

## Southern Petrochemical Industries Corporations Limited

### BUSINESS RESPONSIBILITY REPORT

[See Regulation 34(2) (f)]

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

No.	Particulars	Details
1	Corporate Identity Number (CIN) of the Company	L11101TN1969PLC005778
2	Name of the Company	Southern Petrochemical Industries Corporation Limited
3	Registered address	SPIC House No. 88, Mount Road Guindy, Chennai 600032
4	Website	www.spic.in
5	E-mail id	spiccorp@spic.co.in
6	Financial Year reported	2019-2020
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Manufacture of Neem Coated Urea
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	Neem Coated Urea
9	Total number of locations where business activity is undertaken by the Company	
	(a) Number of International Locations (Provide details of major 5)	Nil
	(b) Number of National Locations	20 National Locations
10	Markets served by the Company – Local/State/ National/International	Local - 8 (includes Chennai & Tuticorin) States - 6 & Union Territory - 2 National - 20 International - Nil

#### SECTION B: FINANCIAL DETAILS OF THE COMPANY

No.	Particulars	Details
1	Paid-up Capital (INR)	203,64,03,360
2	Total Turnover (INR)	2089,64,83,000
3	Total profit after taxes (INR)	56,94,03,306
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)**	67,73,302
5	List of major activities in which expenditure in 4 above has been incurred:-	1. Soosai Nagar Drinking water provision; 2. Distribution of Notebooks and Cloth Bags to over 900 school students; 3. Donation of Container Primary Health Centre Tuticorin City Municipal Corporation (TCMC); 4. Contribution to VOC College Space Week jointly conducted with ISRO; 5. Contribution to Thoothukudi District Book Fair; 6. Contribution towards 'Mission clean Tamirabarani'; 7. Tree Plantations 8. Distribution of Water bottles Government Childrens' Care Home 8. Donation of Plastic Bottle Crusher at Tirunelveli Railway Station 9. Donation to Transgenders' Association.

\*\* The Company does not have net profit calculated as per Section 198 of the Companies Act, 2013. Hence, it is not mandatory to spend towards CSR activities. As a responsible corporate citizen, in its endeavor to contribute for the sustained development and growth of the Society, the Company undertook several CSR initiatives on a voluntary basis.

## SECTION C: OTHER DETAILS

- Does the Company have any Subsidiary Company/Companies? No
- 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) Not applicable
- 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%]

The Company will initiate action to highlight the need for BR initiatives by suppliers/distributors and their need to participate.

## SECTION D: BR INFORMATION

### 1. Details of Director/Directors responsible for BR

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

- DIN Number : 00120126
- Name : Mr. S R Ramakrishnan
- Designation : Whole-time Director

(b) Details of the BR head : Mr. K Gopalakrishnan, Assistant Vice-President (Corporate Affairs)

No.	Particulars	Details
1	DIN Number (if applicable)	00621061
2	Name	K Gopalakrishnan
3	Designation	Assistant Vice-President (Corporate Affairs)
4	Telephone number	98400 33342
5	e-mail id	gopi@spic.co.in

### 2. Principle-wise (as per NVGs) BR Policy/policies

(a) Details of compliance (Reply in Y/N)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
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 conform to any National / international standards? If yes, specify? (50 words)	Y (Note 1)	Y (Note 2)	Y (Note 3)	Y (Note 4)	Y (Note 3)	Y (Note 2)	Y (Note 1)	Y (Note 4)	Y (Note 2)
4	Has the policy been approved by the Board? If yes, has it been signed by MD/Owner/CEO/ appropriate Board Director?	Y	N	N	Y	N	N	Y	Y	N
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?	<a href="http://spic.in/policies/">http://spic.in/policies/</a>								
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?	N	N	N	N	N	N	N	N	N

**Note 1:** The Code of Conduct and Ethics and Whistle Blower Policy of the Company conforms to the requirements of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and the Companies Act, 2013, as applicable.

**Note 2:** The Company’s Policies are conforming to International standards. With commitment towards Quality, Environment and the health & safety of the Employees and contractors, the Company has its own Quality Policy, Environment Policy and Occupational Health and Safety Standard (OHSAS). To comply with these International standards, Company is continuously certified for ISO 9001:2015 for Quality Management Systems, ISO 14001:2015 for Environmental Management and recently certified for the Occupational Health and Safety Standard ISO 45001:2018.

**Note 3:** The Company follows labour law which guides the administrative ruling and addresses legal rights and restrictions on the working people in the Company. It comprises majorly of Industrial relations which contains certification of Union, Labour management–relationship and labour practices. Workplace health and safety, Employment standards which mandates working hours, minimum wages, leave, holidays and pay structures. The Company sternly follows Factories Act which directs the welfare of the Employees and the contract workers.

**Note 4:** Corporate Social Responsibility Policy of the Company conforms to the requirements of the Companies Act, 2013 and rules framed thereunder.

**Note 5:** The Policies are available on the website of the Company at the following link: <http://spic.in/policies/>.

(b) If answer to the question at serial number 1 against any principle, is ‘No’, please explain why: **NA**

**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.	Annually
(b)	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	BRR for 2019-20 will form part of Annual Report 2019-20 and will be available in Company’s Website immediately after circulating to the shareholders

**PRINCIPLE WISE INDEX:**

Principle 1 : Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

Principle 2 : Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

Principle 3 : Businesses should promote the wellbeing of all employees

Principle 4 : Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

Principle 5 : Businesses should respect and promote human rights

Principle 6 : Business should respect, protect, and make efforts to restore the environment

Principle 7 : Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

Principle 8 : Businesses should support inclusive growth and equitable development

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

**SECTION E: PRINCIPLE-WISE PERFORMANCE**

**Principle 1 : Businesses should conduct and govern themselves with Ethics, Transparency and Accountability**

- Does the policy relating to ethics, bribery and corruption cover only the Company? : **Yes**  
Does it extend to the Suppliers/Contractors? : Company will initiate actions to educate Suppliers /Contractors.

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: **No Complaint was received.**

**Principle 2 : Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle**

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.
- (a) Product - 100% Neem Coated Urea for high nutrient use efficiency
  - (b) Safety health and Environment Services - Which manages and monitors the safety systems, environmental monitoring and Healthy working practices of Employees and Contract workforce.
  - (c) Engineering Services - Which takes care of Equipment reliability, Boiler regulatory requirements, PESO Compliances, FICC requirements and other obligations arising out of government agencies.
2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):

- (a) Reduction during sourcing/production / distribution achieved since the previous year throughout the value chain?
  - i. The Company is carrying out feedstock conversion project since 2018 which includes conversion of feedstock from Naphtha to Natural Gas and reduction of specific energy consumption from 6.9 to 5.8 Gcal/MT of Urea produced.
  - ii. The Company is upgrading the equipment with improved efficiency to reduce the energy consumption. Urea reactor was replaced with new one with high efficiency and improved reliability design. In Ammonia plant, reformer convection section was replaced with better design to improve heat recovery. Syngas turbine was replaced with high efficiency turbine which has reduced the power consumption.
  - iii. The Company follows Zero liquid discharge. All the effluents from cooling tower blow down and process effluents are treated in integrated effluent treatment plant and circulated back to the system.
- (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?
  - i. The Company has separate team to create awareness among the farmers who use our fertilizer. The Company continuously insists farming community to optimize and reduce the excess consumption of fertilizers to crops which will support a sustainable agriculture. This will reduce surplus consumption of the fertilizer thereby reduce the wastage. Our field personnel constantly advise the farmers about modern agricultural practices, namely, drip irrigation, use of specialty agro-products and cropping pattern to improve farm productivity. Soil testing and weather forecasting are also integral part of our service to our customers.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)?

**Yes**

- (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company follows procedures for registration of Vendors. The Company follows Continuous Assessment of the supplier for both material and service providers. For the spares and consumables, the Company has established vendors who supply with standard and proven mechanism.

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work - **Yes**

- (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company has been utilizing the local contractors and service providers for all activities like Bagging and loading of finished product and encourages them for continuous improvement. Priority is being given to local service providers to enhance their productivity and performances. The Company is supporting the local community for their livelihood through training and need based development.

5. Does the Company have a mechanism to recycle products and waste? - **Yes**
- (a) 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 Company has been stringently following the management of hazardous wastes. The spent catalysts have been properly disposed to Tamilnadu Waste Management Limited. Used oils are disposed to Authorized recycler approved by Tamilnadu Pollution Control Board. Process condensates are recycled back to the after treatment.

**Principle 3 : Businesses should promote the wellbeing of all employees**

1. Please indicate the Total number of employees - 635
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis - 650
3. Please indicate the Number of permanent women employees - 25
4. Please indicate the Number of permanent employees with disabilities - Not Applicable
5. Do you have an employee association that is recognized by Management - Yes (One Union)
6. What percentage of your permanent employees is members of this recognized employee association - 28%
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 - Nil
8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?
  - (a) Permanent Employees 100% (Safety Orientation & Refresher courses)
  - (b) Permanent Women Employees 100% (Safety Orientation & Refresher courses)
  - (c) Casual/Temporary/Contractual Employees 100% (Safety Orientation)
  - (d) Employees with Disabilities – Not Applicable

The Company has a strong Training Development process. In addition to theoretical & practical training for the fresh entrants, we have five different specific training programmes, namely, Career Development Programme for junior level employees, Young Managers Programme for middle level employees, Management Development Programme for senior level employees, Leadership Development Programme for top level employees and Individual Development Programme for selected employees who are essential for taking the business forward. In addition to these in-Company programmes, we also depute our employees to external programmes both for technical/functional development and skill development. The Company also has a partnership with a well reputed Management institution for running our in-Company development programmes. Special Programmes are also organized exclusively for women employees.





**Principle 4 : Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.**

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

Over the years, the Company has promoted local contractors and service providers and provided them work opportunities. The Company also encourages partners and suppliers to use services of local vendors wherever possible. Additionally, the Company has also promoted skills and livelihood development in the neighbouring community through various training and community development programs.

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized Stakeholders - **Yes**

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.

During the year, Women Farmer Training Programmes were organized and classes were conducted on Mushroom Cultivation, Kitchen Gardening, Terrace Farming, Agri Value Addition Products, Fish Culture, Poultry and Goat Farming. Farmer Training Programmes were organized and experts addressed farmers on various topics.

**Principle 5 : Businesses should respect and promote 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 Policy covers only the Company. We will extend this to our suppliers/contractors in a phased manner.

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

No complaint was received.

**Principle 6 : Business should respect, protect, and make efforts to restore the environment**

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

The Company's Policy on Environment covers the Company employees and the contract workforce working in the plant. The suppliers and contractors must adhere to the norms and code of conduct which include the environment and sustainability aspects.

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

The Company has Safety Health and environmental policy which intends safe work place and reduction of potential hazard to environment. The shift of feedstock from Naphtha to Natural Gas for Urea production will reduce the emission of SO<sub>2</sub>. Furnace oil fired Boilers will be replaced with cleaner fuel Natural Gas. The Energy saving project will reduce the Specific electrical power consumption of the Urea to 50 percent of present level.

3. Does the Company identify and assess potential environmental risks? - **Yes**

The Company is ISO certified (9001:2015, 14001:2015 and 45001:2018). As a part of ISO, the Environmental aspects and its impact are studied and significant issues were identified. The Operational Control Procedure has been devised for control of environmental risks.

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? - **Yes**.

The Company has taken up projects towards clean development, eg., conversion of feed stock from Naptha and Furnace oil to Natural gas. Environmental Impact Analysis & Environmental Management Reports have been filed. Tree plantation programmes were organized towards Green Development with a target of 730 tree saplings to be planted every year. Giving priority to the concept of "Reduce, Reuse and Recycle, the Company donated and installed a Plastic Bottle Crusher at the Tirunelveli Railway Station.

5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. - **Yes**

The Company is participating in a solar power project which is being erected as a floating unit in the water reservoirs with a capacity of 24.7 MW. It will produce clean electric power from renewable source as well as reduce water evaporation from the reservoir.

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 Company reports the data on the generation of Effluents and wastes to CPCB. Monthly returns are submitted to Tamilnadu Pollution Control Board. Half yearly and Yearly reports are submitted to CPCB and Director, Ministry of Environment and Forest. CREP (Corporate Responsibility for Environmental Protection) reports are submitted monthly to Director, MoEF. Online analyzers / monitors are installed as per regulations.

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

There is no pending Legal notice received from CPCB/SPCB.

**Principle 7 : Businesses, when engaged in influencing public and regulatory policy, should do so 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:

- (a) South India Chamber of Commerce and Industry, Chennai.
- (b) Indian Chamber of Commerce & Industry, Tuticorin,
- (c) All India Chamber of Commerce & Industry, Tuticorin.
- (d) Tuticorin Chamber of Commerce & Industry.
- (e) Tamilnadu Chamber of Commerce & Industry.
- (f) Fertiliser Association of India, New Delhi.

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) : **Yes**

We actively participate in the activities of the Associations in which we are members. These associations work with the governments, both central, state and suggest policy improvements, help to remove of impediments to conduct of business, assist during budget exercise, render assistance to society wherever required, etc.

**Principle 8 : Businesses should support inclusive growth and equitable development**

1. Does the Company have specified programs/initiatives/projects in pursuit of the policy related to Principle 8 - **Yes**.
2. Are the programs/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organization – In-house and through CSR Foundation of the Group.
3. Have you done any impact assessment of your initiative – **Yes**.
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, the Company has spent directly ₹ 67,73,302 towards CSR activities. Details of activities undertaken are 1. Soosai Nagar Drinking water provision; 2. Distribution of Notebooks and Cloth Bags to over 900 school students; 3. Donation of Container Primary Health Centre Tuticorin City Municipal Corporation (TCMC); 4. Cotribution to VOC College Space Week jointly conducted with ISRO; 5. Contribution to Thoothukudi District Book Fair; 6. Contribution towards 'Mission clean Tamirabarani; 7. Tree Plantations 8. Distribution of Water bottles Government Childrens' Care Home 8. Donation of Plastic Bottle Crusher at Tirunelveli Railway Station 9. Donation to Transgenders' Association.

AM Foundation, CSR arm of the Group operates three Primary Health Centres in the nearby community. Multinational Service Organisations connected with our Company also undertake major health camps, namely heart camps, diabetic camps, eye camps and camp for the distribution of callipers for the disabled. Other CSR activities carried out by these clubs connected with the Company include assistance to the nearby schools in providing water, sanitation and education infrastructure.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? – **Yes**, we do have constant interaction with the community in which we operate.



**Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner**

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.  
As of now, we have not received any complaints from the customer.
  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)  
We mention all the information about the product as per the requirement of law.
  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 are no cases for unfair trade practices, irresponsible advertising and anti-competitive behaviour.
  4. Did your Company carry out any consumer survey/consumer satisfaction trends?  
**Yes.** Consumer satisfaction surveys were carried out for the year. The Company engages the farmers/Dealers/Sub dealers during regular meetings and get the feedback for improvements of the product and services.
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