleting substances. Hence this is not applicable".

EN20 : NO_x, SO_x, and other significant air emissions by type and weight

Average specific concentration (g/ton of cementitious material)

Parameter	2008	2007
NO _x	902.58	929.51
SO ₂	53.74	105.06
Dust	81.98	95.12

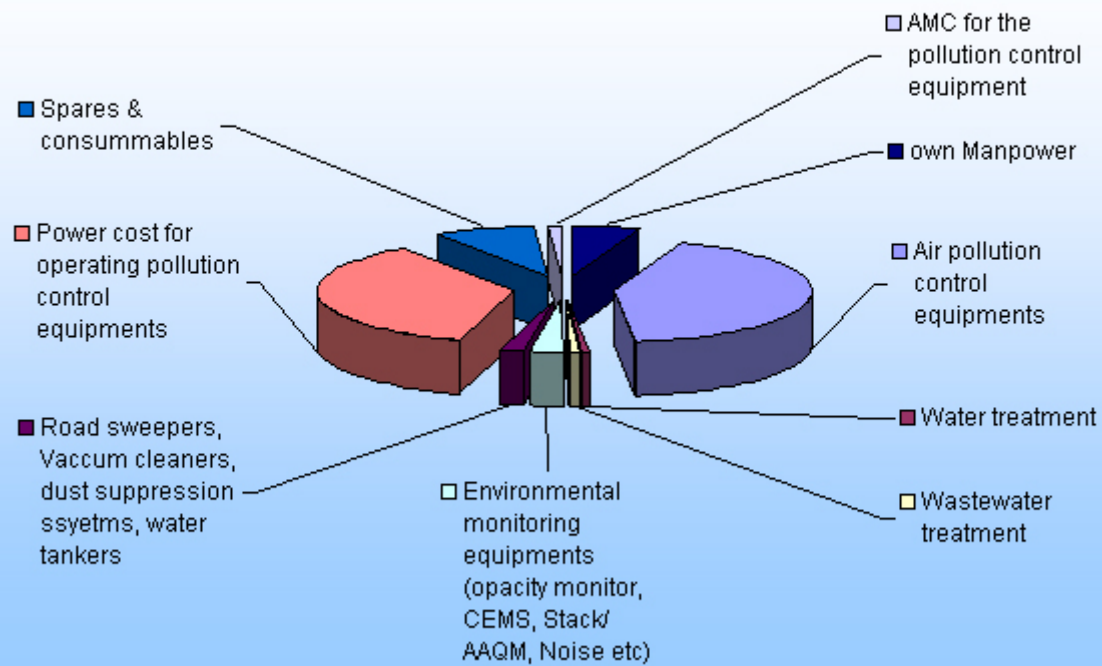
Note: In India load based standards i.e g/ton of cementitious material are still under development, hence there are no standards values for comparison

EN30 : Total environmental protection expenditures and investments by type

	2008	2007
Details	Rs. Lakhs	Rs. Lakhs
Environmental protection and Pollution Control	16599	11817
Total Research and Development Expenditure	509	469

The snap shot of environment protection expenditure incurred in the year 2008 is projected in the form of pie chart clearly indicating the areas of expenditure incurred and the respective expenditure

SEGMENT WISE ENVIRONMENT EXPENDITURE - 'INR' IN LAKHS



Sustainable Development Issue - Corporate Governance

Issue Owner at ACC SD Council: Ranjan Sachdeva, chief Internal Auditor

Contact person email - id: ranjan.sachdeva@acclimited.com



UN Global Compact Principles:

Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

ACC's Interpretation of the Issue:

Ensuring responsible and transparent company leadership through the implementation of robust systems of accountability and management covering legal, corporate and ethical guidelines.

Sub - issues of Corporate Governance:

- 1 Fair competition
- 2 Bribery & corruption

Materiality Matrix Result and observations of stakeholder groups

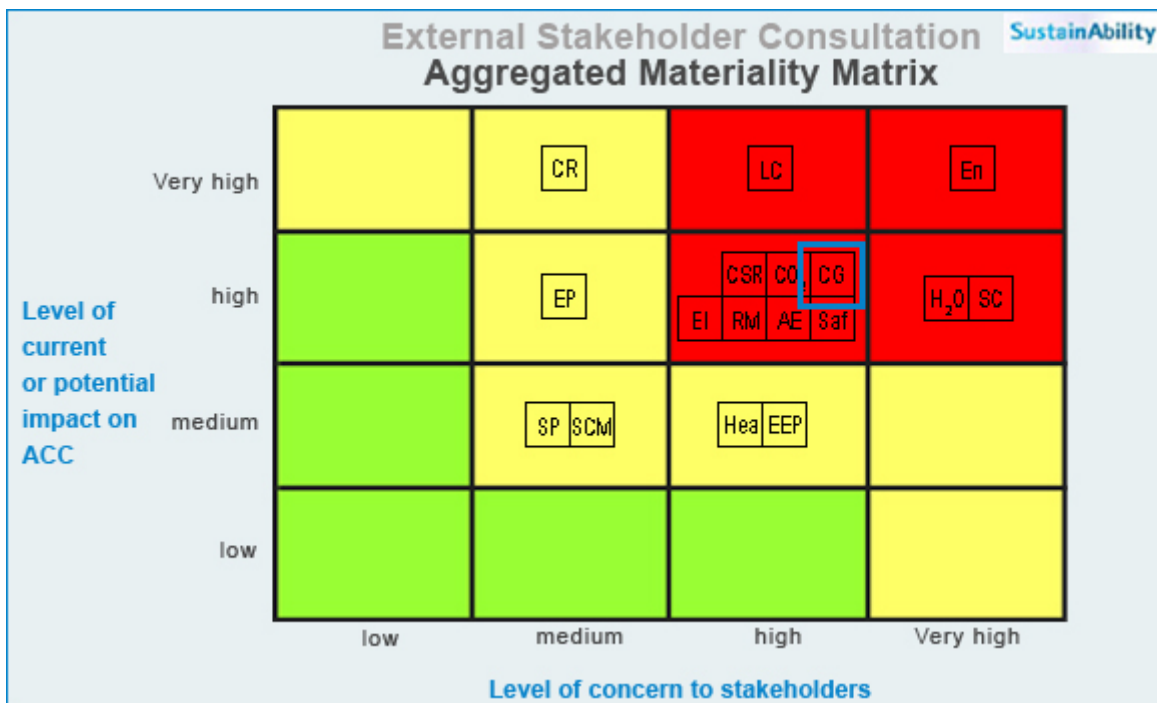
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When mapped as a relation between level of concern to stakeholder groups and Level of current or potential impact on ACC, this issue attains **high priority**. A consolidation of their response is as below:

- "This should be very no-nonsense".
- Scored uniformly high amongst most stakeholders.

- Stated as important for ACC because it is such a big brand in India, and good corporate governance makes business sense.
- Many stakeholders also cited it as a priority because they did not want to be associated with unethical companies.
- Stakeholders also showed interest in having more information on Corporate Governance.



We follow a policy of honest business practices. Our Board of Directors consists of professionals drawn from diverse fields. The majority of Directors on the Board including the Chairman are Non Executive Directors. Fifty percent of the Board comprises of independent Directors. The day to day management of the company is conducted by the Managing Director under the supervision and control of the Board of Directors. While we have various mandatory committees, we have also set up a non mandatory Compliance Committee of Board members. This committee was constituted to regularly review the status of company's compliance with Laws and regulations as well as to understand the implications of major legislative and regulatory developments that may significantly affect the company, and report the same to the Board.

ACC's Audit Committee won the Best Audit Committee Award 2008 by the Asian Centre of Corporate Governance & Sustainability and Indian Merchants' Chamber as a recognition of the high ethical standards adopted by our Directors who have excellent knowledge in Finance and Business, and have made enormous contribution to the overall transparent and Accountable Governance of the Company.

At ACC, the Board of Directors (the "Board") have adopted the Code of Business Conduct and Ethics (the "Code") for Directors and the Senior Management. This Code

is intended to focus the Board and Senior Management on areas of ethical risk; provide guidance to them to help them recognize and deal with ethical issues; provide mechanisms to report unethical conduct; and help foster a culture of honesty and accountability.

We also won Council for Fair Business Practices (CFBP) Jamnalal Bajaj Awards for the year 2008 for fair business practices awarded by the Council for Fair Business Practices, Mumbai. The award was won in the Manufacturing Enterprise category based on evaluation parameters like customer satisfaction, customer communication, employee motivation, social conscience, corporate social responsibility and compliance with laws.

The ACC Board has instituted a robust Business Risk Management (BRM) policy. BRM at ACC is a continuous process and one of the key elements of our Corporate Governance. It promotes efficient and effective assessment of risk, increases risk awareness and improves the management of risk throughout ACC and its Subsidiaries. This includes anticipating and avoiding threats and losses as well as identifying and realizing opportunities.

We have laid down procedures to inform Board Members about the risk assessment and minimization procedures. These procedures are periodically reviewed to ensure that executive management controls risk through means of a properly defined framework.

We have set up an Internal Audit Department which is headed by the Chief Internal Auditor and assisted by a team of highly qualified finance and engineering professionals.

The Department functions independently to ensure smooth operations of the Organization. It closely monitors and evaluates the efficacy and adequacy of internal control systems, their compliance with operating systems, accounting procedures and policies at all the Company's locations, including its subsidiaries.

The Board of Directors has instituted a Fraud Risk Management Policy and a Fraud Risk Management Committee to receive and respond to all incidents of suspected fraud / misconduct falling within the purview of this policy.

This Policy is applicable to all Directors and employees of the Company and the main purpose of this Policy is as below:

1. To ensure that the brand, reputation and assets of the Company are protected from loss or damage resulting from suspected or confirmed incidents of fraud / misconduct.
2. To provide guidance to the employees as to the action which should be taken when they suspect fraudulent activity or misconduct.
3. To provide a clear statement to all employees forbidding any illegal activity including fraud for the benefit of the organization.
4. To provide assurance that the reported fraudulent activity will be fully investigated.

GRI Indicators Mapped - SO2, SO3, SO4, SO7, SO5

SO2: Percentage and total number of business units analyzed for risks related to corruption

Internal Audit Department follows risk-based audit approach and draws annual audit plan based on a comprehensive risk assessment of all the business processes. The areas prone to frauds are also highlighted and also become a part of risk assessment.

SO3: Percentage of employees trained in organization's anti-corruption policies and procedures

We initiated a project called Internal Control Systems (ICS) in 2007. The underlying objective of this project was to systematically define the key controls in the business processes that could have an impact on financial reporting.

All the defined integral controls (50 No.) were formally implemented with effect from Jan.2008. Total numbers of employees trained on these key controls were 800 in 2007 and 350 in 2008.

The ICS was in a project stage in 2007 and hence awareness was stored on ICS to a larger section and hence the figures are more in 2007. In 2008, it was already in Operational mode and hence we had only updated on the changes to the internal controls and hence the numbers are less compared to 2007 as it was mainly for the key Finance and other personnel at the regions, SUs and CMUs and at HO.

SO4: Actions taken in response to incidents of corruption

ACC has taken very strict actions against Employees indulging in corruption. Any such identified cases have either been dismissed or disciplinary action has been taken against them.

SO5: Public policy positions and participation in public policy development and lobbying

We strongly believe that co-processing in cement kilns needs to be promoted widely in a country like India, where the waste management scenario is quite grave. Since the concept of co-processing is still nascent in our country, we have been putting concerted efforts in lobbying at various levels to promote this environmentally sound mode of waste management.

Inclusion of option of resource recovery in cement kiln in the Hazardous Waste Management, Handling and Transboundary Movement) Rules, 2008

Through constant liaisoning, interactions and discussions with the concerned pollution control boards and other stakeholders at centre and state, resource recovery has been included in the Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2008 rules as one of the option for waste management.

As co-processing wastes in cement kilns is now gaining acceptance as the resource recovery option in the country the Ministry of Environment and Forests (MoEF) has posted a draft paper on National Hazardous Waste Management Strategy on their website which includes a section on co-processing of wastes in the cement kilns as one of the most environmentally safe disposal options. As a lobbying activity, industries interacting with us have been requested to submit their comments to MoEF in addition to submitting various suggestions over the draft strategy.

Meetings with Various State Pollution Control Board Officials

Various meetings have been had with officials of various State Pollution Control Boards to lobby with them and align them towards recognizing the benefits of the co-processing technology.

Forums, workshops and presentations

We have also been actively promoting the concept of co-processing in cement kilns in the meets of different forums, confederations and associations in the country through elaborate presentations and discussions.

Forums and workshops attended and organized in association with bodies like FICCI (Federation of Indian Chambers of Commerce and Industry), CII (Confederation of Indian Industry), MoEF, ASSOCHAM (The Associated Chambers of Commerce and Industry of India), ISWA (International Solid Waste Management Association) have enabled us to spread awareness and also establish a nexus with the government on policy issues and thus expanding business opportunities for us.

Stakeholders' Meets:

Various Stakeholders' Meets have been organized in different states to generate awareness on the merits of co-processing of wastes in cement kilns amongst various stakeholders. The meetings are organized by ACC Ltd, ACL and Holcim in collaboration with GTZ and the Respective State Pollution Control Boards. Interactive sessions between expert speakers from GTZ, Holcim, ACC, ACL, Central and State Pollution Control Board Representatives and the industrial houses in each of these Meets have gone a long way in promoting the concepts and benefits of Co-processing.

We have organized six Stakeholders' Meets so far in the following regions:

1. Delhi - February, 2006
2. Jaipur - 16th November, 2006
3. Bangalore - 9 May, 2007

4. Ahmedabad - 21st July, 2007
5. Chandigarh - 22nd July, 2008
6. Maharashtra - 14th October, 2008

Awareness generation through organized Meets with Industrial Associations and Groups

Several structured Meets have been organized with Industrial Association Members, bringing together various stakeholders on a common platform and providing them opportunities to understand the concepts of co-processing. Such interactive forums have been organized in industrial cities like Jamshedpur, Palampur, industrial belts in Maharashtra like Nagpur & Kurla.

Interaction and knowledge sharing with Educational Institutes

We have been sharing and discussing our initiatives in extending sustainable waste management solutions with prestigious educational and research institutes like IIT and TERI. In the process, possibilities of working together in the waste management arena are also explored. Apart from this, presentations are also made in various Universities to spread awareness on the concept.

S07: Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes

There are 7 matters of this nature in which ACC is one among the Parties to the matters. Among them, 4 are against ACC & Others. Another 2 are in the stage of investigation of allegations against ACC and one matter is an Appeal filed by ACC & Others in Supreme Court against the order of the MRTP Commission.