BUSINESS RESPONSIBILITY REPORT

About this report

Securities Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 [SEBI (LODR) Regulations] prescribe that top 500 companies based on market capitalisation as per NSE / BSE as on March 31 of every financial year, are required to have "Business Responsibility Report" (BRR) as part of their Annual Report. Following is the Third Business Responsibility Report of your Company as the Company is amongst the top 500 listed entities as per the market capitalisation at NSE/ BSE as on March 31, 2019. The report has been prepared as prescribed and in accordance with Regulation 34 of the SEBI (LODR) Regulations.

About E.I.D.- Parry (India) Limited

E.I.D.-Parry (India) Limited, a leading player in sugar with interests in promising areas of nutraceuticals, is one of the oldest companies in India and one of the top five sugar producers in the country. E.I.D. Parry has eight sugar plants spread across South India. The integrated sugar units have been designed to optimize process efficiencies, increase sugarcane recovery and increase energy efficiency through reduced steam and power consumption. E.I.D. Parry continues to be one of the leading producers of international quality sugar, through its innovative process and farmer centric practices.

SECTION A:
GENERAL INFORMATION ABOUT THE COMPANY

1. **Corporate Identity Number (CIN) of the Company:**
   L24211TN1975PLC006989
2. **Name of the Company:**
   E.I.D.-Parry (India) Limited
3. **Registered address:**
   Dare House, Parrys Corner, Chennai - 600 001
4. **Website:**
   www.eidparry.com
5. **E-mail id:**
   investorservices@parry.murugappa.com
6. **Financial Year reported:**
   April 1, 2018 – March 31, 2019
7. **Sector(s) that the Company is engaged in (industrial activity code-wise):**

NIC Code	Description
10721	Sugar
1101	Distillery
35106	Cogeneration
03213	Nutraceuticals

8. **List three key products/services that the Company manufactures/provides (as in balance sheet):**
   - Sugar
   - Distillery
   - Nutraceuticals
9. **Total number of locations where business activity is undertaken by the Company :**
   a. Number of International Locations - The Company operates through two overseas subsidiaries and sells its products across nearly 40 countries with manufacturing units in U.S.A and Chile. Major geographies, where the Company operates are:
      i. USA
      ii.Europe
   b. Number of National Locations: The Company has its registered office in Chennai and 11 manufacturing units located across India.
10. **Markets served by the Company – Local/State/National/ International :**
    The company is predominantly in sugar business and serves the Indian market. The Nutra business is predominantly export oriented and the serve the international geography as stated above

SECTION B: FINANCIAL DETAILS OF THE COMPANY

Sr. No	Particulars	FY 18-19 Standalone ₹ in Crore
1	Paid up Capital (INR)	17.70
2	Total Turnover (INR)	2046.44
3	Total profit after taxes (INR)	163.13
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)*	0.74%

* The Company spent an amount of Rs..120.40 Lakh on CSR activities though the Company was not required to spend any amount on the basis of average net profits for the immediately preceding three financial years as specified under Section 135 of the Companies Act, 2013.

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

(a)	Health Care	Details of the projects undertaken are given in Annual Report on CSR Activities enclosed as Annexure "C" to the Board's Report
(b)	Education	
(c)	Rural development	
(d)	Sustainable livelihood	

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies?

   Yes. Refer to Annexure A to the Board's Report.

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, E.I.D.- Parry (India) Limited encourages its Subsidiary Companies to participate in its group wide Business Responsibility (BR) initiatives on various activities. All subsidiary Companies are aligned to the activities under the aegis of Murugappa Group.

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%]

   We do not mandate that our suppliers and partners participate in the Company's BR initiatives. However, they are encouraged to do so.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

(a) Details of the Director / Director responsible for implementation of the BR policy/policies

- DIN Number : 06999319
- Name : S.Suresh
- Designation : Managing Director

(b) Details of the BR head

Sr.No	Particulars	Details
1	DIN Number (If applicable)	06999319
2	Name	S.Suresh
3	Designation	Managing Director
4	Telephone number	044-25306789
5	e-mail id	sureshs@parry.murugappa.com

2. Principle-Wise BR Policy/Policies

As per Regulation 34 of the SEBI (LODR) Regulations read with SEBI Circular No CIR/CFD/CMD/10/2015 dated 4th November 2015, the nine areas of Business Responsibilities 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.

Details of compliance (Reply in Y/N)-YES

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for...	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy confirm to any national / international standards? If yes, specify (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
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	Y
6	Indicate the link for the policy to be viewed online?	www.eidparry.com/policies-code								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house structure to implement the policy/ Policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

All the policies are signed by the Managing Director. All the policies in E.I.D Parry are based on its guiding principles and core values. These policies are mapped to each principle hereunder:

Principle	Applicable Policies
Principle1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.	Values and Beliefs, called the 'Five Lights' Whistle Blower Policy Code of Conduct
Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.	Safety, Health and Environmental Policy Food Safety & Quality Policy TPM Policy Sustainable Sugarcane Production and Processing Policy
Principle 3: Businesses should promote the well-being of all employees.	Safety, Health and Environmental Policy Prevention of Sexual Harassment Policy
Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized	CSR Policy
Principle 5: Businesses should respect and promote human rights.	Values and Beliefs, called the 'Five Lights' Whistle Blower Policy Code of conduct
Principle 6: Businesses should respect, protect, and make efforts to restore the environment.	Safety, Health and Environment Policy Sustainable Sugarcane Production and Processing Policy. TPM Policy

Principle	Applicable Policies
Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.	Values and Beliefs, called the 'Five Lights'.
Principle 8 Businesses should support inclusive growth and equitable development.	CSR Policy.
Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.	Values and Beliefs, called the 'Five Lights' Food Safety & Quality Policy TPM Policy Sustainable Sugarcane Production and Processing Policy.

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the Principles	Not Applicable								
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
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)									

3. Governance related to BR

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

The BR performance revolves around a number of policies which is assessed by the BR Head monthly, quarterly and annually based upon its importance and impact on the Company's operations and activities.

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 is the third Business Responsibility Report of the Company which forms part of the Company's Annual Report for FY 2018-19. The same can be accessed at: www.eidparry.com/Financials/.

SECTION E: PRINCIPLE-WISE PERFORMANCE

PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH ETHICS, TRANSPARENCY AND ACCOUNTABILITY

The Company lays strong emphasis on ethics and establishment of good governance culture. The Company believes that since organisations employ societal and environmental resources, governance processes must ensure that they are utilised efficiently to meet the aspirations and expectations of all stake holders. The Company believes in high standards of governance and adheres to good corporate practices and is constantly striving for improvement and adoption of best practices. Adherence to business ethics, transparency in dealings with all stakeholders, adequate and timely disclosure of information and commitment to corporate social responsibility are the basic elements of the governance policy of the company. The Company has always given its best efforts to uphold and nurture these core values across all operational aspects. These values and the commitment to ethical business practices are reflected in the Spirit of the Murugappa Group

which is inspired by a set of enduring values and beliefs called the 'Five Lights' – a guide to everyday excellence. It clearly defines a way of life, and is demonstrated by these strong values we live by: Integrity, Passion, Quality, Respect and Responsibility. These five Core Principles of the Murugappa Group of which the Company is a part, inspire the Company to set standards which not only meet the requirements of applicable legislations but go beyond, in many areas of its functioning.

1. **Does the policy relating to ethics, bribery and corruption cover only the company? Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/ NGOs / Others?**

   The Company has a Whistle blower Policy which aims to deter and detect actual or suspected misconduct. It has been established to ensure that genuine concerns of misconduct/ unlawful conduct, which an individual believes may be taking place within the organisation, are raised at an early stage in a responsible and confidential manner. This mechanism also provides for adequate safeguards against victimisation of employees who avail of the mechanism. Any employee can report such incident without fear to the ombudsman.

   The Company, as part of the Murugappa Group, is guided by its five core principles governing the group to remain consistently vigilant and ensure ethical conduct of its operations. All internal and external stakeholders of the Company are expected to work within the framework of these principles. The Company ensures selection of vendors and contractors, who maintain and follow ethical standards. The Company endeavours to impart periodical training on ethics to its employees and relevant stakeholders are also made aware of the same from time to time.

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 2018-19, one complaint received from a stakeholder of the Company. The complaint was resolved satisfactorily.

PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES THAT ARE SAFE AND CONTRIBUTE TO SUSTAINABILITY THROUGHOUT THEIR LIFE CYCLE

Sustainability is a part of the Company's DNA. The Company has two different business lines i.e. Sugar and Nutraceuticals and they are all governed by the same principle of Sustainability - Enshrined in the tenets of conserving, preserving, enhancing and creating each business in sync with nature. The Company has been a pioneer in promoting sustainable farming practices. Two Sugar Plants of the Company are certified by BONSUCRO, a multi stake holder organisations which fosters sustainability of the sugarcane sector. The Company is the first Sugar Company in Asia and amongst a select few across the globe to be certified as adhering to the sustainability standards and also for the new standard for the small holder farmers (2019).

The Company has Environmental and Safety Accreditations of EMS 14001 across its Units and OHSAS 18001 across some of its Units, to drive business sustainability. In order to move towards world class manufacturing, few factories of the Units, started practicing the Total Productive Maintenance (TPM) Tools. Pudukottai Unit is the world's first unit to receive the prestigious "Award for TPM Excellence, Category-A" from the Japan Institute of Plant Maintenance (JIPM) in Kyoto for achieving the most effective production system with sugar cane as the raw material. In order to serve the Customers with better Quality and food safety, three of the factories of the Company are certified for FSSC 22000 System and QMS ISO 9001. These plants serve as benchmarks for Traceability, Quality and Reliability. In order to address Social and Ehtical Standards, two factories of the Company have been qualified under the Sedex Members Ethical Trade Audit (SMETA) for its Customers. The SMETA programme lists parameters to assess Social and Ethical Standards. The Company undertakes multi-centre field/ clinical trials to ensure that its products do not have an untoward impact on users. The Company is the world leader in micro algae technology comprising organic spirulina and natural Beta Carotenoids-Dunaliella Salina and Haematococcus pluvialis (Astaxanthin). Nutraceuticals are food or part of food that provides medical or health benefits including the prevention and/or treatment of a disease and Nutraceutical has advantage over the medicine because they avoid side effects and are naturally dietary supplements. The Nutraceuticals division having its facility for organic microalgae cultivation and processing located in Oonaiyur has received the U.S. Food and Drug Administration (US-FDA) approval. With a growing shift towards natural and organic products, the Company has positioned itself strongly in the field of human health and wellness.

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

- **Sugar**- Sugarcane is a water-intensive crop. To optimize and conserve water, the Company promotes drip irrigation system, intercropping and trash conservation measures. These measures entail water savings upto 50% as established by reputed studies. Sugarcane contains 30% of solids and 70% of water. The water generated from sugarcane is reused in sugar plants, which helps in conserving ground water. Several collaborative initiatives are in place along with leading organizations for measuring carbon and water foot print and optimize the use of water in the Company's

command area of operation. To retain soil moisture and to conserve flora and fauna, trash is not burnt in the fields and instead they are shredded and mulched to improve water holding capacity and increase organic content of the soil. The Company has eliminated the use of chemical pesticides by advocating use of Bio-control agents through Integrated Pest Management and disease management Programs. Pressmud, a by-product of sugarcane, is used as organic manure in sugarcane fields which contains essential nutrients and organic carbon to improve and sustain the soil quality.

- **Power**- Bagasse, a by-product of sugarcane, is used as bio- fuel to generate power and export to grid as a green product. The ash generated is used as a filler during manure production. Bagasse is a CO2 neutral renewable energy source and it qualifies for Clean Development Mechanism certification.

- **Distillery Products**- Molasses, a by-product of sugarcane, is used to manufacture Ethanol and is being blended with gasoline by the Oil Marketing Companies for use in automobiles. This helps in reduction of greenhouse gases as against fossil fuels. In the process of manufacturing Ethanol, CO2 is generated, which is being bottled and used for industrial & potable purpose. The effluent generated from molasses based process, is rich in NPK which is being extracted through advanced technology and reused as fertilizer thus helping to reduce the use of chemical fertilizer in fields.

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

- **Sugar** – For crushing of sugarcane, the resources required are water, steam and power. As sugarcane contains 70% of water, most of the factories draw minimum ground water for sugar production. The Company is one of the few to work towards achieving ZLD for the sugar operations. The Company has commissioned a condensate polishing unit at Nellikuppam factory which has enabled recycling of 2400 Cubic meter of water every day for a cane crush rate of 7000 MT/Day. This water recycling facility is also proposed to be replicated across other units. The factories have installed advanced energy conservation systems like vapour conditioners, vacuum system and VFD, which conserve energy. The average Industry norm on steam required for sugar process is 45.0% / ton of cane whereas the Company's factories operate between 32 to 39% / ton of cane. The Industry norm on power required is 38 kw/ton of cane whereas all factories operate between 24 to 30 kw/ton of cane.

- **Power** – The Industry norm of steam to fuel ratio is 2.0 to 2.2 where as all factories operate between 2.4 to 2.7.

- **Distillery Products** – The best fermentation and distillation efficiencies are achieved with overall efficiency at 89% to 90% as against the norm of 86%. In case of Alcohol, water required is 25 ltr/ ltr of alcohol whereas all factories of the Company operate between 10 -13 ltr/ltr of alcohol.

- The Company's carbon footprints of sugar and ethanol are very negligible when compared with other foods and fuels. The carbon footprint of sugar is expected to be in the range of 200 to 500 kg Co^2equivalent per tonne of sugar.

3. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company is the first Company in Asia to obtain Bonsucro Certification for sustainable sugar. In order to align its operations and supply to its customers on sustainable sourcing, the Company has adopted Bonsucro certification. Incidentally, its Unit in Pugalur is the first Company producing sugar from cane in Asia to obtain Bonsucro Certification. Presently, Three Units of the Company i.e. at, Pugalur, Nellikuppam and Haliyal have been certified for Bonsucro Standards thereby ensuring sustainable sourcing. The Company has taken initiatives to increase the farmer base substantially in three years to come. Also the Company has started supplying Bonsucro Certified sugar to its customers.

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 is predominantly engaged in the business of manufacture of sugar and sugarcane is the primary raw material for its operations. The Company procures sugarcane from farmers who are located within its local command area and whose livelihood is directly dependent upon the Company. The Company has taken a number of initiatives to improve the yield through adoption of sustainable cultivation practices. 2000 farmers are currently certified as adopting sustainable practices by conforming to the latest BONSUCRO small holder farmer standards. The farmers are engaged with the Company in a number of initiatives, like clean seed development programs, Sustainable Sugarcane Initiative (SSI) program promoted by the state government, integrated bio based crop protection programs, drip irrigation etc., which has direct benefits through improvement in economic wellbeing. The company also promotes many rural entrepreneur amongst its farmers for mechanised cultivation ,nursery seeding production

and production of biocontrol agents and this has brought about a significant economic transformation of the predominantly agrarian economy. Women farmer training programs and empowerment have brought women into the forefront of agriculture thus encompassing all genders in business chain management. The Company supports the communities around the place of work by seeking contractual arrangements for handling and transportation of its products and in-plant services.

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 production of Sugar from Sugarcane is indeed an eco-friendly virtuous cycle. All joint and by products generated during the process of sugar manufacture are productively utilised viz. bagasse is utilised for power generation, molasses is utilised to produce distillery products and other wastes generated like press mud are utilised for manufacture of organic manure. The Company has laid down comprehensive guidelines on waste management for all its units, which cover hazardous as well as non-hazardous waste and monitoring of performance for each unit, is carried out on a regular basis. The Company is one of the few sugar factories to work towards achieving ZLD for the sugar operations. The Company has commissioned a condensate polishing unit at its Nellikuppam factory which has enabled recycling of 2400 Cubic meter of water every day for a cane crush rate of 7000 MT/Day. This water recycling facility will be replicated across other units also The Company has adopted management practices detailed under the international standards such as ISO 9001, ISO 14001, OHSAS. Some of the manufacturing units of the Company are already certified and are working towards improvement in energy efficiency.

PRINCIPLE 3: BUSINESSES SHOULD PROMOTE THE WELLBEING OF ALL EMPLOYEES

The Company ensures a work environment that promotes well-being of all its employees. Focusing on health, safety and preventing discrimination are part of the Company's guiding principles on Employees' well-being. The Company provides equal employment opportunities to all irrespective of their caste, creed, gender, race, religion, disability etc., The Company respects the right of employees to freedom of association, participation, and collective bargaining and provides access to appropriate grievance redressal mechanisms. The Company is committed to provide a work environment which ensures that every woman employee is treated with dignity, respect and equality. The Company has instituted processes and mechanisms to ensure that issues relating to sexual harassment are effectively addressed. In terms of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, Internal Complaints Committees have been constituted in all units. These Committees are intended to facilitate open and structured discussions on sexual harassment complaints, and to ensure their resolution in a fair and just manner. The Company has strengthened its performance-driven orientation through robust competence mapping, gap identification, training and development. The Company contributes to the medical insurance of its employees and also organises health check-ups for employees. The Company also enhances employee engagement through various initiatives on an ongoing basis. The Company is deeply committed to safety of its Employees at workplace and regularly organises mock fire drills and Fire Safety training classes at all its locations.

1. **Please indicate the total number of employees.**

   The total number of permanent Employees is 2485 as on March 31, 2019.

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

   The total number of employees hired on temporary / contractual / casual basis is 2532 as on March 31, 2019.

3. **Please indicate the number of permanent women employees**

   The total number of Women Employees is 54 as on March 31, 2019

4. **Please indicate the Number of permanent employees with disabilities**

   The number of permanent employees with disabilities is 5.

5. **Do you have an employee association that is recognized by management?**

   Yes. We have employees' associations for Non-Management Employees which are recognised by the Management.

6. **What percentage of your permanent employees is members of this recognized employee association?:**

   Percentage of Permanent employees in recognised employees association 70%

7. **Please indicate the 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.**

No	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	Nil	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil

8 What percentage of your under mentioned employees were given safety & skill up-gradation training in the previous year?

- Permanent Employees: 85%
- Permanent Women Employees : 86%
- Casual/Temporary/Contractual Employees : 100%
- Employees with Disabilities : 0.00%

PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TOWARDS ALL STAKEHOLDERS, ESPECIALLY THOSE WHO ARE DISADVANTAGED, VULNERABLE AND MARGINALIZED

The Company is responsive to the requirements of all its Stakeholders and this is enshrined in our Corporate Values & Beliefs of Integrity, Passion, Quality, Respect and Responsibility. These values require that the Company acts as a responsible corporate citizen and change lives for the better and this is to be done in a manner that reflects humility. These values require us to provide everyone equal opportunities to progress and grow. The Company considers its employees, business associates (network of farmers, suppliers, stockists and dealers), customers, shareholders/investors and communities surrounding its operations and regulatory authorities as its key stakeholders. The Company continues its engagement with them through various mechanisms such as consultations with local communities, small farmer training, women empowerment in agriculture, supplier/vendor meets, customer/employee satisfaction surveys, investor forums, etc. The Company's website, www.eidparry.com, contains comprehensive information for the stakeholders about the Company. The Company also has designated an exclusive email- id for investor services – investorservices@parry.murugappa.com. The Company also promptly intimates the Stock Exchanges about all price-sensitive information or such other matters which in its opinion are material and of relevance to the stakeholders of the Company.

1. Has the company mapped its internal and external stakeholders?

Yes. The Company has mapped its internal and external stakeholders. It uses both formal and informal mechanisms to engage with various stakeholders to understand their concerns and expectations.

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.

The Company identifies underprivileged communities around its business locations as disadvantaged, vulnerable and marginalised stakeholders and continuously engages with all such stakeholders identifying their needs and priorities so as to serve these needs accordingly.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

The Company has always engaged itself in special initiatives with the disadvantaged, vulnerable and marginalized stakeholders. Special targeted small farmer development collaborative projects with leading institutions are underway to entail inclusive growth and development of marginal and women farmers. The company has a dedicated state of the art and integrated R&D function with facilities recognised by the Department of Scientific & Industrial Research (DSIR), Ministry of Science & Technology, Govt. of India. The R&D facilities promote soil test based nutrient management, production of low cost eco-friendly bio-products and plant tissue culture facility for production of quality seed to farmers. Many rural entrepreneurs are nurtured to inclusively enable technology transfer among marginalised farming communities.

PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

The Company respects the rights and dignity of all individuals and upholds the principles of human rights. The Company's commitment to human rights and fair treatment is set out in its code of conduct and the Five Principles governing the group. The policy provides conduct of operations with honesty, integrity and openness with respect for human rights and interests of employees. The Company believes that a sustainable organisation rests on a foundation of ethics and respect for 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's Policy on Human Rights covers not only the Company but extends to its subsidiaries. The Company encourages its suppliers, contractors and others to follow the principles laid down in the five principles of its values and beliefs.

Respecting human rights is fundamental to the Company's policies and business dealings and the Company is equally focussed on building awareness around promotion of human rights with every associate and supply chain partners. All employees and contractors are required to respect the human rights of fellow workers and communities where the Company operates. The Company does not employ child labour and does not permit any occurrence of forced or compulsory labour, conducts proper checks and audits to ensure that its contractors follow the same. The Company's business relationship with its Vendors / contractors encourages its vendors to comply with relevant laws safeguarding labour rights and human rights.

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

   The Company has not received any Complaints pertaining to violation of Human rights during the financial year 2018-19.

PRINCIPLE 6: BUSINESS SHOULD RESPECT, PROTECT, AND MAKE EFFORTS TO RESTORE THE ENVIRONMENT

The Company places its highest priority in ensuring that best practices and procedures are followed relating to environment protection. To enrich soil, the Company ensures that its farmers carry out trash shredding or trash mulching post-harvest. The by-products after process are efficiently recycled as pressmud or enriched compost to implement the concept of waste to wealth creation. These value added by-products ensure soil health through increase in soil organic matter. The Company promotes water conservation and management measures by drip irrigation system. Further, the Company does not use ground water for process in any of the sugar units. Sugarcane contains 70% of water which is extracted and recycled in process as well as used back for irrigation in fields. Bagasse is used as fuel in boilers which does not emit any obnoxious gases like So2. Bagasse is a CO2 neutral fuel and is a source of renewable energy. All the factories of the Company have installed online effluent and air mission monitoring systems, which are connected to the websites of CPCB/ SPCB for online monitoring.

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

   Sustainability is built into Company's business processes. As on date, the Company is encouraging all its external stakeholders to strictly adhere to safety and restoration of the environment.

2. **Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

   All factories of the Company have a green belt to an extent of 40% of plant area. The Company has promoted through training and demonstrations to all its farmers not to burn the trash post-harvest, but to shred and mulch to enrich the soil and balanced fertiliser application without use of pesticides is being promoted to mitigate the risk to environment on a larger scale. Carbon and water footprinting exercise has been carried out with National and International Institutions. Bagasse is the predominant fuel used in the factories and this is an environment friendly renewable energy source.

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

   Yes, the Company has a mechanism to identify and assess potential environmental risks in its plants, projects and operations. Environmental risk identification and mitigation is ingrained in the Company's risk management system.

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 Company uses Bagasse as the primary fuel to generate both thermal and electrical energy requirements of the plants. Bagasse is a CO2 neutral fuel, qualifying for Clean Development Mechanism.

   All major locations are certified for requirements under ISO 14001 (Environmental Management System) and OHSAS 18001(Occupational Health and Safety System). The system requirements are broad based by incorporating internal standards. Layered audits are carried out to check the level of compliance. Deviation management system ensures that the corrective actions are close looped and issues are addressed within a reasonable time frame.

5. **Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

   The Company has undertaken clean technology to ensure Zero water drawl from ground/river/canals for the operation of the sugar factory. The distilleries of the Company are ZLD compliant and the solids recovered from the effluent, are recycled as a manure. The Company has undertaken a number of measures for energy efficiency as follows:

- Variable frequency drive installation to reduce power consumption
- Instrumentation for steam & condensate flow to minimize energy
- Automatic combustion control system in the boilers to optimize fuel usage.
- Recycle of unburnt carbon ash to minimize fuel consumption
- Energy audits and reviews to optimize the usage of thermal and electrical energy.

All factories of the Company have installed the advanced energy conservation systems like vapour conditioners, vacuum system and VFD, which conserve energy. The industry norm on steam required for sugar process is 45.0% per ton of cane whereas all factories operate between 32 to 39% per ton of cane. The industry norm on power required is 37 kw per ton of cane whereas all factories operate between 24 to 30 kw per ton of cane. The industry norm of steam fuel ratio is 2.0 to 2.2 where as our units operate between 2.4 to 2.7. Many of the factories of the Company have won the "Excellent energy efficient unit" awards from CII and from Bureau of Energy Efficiency, Government of India. In the area of Renewable energy, the bio-gas generation from effluent – reduce fossil fuel use. The Effluent used as fuel in incineration boiler generates steam and power.

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

Yes, the emissions / waste generated by the Company are within the permissible limits given by CPCB/ SPCB. Besides the Company's manufacturing units are connected on line with the CPCB, which monitors on a regular basis the norms laid down under the applicable environment protection laws.

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.

There were no pending or unresolved show cause/legal notices from CPCB/SPCB as at the end of 2018-19.

PRINCIPLE 7: BUSINESSES, WHEN ENGAGED IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A RESPONSIBLE MANNER

The Company believes that being in an industry, which is one the most regulated sectors, significant improvement can be achieved, if the Company works together with the Government, legislators, trade bodies and regulators to create positive policies affecting the industry especially cane pricing and sustainable growth affecting millions of farmers. The Company has always been at the forefront and strived to create a positive impact in the business eco-system and communities by practicing proactive advocacy not for securing certain benefits for industry, but also advocating certain best practices for the benefit of the community at large who are affected by its business. The Company engages with a number of industry bodies and associations to influence public and regulatory policy in a responsible manner.

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 a member of various trade and chamber associations. The Indian Sugar Mills Association (ISMA) and South Indian Sugar Mills Association (SISMA) are the prime bodies that represent the interests of the private sugar mills and is the interface between the industry and Government on policy matters relating to sugar industry. The Company actively participates in the functioning of ISMA and SISMA in the matter of advancing the cause of the Industry and policy matter concerning the industry as well as vital issues concerning the industry.

Besides, the Company is a member of the following Associations.

a) CII (Confederation of Indian Industry)

b) FICCI (Federation of Indian Chamber of Commerce and Industry)

c) ASSOCHAM (Associated Chambers of Commerce and Industry of India)

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

The Company through ISMA, SISMA and various other industry associations, participates in advocating matters for advancement of the industry's interest and public good. It supports various initiatives of the Government which include farmers welfare, environment, customer information and education.

PRINCIPLE 8: BUSINESSES SHOULD SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

The Murugappa Group is known for its tradition of philanthropy and community service. The Group's philosophy is to reach out to the community by establishing service-oriented philanthropic institutions in the field of education and healthcare which has been identified as the core focus areas. The Company has been upholding the Group's tradition by earmarking a part of its income for carrying out its social responsibilities. The Company believes that social responsibility is not just a corporate obligation that has to be carried out but it is one's dharma. The Company has been carrying out Corporate Social Responsibility (CSR) activities for a long time through AMM Foundation, an autonomous charitable trust, in the field of education and healthcare, while also pursuing CSR activities for the benefit

of local communities around the factories in the States of Tamil Nadu, Andhra Pradesh and Karnataka.

The Company has always believed to ensure protection of interests of all its stakeholders in tandem with its growth.The Company believes not only in value-added business, but also in discharging its responsibilities to various sections of society and in providing opportunities to learn, contribute, advance, recognize and reward initiative, innovativeness and creativity. It believes in not only making customers delighted, but the community around also, by establishing service-oriented philanthropic institutions in the field of Education and Medicare. The Company has leveraged its 100 years old experience in cane procurement and sugar manufacturing in satisfying the needs of its principal stake holders, the farmers and the consumers. The most important stakeholder of the Company are farmers and rural communities with whom the Company has forged long and enduring partnerships through crop development and procurement activities. The Company has the distinction of being the only sugar Company in India in making prompt payment to farmers even in the most difficult times. Timely payment to farmers is not only one of the critical and most enduring practice practiced by the Company but it is the hallmark of its existence and operations. The stakeholder communities face the challenge of securing sustainable livelihoods, which is addressed through the Company's multi-pronged approach to address these issues at several levels and methods. Besides prompt payment, the Company helps the farmers in a number of ways to meet their crop protection needs, improvement of yield and recovery and adoption of best cultivation practices

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

   Inclusive growth is at the core of the Company's community development strategy. As mandated by the Companies Act, 2013 and based on recommendation of the CSR Committee, the Board of Directors have adopted a CSR Policy. The CSR policy, inter-alia, deals with the objectives of the Company's CSR initiatives, the guiding principles, the thrust areas of CSR, the responsibilities of the CSR Committee, the implementation plan and reporting framework:

   The thrust areas of the Company's CSR activities are:

   - Empowerment of the disadvantaged sections of the society through education, access to and awareness about financial services and the like;
   - Provision of access to basic necessities like healthcare, drinking water & upliftment of underprivileged;
   - Work towards eradicating hunger and poverty, through livelihood generation and skill development;
   - Supporting environmental and ecological balance through afforestation, soil conservation, rain water harvesting, conservation of flora & fauna, and similar program;

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

   The Company undertakes CSR project/programs identified by the CSR Committee and approved by the Board of Directors, in line with the CSR Policy.

   Thereafter the Company implements its CSR programs/projects:

   a) Through an implementation partner that can be a public charitable trust or a society registered under applicable Acts or a Company registered under Section 8 of the Companies Act, 2013 or
   b) On its own

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

   Yes, the CSR committee internally performs a review and an impact assessment of its initiatives at the end of each year to understand the effectiveness of the programme in terms of delivery of desired benefits to the community and to gain insights for improving the design and delivery of future initiatives.

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

   During the year 2018-19, the Company has spent an amount of ₹120.40 Lakh on CSR activities encompassing various community development projects. As per Section 135 of the Companies Act, 2013, the Company was not required to spend any amount on CSR Activities during the year 2018-19 considering its average net profits for the preceding three financial years. During the year, the Company won ET Now's Best Corporate Social Responsibilities Practices Award during Feb 2019 at Mumbai.

   Details of the projects undertaken are given in Annual Report on CSR Activities enclosed as Annexure 'C' to the Board's Report.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

   The CSR Committee of the Board of Directors identifies and implements all CSR projects/ programs and periodic reports are provided for review by the Committee.

   The Company has a well-defined, transparent monitoring and review mechanism to ensure that each CSR projects/ program has:

1) Clear sustainable objectives developed out of the societal needs that may be determined through need assessment studies and research (secondary or primary);
2) Clear targets, time lines and measurable indicators, wherever possible;
3) A progress monitoring and reporting framework that is aligned with the requirements of Section 135 of the Companies Act 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CUSTOMERS AND CONSUMERS IN A RESPONSIBLE MANNER

The Company is committed to delivering Quantity products combined with Quality. This provides a value proposition to the customers and meet their expectations. The Company produces its products by working closely with the Customers and understanding their requirements. The company has derived a Food Safety and Quality Policy to drive its business. In order to provide the first time product to its customers, the plants follows either TPM or interventions such as FSSC 22000 and QMS ISO 9001:2015 system. Being involved in the business of providing food products, it is of paramount importance to align products with stringent qualitative and performance related parameters. The products of the Company undergo quality checks at different levels and well-defined SOPs and procedures have helped to identify and eliminate bottlenecks in the processes and systems. The Company's overall approach on this aspect is guided by its quality policy, food safety policy and TPM Policy. The Company's food safety management system is based on various practices and codes for food safety, including HACCP, good manufacturing practices, Codex, Alimentarious commission guidelines, ISO 22002-1:2009, norms laid down by Food Safety and Standards Authority of India and other similar food safety standards issued from time to time. Across Plants, surveillance audits and certifications are conducted for Quality, Environment, Food Safety and Occupational Health & Safety (OHSAS 18001). Focused quality enhancement initiatives are rolled out to enable the Company to benchmark with the best-in-class and be future ready. to meet the challenges of a globally competitive market. The major plants of the Company have Food Safety Systems Certification (FSSC 22000) and certification for Supplier's Guiding Principles (SGP) compliance. Some of its Units are regularly audited by Customers to verify and validate to qualify to their required standards.

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

   The Company has addressed all the customer complaints received during the FY 2018-19 and there were no customer complaints pending with the Company as on March 31, 2019. Each of the received complaints was handled by respective Units and its expert teams meticulously. A robust system of handling customer complaint exists within the Company. The Company records all the complaints in SAP plant form. Each of the complaints immediately on receipt undergoes a thorough investigation. Root Cause Analysis is carried out to have correction or corrective or preventives actions taken. These actions are communicated back to the customer. In the FY 2018-19, a total of 60 customer complaints from institutional, trade and retail customers were registered in SAP system with the Company. All the complaints were resolved with appropriate corrections, counter measures/ corrective / preventive actions based on the root cause analysis / Why Why analysis carried out at the respective Units of the Company. Also proactively several Standard Operation Procedures (SOPs) were strengthened / revised / developed for the required Quality and Food Safety requirements across the Units and deployed horizontally.

2. **Does the company display product information on the product label, over and above what is mandated as per local laws?**

   The Company displays all the requisite product information and safety guidance on the product label as required under the Food Safety and standards Act, 2006, Legal Metrology Act, 2011 and other applicable laws. Over and above the mandatory requirements, the Company also subscribes to various customer information requirements. Product Information about the physical dimensions and/or compositions/nutrient content is provided through the product labels/pack declaration and/or catalogues.

3. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour 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.

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

   To understand its quality of product, process, packing and services, the company conducts periodical customer surveys/ feed backs at planned intervals. The core objective is to establish the level of satisfaction amongst customers of the Company and to identify areas of improvement in its services. In addition to these, the Company also carries out market research surveys to understand markets, customer trends and expectations.