

## Sundaram-Clayton Limited

### Annexure - VI to Directors' Report to the shareholders

#### BUSINESS RESPONSIBILITY REPORT

[Pursuant to Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

#### INTRODUCTION

Sundaram-Clayton Limited (SCL) is one of the largest aluminium castings manufacturer in India, with a total revenue of Rs. 1,766.74 Cr for the year 2017-18.

The Business Responsibility disclosures in this Report illustrate the Company's efforts towards creating and enduring value for all stakeholders in a responsible manner. This Report is aligned with National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVG) released by Ministry of Corporate Affairs, and is in accordance with Regulation 34(2)(f) of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Report provides an overview of the activities carried out by the Company under each of the nine principles as outlined in NVG.

#### SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company	:	L35999TN1962PLC004792				
2. Name of the Company	:	Sundaram-Clayton Limited				
3. Address of the Company	:	"Jayalakshmi Estates", 29, Haddows Road, Chennai - 600 006 Tamil Nadu, India				
4. Website	:	<a href="http://www.sundaram-clayton.com">www.sundaram-clayton.com</a>				
5. E-mail id	:	<a href="mailto:corpsec@scl.co.in">corpsec@scl.co.in</a>				
6. Financial Year reported	:	2017-18				
7. Sector(s) that the Company is engaged in (industrial activity code-wise)	:	Aluminium Castings				
		<table border="1"><thead><tr><th>NIC Code</th><th>Description</th></tr></thead><tbody><tr><td>2930</td><td>Aluminium alloy cast articles including parts and components.</td></tr></tbody></table>	NIC Code	Description	2930	Aluminium alloy cast articles including parts and components.
NIC Code	Description					
2930	Aluminium alloy cast articles including parts and components.					
8. List three key products/ services that the Company manufactures/provides (as in balance sheet)		Machined and sub-assembled aluminum castings for heavy and medium commercial vehicles, passenger cars and 2 wheelers (Please refer to Company's website for complete list of its products)				
9. Total number of locations where business activity is undertaken by the Company:						
i. Number of International Locations :		One (United States of America) The Company is setting up an overseas manufacturing facility in United States of America.				
ii. Number of National Locations –						
A. The Company has four manufacturing locations as under:						
1. Padi		Chennai – 600 050, Tamil Nadu, India Tel: 044 – 26258212; Fax: 044- 26257177				
2. Mahindra World City		Plot No. AA5, VI Avenue, Auto Ancillary SEZ, Kancheepuram – 603 004, Tamil Nadu, India Tel : 044 - 47490049				

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3. Oragadam	Plot No.B-14, SIPCOT Industrial Growth Centre, Sriperumbudur Taluk, Kancheepuram District - 602 105, Tamil Nadu, India. Tel. : 044 - 6710 3300
4. Hosur	Hosur - Thally Road, Belagondapalli, Hosur - 635 114, Tamil Nadu, India. Tel. : 04347 - 233 445; Fax : 04347 - 233 014
B. The registered office of the Company is situated at	"Jayalakshmi Estates", 29, Haddows Road, Chennai - 600 006, Tamil Nadu, India
10. Markets served by the Company - European and Local/State/National/ International	The Company's castings cater to the needs of select American / Indian vehicle OEM's and Tier 1. Focus of business is on truck markets.

### SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital	: Rs.10.12 Crores
2. Total Revenue	: Rs. 1,766.74 Crores
3. Profit after tax	: Rs 54.92 Cr.
4. Total spending on Corporate Social Responsibility (CSR) as percentage of net profits (%):	Rs.25 lakhs (being less than 2% of the average net profits for three immediately preceding financial years, due to the performance of the Company)
5. List of activities in which expenditure in 4 above has been incurred: -	<ul style="list-style-type: none"> <li>• Eradicating hunger, poverty, promoting preventive healthcare and sanitation and making available safe drinking water;</li> <li>• Promoting education, including special education and employment enhancing vocation skills especially among children, women and livelihood enhancement projects;</li> <li>• Promoting gender equality, empowering women and measures for reducing inequalities faced by socially and economically backward groups;</li> <li>• Ensuring environment sustainability, ecological balance, animal welfare, agroforestry, conservation of natural resources and maintain quality of soil, air and water;</li> <li>• Rural development projects; and</li> <li>• Health care activities.</li> </ul>

### SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies?	The Company has eleven subsidiaries in India and nine foreign subsidiaries as on 31 <sup>st</sup> March 2018.
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)	Yes. The Company positively influences and encourages its subsidiaries to adopt Business Responsibility (BR) initiatives. All the Company's subsidiaries are guided by the Company to conduct their business in an ethical, transparent and accountable manner.  It encompasses suppliers, customers, employees, Government authorities and other stakeholders.

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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%]
- Suppliers are critical to our operations and supply chain sustainability issues can impact the operations. The Company engages with suppliers through various channels for operational issues.
- The suppliers and vendors are provided awareness on environmental and social issues. The vendor meets are used as a platform to raise awareness on health & safety, environmental and community initiatives of the Company.

### SECTION - D: BR INFORMATION

1. Details of Director / Official responsible for BR
- a) Details of the Director / Official responsible for implementation of the BR policy/policies.

S. No.	Particulars	Director	BR Head
1.	DIN	02702020	-
2.	Name	Dr. Lakshmi Venu	C Narasimhan
3.	Designation	Joint Managing Director	Advisor
4.	Telephone	044-28272233	044-26258212
5.	E-mail id	<a href="mailto:corpsec@scl.co.in">corpsec@scl.co.in</a>	

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

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

- 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.

S. No.	Question	Business Ethics	Product Responsibility	Wellbeing of employee	Stakeholders	Human Rights	Environment	Public Policy	CSR	Customer relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have policy/policies for?	Y	Y*	Y*	Y*	Y*	Y	N	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	-	Y	Y
3.	Does the policy conform to any national /international standards? If yes, specify?	Y	Y	Y	Y	Y	Y (ISO 14001 and OHSAS 18001)	-	Y	Y
		All the policies of the Company are in compliance with national / international standards wherever applicable.								

\* The policy is embedded in the Company's Code of Conduct and Quality and environment policies which *inter alia*, relates to safe and sustainable products

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S. No.	Question	Business Ethics	Product Responsibility	Wellbeing of employee	Stakeholders	Human Rights	Environment	Public Policy	CSR	Customer relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9
4.	Has the policy being approved by the Board? if yes, has it been signed by MD / owner / CEO /appropriate Board Director?	Mandatory policies viz., Code of Business Conduct and Ethics, Whistle Blower Policy, CSR Policy, Code to Regulate, Monitor and Report trading by insiders have been adopted by the board and other operational internal policies have been approved by the management.								
5.	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	-	Y	Y
		The implementation and adherence to the code of conduct for employees is administered by the HR Department. The CSR policy is administered by CSR Committee in line with the requirements of the Companies Act, 2013. The Environmental, Health and Safety (EHS) policy is overseen by Production Engineering and enterprise resource management department.								
6.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Internal policies have been communicated to all stakeholders and the same are available on the Company's intranet. Mandatory policies are available on the Company's website in the following link <a href="http://www.sundaram-clayton.com/information.htm">www.sundaram-clayton.com/information.htm</a>								
7.	Does the Company have in-house structure to implement the policy/policies	The Company has established in-house structures to implement these policies.								
8.	Does the Company has a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/policies?	The whistle blower mechanism provides employees to report any concerns or grievances pertaining to any potential or actual violation of the Company's Code of Conduct, which covers all aspects of Business Responsibility Report. Each of the policies formulated by the Company has an in-built grievance and redressal mechanism.								
9.	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	The implementation of the Company's Code of Conduct and other policies are reviewed through internal audit function. The Quality, Safety & Health and Environmental policies are subject to internal and external audits as part of certification process and continuous assessments. All policies adopted by the Company for ensuring the orderly and efficient conduct of business including adherence to Company's policies have been evaluated annually by an independent external agency as part of internal financial control requirement.								

2a. If answer to Sr. No.1 against any of the Principle is 'No', please explain why: (Tick upto 2 options)

S. No.	Question	Business Ethics	Product Responsibility	Wellbeing of employee	Stakeholders engagement	Human Rights	Environment	Public Policy	CSR	Customer relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The Company has not understood the Principle	-	-	-	-	-	-	-	-	-
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-

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S. No.	Question	Business Ethics	Product Responsibility	Wellbeing of employee	Stakeholders engagement	Human Rights	Environment	Public Policy	CSR	Customer relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9
3.	The Company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4.	It is planned to be done within next 6 months	-	-	-	-	-	-	-	-	-
5.	It is planned to be done within the next 1 year	-	-	-	-	-	-	-	-	-
6.	Any other reason (please specify)	P7 The Company through the various industry forums endeavors to promote growth and technological progress, economic reforms, inclusive development policies and sustainable business principles. Therefore, there is no need for such policy.								

### 3. GOVERNANCE RELATED TO BR

- (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assesses the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

The senior management periodically review the BR performance of the Company through their monthly Review Meetings. The action points that emerge from the discussions at these meetings are reviewed in subsequent meetings to ensure their closure.

- (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

This BR Report is available as part of the Annual Report. The same can be viewed at <http://www.sundaram-clayton.com>

## SECTION E: PRINCIPLE-WISE PERFORMANCE

### Principle 1: 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?

Yes. The Company acts with integrity in accordance with its core principles of Trust, Value and Service. SCL has adopted a separate Code of Business Conduct and Ethics (CoBC) which specifically pertains to the Company's Directors and Senior Management one level below the Directors, including all functional heads.

The CoBC is devised to enable the Directors and senior management personnel to strive to perform their duties with highest standards of integrity, accountability, confidentiality and independence. A declaration of the Directors and Senior Management towards annual affirmation to the CoBC is communicated to all stakeholders by the Chairman and Managing Director, through the Annual Report.

SCL has a well-defined Code of Conduct (CoC) for its employees. All employees are provided a hard copy of the CoC during induction / training. The CoC is intended to guide the employees in treatment of one another, as well as their interaction with customers, suppliers, partners, public officials and other stakeholders.

The principles laid down under the CoC are implemented effectively to drive ethical behaviour at all levels. The Company ensures compliance of ethical standards by its vendors and contractors through appropriate clauses in its work contracts to which they are obligated. All suppliers working closely with employees are expected, in their contracts, to understand and comply with this policy.

SCL is committed to transparency in its financial reporting. SCL cooperates fully with its auditors and under no circumstances withholds information from them. A robust system for financial controls and processes is maintained to ensure the accuracy and timeliness of financial reporting.

The CoC is implemented and monitored on a regular basis through several mechanisms:

1. On-going training to employees
2. Whistle Blower policy
3. Prohibition of Insider Trading
4. Policy on Fair disclosure of material information
5. Regular updates to Senior Management

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The code of conduct to regulate, monitor and report trading by insiders adopted for regulating, monitoring and reporting Insider Trading by employees and other connected persons.

Whistle Blower Policy provides a mechanism for stakeholders of SCL to report their genuine concerns or grievances concerning violations of any legal or regulatory requirements either under the applicable statutes including instances of unethical behaviour, or suspected fraud or violation of CoC or ethics policy, incorrect or misrepresentation of any financial statements, reports, disclosures etc to the Management.

There are adequate measures taken to ensure safeguards against victimisation of employees who avail whistle blower mechanism. There is also a provision for direct access to the Chairman of the Audit Committee in exceptional cases.

SCL is committed for highly ethical practices in dealing with suppliers, awarding business purely based on merit, strong internal control systems, well defined procedure and approval work flow for source selection and price settlements.

**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.**

During the year under review, the Company has not received any complaints with regard to violation of the Code of Conduct.

### **PRINCIPLE 2: Product Life Cycle Sustainability**

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

SCL has installed roof top solar panels to a capacity of 2.2 MW across its Chennai and Hosur plants, capable of producing 33 lakh units per annum. SCL has introduced reclamation of sand used in making sand cores for die cast parts.

The Company is also working to reduce the amount of die spray (release agent) on its pressure die cast dies. This will have a positive impact on fumes produced during evaporation, and also consumption of water used in diluting the liquid spray.

The Company is also enabling development of high efficiency turbochargers with its customers. SCL is developing process technologies that will improve the surface finish of turbocharger parts. This in turn improves the fuel efficiency, and reduces emissions from automobiles.

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

**(a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?**

**(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

SCL takes up internal projects to reduce energy consumption per ton of aluminum castings produced

The Company is also pursuing the TPM process across its plants to reduce waste.

**3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably?**

The Company works continuously with its vendors to use returnable packaging modes (trolleys and plastic bins) to reduce usage of non-recyclable packaging wherever possible.

The Company also strives to ensure a considerable vendor count for specific commodities in its surrounding areas in order to reduce material movement.

The Company takes initiative every year to select a group of suppliers who are trained for quality up-gradation in their plant. Both in-house and outside faculty is employed to develop suppliers by training.

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

The Company continues to sustain the local vendor base for various commodities, right from raw material to services. Specific initiatives and activities are in place to impart training to small scale suppliers on quality. Periodic audit is also done by the Company at specific local supplier (& small suppliers) end so that the skills required for them to become long-term suppliers are imparted.

In order to ensure that the Company's tier-1 suppliers are developed in accordance to the prevailing standards, the Company encourages them to go in for IATF certification. Support is being done by the Company by way of various audits and other ratings for delivery and quality.

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

The material processed by SCL – i.e Aluminum based alloys is 100% recyclable.

Presently rejected aluminum castings (10% of production) are re-melted inside the factory.

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Aluminum swarf is sold to external agencies for recycling. Sand (2500 tons / year) used for making cores is recycled. Hazardous waste materials generated by the Company during aluminium casting production are given to authorised vendors either for disposal or recycling.

### PRINCIPLE 3: Employee Wellbeing

SCL is an equal opportunity employer. The Company, since its inception considers employees as a family and practices policies and procedures which promote the welfare of all its employees.

Recruitment process is based on merit.

SCL conducts various programs concerning wellbeing and work life balance of employees. Focused programs are also conducted keeping in view of the welfare of women employees.

SCL focuses on skill development of its workforce through regular training. The management ensure continuous skill upgradation and competency development of employees through its structured training and competency development programs.

The Company conducts an annual employee engagement survey termed Employee Satisfaction (ESAT) Survey, addresses concerns and take actions to improve the ESAT score.

The Company provides highly subsidized food for all its employees (both regular and contract). It has a medical insurance coverage for employees, dependent children/parents. It has an in-house 24\*7 medical center with qualified medical practitioners.

1	Total number of employees	2,354 as at 31 <sup>st</sup> March, 2018
2	Total number of employees hired on temporary/contractual/casual basis.	6,013 as at 31 <sup>st</sup> March, 2018
3	Number of permanent women employees	60 as at 31 <sup>st</sup> March, 2018
4	Number of permanent employees with disabilities	Nil
5	Employee association recognised by management?	The Company has an internal employees union that is recognized by the management. Union elections are held once in 4 years as per the by-laws of the Union. The Company maintains a good and cordial relationship with the Union.
6	Percentage of permanent employees who are members of this recognised employee association?	100% of permanent employees in the workers grade are members of the Union.
7	Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	NIL
8	What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year? (a) Permanent Employees – 100% (b) Permanent Women Employees – 100% (c) Casual/Temporary/Contractual Employees – 100% (d) Employees with Disabilities- NIL	SCL considers safety to be of paramount importance. All employees are trained and oriented towards safety. SCL also re-trains all its employees on a yearly basis.

### PRINCIPLE 4: Stakeholder Engagement

#### 1. Has the Company mapped its internal and external stakeholders?

Yes.

The Company has mapped its internal and external stakeholders in a structured way and carries out engagements with investors, employees, customers, suppliers, the government, regulatory authorities, trade unions and local community. The Company follows a system of timely feedback and response through formal and informal channels of communication to ensure that the stakeholder information remains current and updated.

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

Yes, the Company has identified marginalized and disadvantaged groups through need assessment in all the villages where it works by engaging with the local communities.

Such marginalized and disadvantaged communities include villages and economically deprived children and women who are in great need of care and protection.

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### **3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders?**

The Company goes beyond its business activities to create social impact through its diverse initiatives and works towards improving lives of India's marginalized and vulnerable communities.

The Company has taken up initiatives under CSR focusing on key areas of Economic Development, Health, Education, Infrastructure, Environment and Social & Cultural Development.

The Company continuously strives to achieve total inclusiveness by encouraging people from all sections of the community irrespective of caste, creed or religion to benefit from its CSR initiatives which would also be focused around communities that reside in the proximity of the Company's various manufacturing locations in the country.

### **PRINCIPLE 5: 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.

The Company has put in place a Code of Conduct which is applicable to all the employees to adhere and uphold the standards contained therein.

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

During the year under review, the Company has not received any complaint from any stakeholders.

### **PRINCIPLE 6: Environmental**

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

SCL has an environmental policy that applies to the Company only.

#### **2. Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N.**

Yes. SCL is ISO 14001 and OHSAS 18001 certified. The Company's environmental policy focuses on eco friendliness, conservation of resources, water management and prevention of pollution.

Green initiatives include:

- Green belt coverage in all manufacturing plants
- Implementation of gas fired melting furnaces
- Usage of solar power
- Sand recycling and reuse
- Zero discharge effluent treatment plants

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

The Company is certified under ISO 14001: 2004 standard and has laid down procedure for Risk identification, assessment and mitigation.

#### **Risk Identification and Assessment**

The identification of risks and opportunities is through a process across all manufacturing and supporting functions. The input for identification of risks and opportunities are:

- Significant aspects due to emergency conditions, legal requirements and Interested party concern.
- Internal and external issues.
- Environmental conditions.
- Needs and expectations of Interested parties.

#### **Risk Mitigation and Monitoring**

The severity of any particular risk is assessed along with the concerned departments qualitatively and the risk mitigation measures like adopting best available technology, implementation of objectives, improvement of compliance management process, adopting effective engineering controls etc., are proposed and implemented.



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

The details are provided in Point No.2 of Principle 6.

The Company periodically files returns to Pollution control board as per legal requirement.

**5. Has the Company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. Y/N.**

Yes. SCL has installed roof-top solar panels to a capacity of 2.2 MW across its Chennai and Hosur plants, capable of producing 33 lakh units per annum.

Campaigns on saving electricity are made to create awareness among employees about the hurdles in power generation.

Gas-fired furnaces were adopted over conventional oil-fired furnaces in the new plant (Oragadam) to greatly reduce the environmental impact.

Power consumption is tracked and reviewed on a monthly basis.

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

All emissions and waste generated by the Company are within limits as defined by Tamil Nadu Pollution Control Board. All statutory requirements are tracked on a monthly basis.

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

No show cause notice or legal notices received.

### **PRINCIPLE 7: Policy Advocacy**

**1. Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

The Company is member of:

- Confederation of Indian Industry (CII);
- Federation of Indian Chambers of Commerce and Industry (FICCI);
- Madras Chamber of Commerce and Industry and
- Automotive Component Manufacturers Association of India (ACMA).

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

Yes. The Company, through various industry associations, participates in advocating matters relating to advancement of the industry and public good.

The Company works closely with leading Industry Associations and Chambers of Commerce at International, National, State and Local levels to advocate and pursue various causes that are in larger interests of industry, economy, society and the public. From time-to-time these have been in areas such as economic reforms, corporate governance and transparency, affirmative action, education and skill development and women empowerment.

The Company has a separate wing Srinivasan Services Trust (SST), which

- a) Works with Government education departments and local panchayats to improve education;
- b) Introduces new income generation activities, increase in agriculture and better Livestock management;
- c) Coordinates between local bodies, government and community to maintain a clean environment;
- d) Provides easy access to Primary Healthcare and adoption of proper sanitation, hygiene and nutrition; and
- e) Supports government bodies in developing infrastructure such as roads, drinking water facilities and more.

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### PRINCIPLE 8: Inclusive Growth

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

Yes. Details as given in Annexure – IV of the Director's Report of 2017-18.

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

Srinivasan Services Trust (SST), the CSR arm of the Company operates using its in-house team for promoting Education, Economic Development, Health care, Quality education, Environment and Infrastructure.

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

Yes. We believe that every activity should result in some impact. We have measurable parameters for all our activities in all the 5 focus areas viz., Economic development, Healthcare, Quality Education, Infrastructure Development and Conservation of Environment. These are constantly checked by our internal audits system. External evaluation is also being done to validate the impact.

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

S. No.	Project	Amount
1.	Promoting Education	Rs.25 Lakhs
2.	Economic Development, Health care, Quality education, Environment and Infrastructure	
3.	Providing free medical care including consultation, diagnosis, comprehensive treatment and follow-up to all patients totally free of charge.	
4.	Health care activities	

**4. Have you taken steps to ensure that this community development initiative is successfully adopted by the community?**

Yes. SST enables communities to take ownership of the development effort. For this their participation is essential. They participate both physically and financially. SST involves the community in all its efforts and makes people reach the desirable levels of economic development, health, education and environment. By making them reach the desirable development status, the community is confident and is ready to take the responsibility and continue with their effort.

### PRINCIPLE 9: Customer Value

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

The Company has no pending customer complaints as on the end of the financial year.

**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)**

SCL produces parts to the prints and specifications provided by the customers. The Company displays product information as required by the customers. This is approved by them during the development process.

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

There have been no cases relating to unfair trade practices, irresponsible advertising and/or anti-competitive behavior against the Company in the last five years.

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

The Company conducts an annual Customer Perception Survey (CPS). This is done using an external agency and the feedback report is used for making continuous improvement in the services to meet the customer need.

For and on behalf of the Board of Directors

Chennai  
22<sup>nd</sup> May 2018

VENU SRINIVASAN  
Chairman