

# Executive Summary

**T**his 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 high-level team of experts under the Chairmanship of Dr. Pooran Chandra Pandey (Executive Director, UN Global Compact) was constituted, which defined the overall framework and approach to the audit. Based on this brief, a team of evaluators from Sattva (Knowledge Partner Organisation) visited each of the ACC's manufacturing locations and assessed the alignment and rigour of CSR programmes there for the year 2015. The field level assessment was conducted at the end of the year 2015 and findings were shared with the expert panel for further reference, evaluation and concluding of observations.

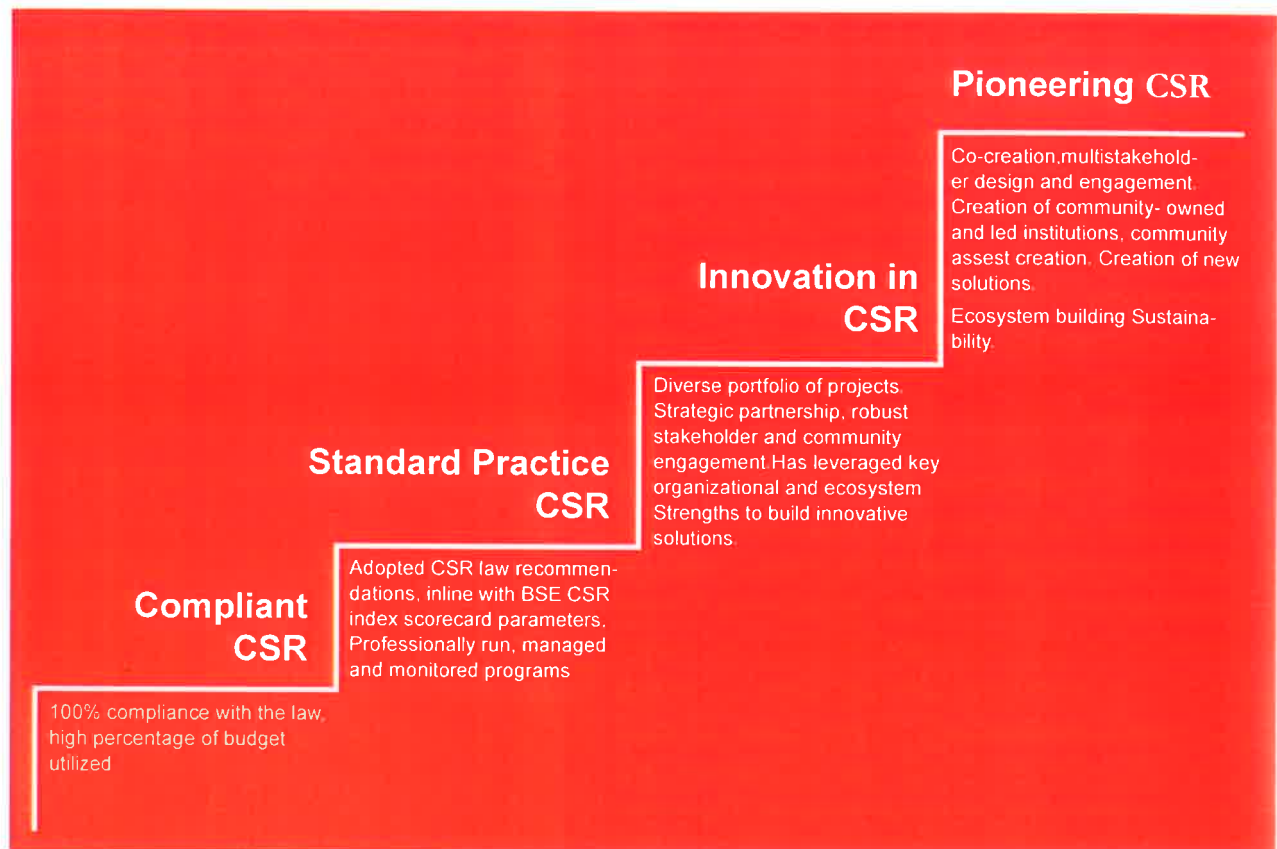
The report provides an independent view of the effectiveness of each of the plant's CSR activities in terms of **relevance and clarity of the programme, rigour of implementation, engage-**

**ment 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 **approach to CSR at ACC comes across as ahead-of-the-curve** with a very pro-active outlook towards social-value creation amongst the communities that the programmes address. This approach can be benchmarked against the following framework for CSR amongst Indian companies:

## ACCs CSR approach combines:

- A high degree of compliance to the provisions of Schedule VII on the Companies Act
- A very strong orientation towards standards and best practices with high focus on professional management and objective monitoring towards outcomes



and impact

- Diversity of projects spread across key Schedule VII areas with high focus on stakeholder and community value and engagement through a partnerships and innovation-led approach
- The programs across various locations have already started to enable a high degree of ownership, sustainability, asset and eco-system creation through community-owned and led institutions and leveraging government participation and support.

Hence ACC is well **on course towards establishing a pioneering model of CSR** with an opportunity towards being an inspirational model for other corporates to learn, adopt and collaborate.

The following key observations from the report provides a high level view towards specific aspects from the audit that stand out and offer insights towards certain areas for future action:

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.

There is an **opportunity for improvement of effectiveness and capacity of the implementation agencies** in various locations. In certain plants, the implementation support agencies had gaps in either technical expertise or engagement with the community. Certain plants also highlighted lack of availability of credible implementation support agencies for the plant CSR teams to choose from. It is important for ACC to strengthen their engagement with implemen-

tation support agencies and proactively invest in building the capacity of these organisations.

The interventions amongst various flagship focus areas are beginning to demonstrate directional focus and outcomes, Going forward, to strengthen the impact of such initiatives with a market to community view and engagement with the ecosystem (such as technical agencies, allied services and market linkages), they 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**. These processes would need to be institutionalized to ensure that the process-controls are relevant, regular and objective. 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.

Though #SaveKidsLives one of the employee engagement program of ACC has been implemented across the locations with lot of enthusiasm during the year 2015, its noted that **there is significant scope** to involve and engage the workforce proactively in community development by leveraging their interest, expertise and skills.