

ANNEXURE – 4 to Board's Report
BUSINESS RESPONSIBILITY REPORT
Section A: General Information about the Company

1.	Corporate Identity Number (CIN) of the Company	L24110GJ1973PLC002247
2.	Name of the Company	Gujarat Alkalies and Chemicals Ltd.
3.	Registered address	P.O. : Petrochemicals : 391 346 Dist. : Vadodara (Gujarat)
4.	Website	www.gacl.com
5.	e-mail id	investor_relations@gacl.co.in cosec@gacl.co.in
6.	Financial Year reported	2019-20
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Chemicals - NIC Code - 2411
8.	List three key products/services that the Company manufactures/ provides (as in balance sheet)	1. Caustic Soda Group 2. Hydrogen Peroxide 3. Chloromethanes Group
9.	Total number of locations where business activity is undertaken by the Company	
	i	Number of International Locations (Provide details of major 5)
		NIL
	ii	Number of National Locations
		The Company has its manufacturing facilities at Vadodara Complex and Coelho Complex located at P.O. Petrochemicals : 391 346, Dist. : Vadodara, Gujarat and Dahej Complex located at Village : Dahej 392 130, Ta. : Vagra, Dist. : Bharuch, Gujarat.
10.	Markets served by the Company-Local/State/National/International	Across India, Africa, Europe, South Asia, Middle East, Australia, Russia, USA and Turkey etc.

Section B : Financial Details of the Company

Sr. No.	Particulars	Financial Year 2019-20 Standalone Rs. (Crores)
1.	Paid up Capital (INR)	Rs.73.44
2.	Total Turnover (INR)	Rs.2,654.20
3.	Total Profit After Taxes (INR)	Rs. 332.84
4.	Total Spending on Corporate Social Responsibility (CSR)	Rs. 14.07
	As percentage of Profit After Tax (%)	The Company has spent 2.04% of the average net profits of last three years.
5.	List the activities in which expenditure in 4 above has been incurred.	
	A. Promotion of Education and related activities	
	B. Interventions for Special Children	
	C. Preventive Healthcare, Hygiene and Sanitation	
	D. Developmental activities at Dahej, Vagra Taluka	
	E. Promotion of Livelihood generation	
	F. Promotion of Art, Culture and Heritage	
	G. Water Conservation & Environment	

Section C: Other Details

1. Does the Company have any Subsidiary Company / Companies?
Yes, the Company has one (01) Subsidiary Company, viz. GACL-NALCO Alkalies & Chemicals Pvt. Ltd.
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)
The subsidiary company has yet not started its commercial operations. Therefore, there is no direct participation by the subsidiary in the BR initiatives of the Company, at present.
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%]
More than 60%.

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 : 05323992
 - Name : Shri P K Gera, IAS (Retd.)
 - Designation : Managing Director
- b) Details of the BR head

Sr.No.	Particulars	Details
1.	DIN Number (if applicable)	05323992
2.	Name	Shri P K Gera, IAS (Retd.)
3.	Designation	Managing Director
4.	Telephone number	0265 – 2232801 / 6111210
5.	E-mail ID	md@gacl.co.in

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 (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as under :

- 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.

Sr. No.	Questions	Business Ethics	Product Responsibility	Well-being of Employees	Stakeholder Engagement & CSR	Human Rights	Environment	Public Policy	CSR	Customer Relations
		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 conform 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?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		https://www.gacl.com/upload_files/d4ddf_br_policy.pdf								
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

*The policies are based on National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) and in consonance with the generally accepted principles and with the applicable regulatory requirements.

2a. If answer to Sr. No. 1 against any principle, is 'No', please explain why : (Tick up to 2 options)

Sr. No.	Questions	Business Ethics	Product Responsibility	Wellbeing of Employees	Stakeholder Engagement & CSR	Human Rights	Environment	Public Policy	CSR	Customer Relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The company has not understood the Principles	-	-	-	-	-	-	-	-	-
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

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

The Company publishes BRR as part of Annual Report and BRR is also available on the website of the Company at : www.gacl.com

Section E: Principle-wise performance

Principle 1 – Businesses should conduct and govern themselves with 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 has only one subsidiary viz. : GACL-NALCO Alkalies & Chemicals Pvt. Ltd. (GNAL) and the said policy is applicable to the Subsidiary Company. So far as Suppliers / Contractors / NGOs / Others are concerned, the policy of the Company is applicable to the extent of their dealings with the Company.

2. How many stakeholder complaints have been received in the past Financial Year and what percentage was satisfactorily resolved by the management?

During the Financial Year 2019-20, the Company had received 45 complaints from shareholders and all the complaints were satisfactorily resolved.

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.
- Caustic Soda Group
 - Sodium Chlorate
 - Chloromethanes Group



2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional) :
- Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?
Energy reduction per unit of NaOH production – 24 KWH/MT
Energy reduction per unit of CLM production – 61 KWH/MT
Energy reduction per unit of H₂O₂ production – 3 KWH/MT.
 - Reduction during usage by consumers (energy) has been achieved since the previous year?
Energy reduction per unit of NaOH production – 24 KWH/MT
Energy reduction per unit of CLM production – 61 KWH/MT
Energy reduction per unit of H₂O₂ production – 3 KWH/MT.
3. Does the Company have procedures in place for sustainable sourcing (including transportation)?
- Few major activities of sustainable sourcing are mentioned hereunder :
 - Our Company has a policy of procurement which reflects sustainable sourcing taking into consideration economical aspect in procurement, environmental friendly processes and giving due weightage to social aspects.
 - In our endeavor of sustainable sourcing during our Vendor Meet of Salt suppliers, we had appealed them to adopt sustainable sourcing in their business too.
 - One of the major raw materials is Salt which is a natural product being produced from either sea water or from subsoil water by natural evaporation process in sun light. No chemical which may harm environment is used during manufacturing process. It is transported in bulk in vehicle and no packaging material is used. Considering environment friendly usage, we had changed specifications of Salt from July 2017 and washed Salt which is improved quality is being used at both the complexes. By using improved quality salt chemical consumption and sludge generation has reduced considerably. We procure approx. 7 lakhs MT of Salt for both the complexes from the manufacturers who have salt works nearby our Company and these comprise very small to large manufacturers.
 - Packaging materials like carboys, barrels, bags etc. which are used for filling the finished products are procured from the nearby sources and small vendors. After one use these packaging materials are reused. Finally, it is recycled for manufacturing of containers or other products which can be used for packaging or any of purpose.
 - In procurement of materials like Lime, Alumina Tri Hydrate, we have changed packaging size from 50 kg to jumbo bag of 1 MT. Jumbo bags can be reused & further recycled.
 - We support MSME vendors, procure material from them, release payment to them as per government directives and indirectly help to create employment.
 - For entire procurement of our Company, we follow the procurement policy formed by the Company which is based on sustainable sourcing.
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 ?
- Our Company gives preference in procurement of goods / services from local and small producers / service providers in surrounding area.
 - We have been procuring entire requirement of Salt for Vadodara and Dahej Complexes from the local suppliers situated at Dahej, Gandhar, Jambusar, Bhavnagar and Maliya-Morbi area etc. Many suppliers in these regions are small suppliers from whom we are procuring the Salt. Our Company has encouraged to improve quality of Salt by installing salt washery by them. Many small suppliers have installed the washery which has benefitted them in improving the quality by removing impurities at source. It's a value addition in salt which has benefitted to them & GACL as well.
 - To support small producers in their business & to generate employment, we procure consumable and engineering items from them at competitive price and we offer payment term to them as per applicable provisions of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006.

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%).

As a step further to its environmental preservation philosophy and commitments, the company has installed the RO Plant to recycle 40% liquid effluent stream and also recycled 53.93% catalyst for Hydrogen Peroxide Plant.

Principle 3 - Businesses should promote the well-being of all employees.

1. Please indicate the Total number of employees : 1582
(as on 31.03.2020)

Out of total number of employees, 366 employees were hired on Contract (Management & Non Management), Trainees and Fixed Term Contract (FTC).

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

As on 31st March, 2020, total 1400 persons were hired on temporary / contractual / casual basis.

3. Please indicate the Number of permanent women employees.

As on 31st March, 2020, permanent women employees were 42.

4. Please indicate the number of permanent employees with disabilities.

As on 31st March, 2020, the number of permanent employees with permanent disabilities were 11.

5. Do you have an employee association that is recognized by Management.

Yes, the Company has an employee association viz. GAC Employees Union which is recognized by the management.

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

65.13%

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.

Sr. 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 last year?

- Permanent Employees : 85%
- Permanent Women Employees : 100%
- Casual/Temporary/Contractual Employees (FTC) : 90%
- Employees with Disabilities : 36.36%

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 / No.

Yes.

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

Yes.

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

The Company has adopted Home for Mentally Differently abled Children which is a Government of Gujarat owned residential cum training facility for mentally challenged children. This is a home to orphan children (only boys) who are destitute, suffering from abandonment for being mentally differently-abled.

In addition to this, the Company is also supporting Government primary schools of Vagra, Jambusar Narmada and Dahod District, and Schools run by Nagar Prathamik Shikshan Samiti in Vadodara and Bharuch. Moreover, the Company is also contributing financially to various hospitals which are providing treatment and medicines at a subsidized rate for marginalized and underprivileged people of the Society.



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 on Human Rights is covering various stakeholder of the Company. The Company has a subsidiary named GACL-NALCO Alkalies & Chemicals Pvt. Ltd. to which the said Policy is applicable.

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

No complaint/s was received in the last Financial Year.

Principle 6 - Businesses 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 policy on environment extends to the Joint Venture. The Company encourages its Suppliers / Contractors / NGOs / others to follow the same.

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.

Yes, the hyperlink for webpage is as below :

<http://www.gacl.com/corporate.php?nv=4>

Initiatives taken by the Company:-

- i. Water conservation - GACL has installed wastewater recycling RO Plant for converting wastewater into reusable water. Daily 400 to 500 M³ of wastewater is treated and converted to reusable water which is recycled back in the plant. This has reduced consumption of fresh water.
 - ii. The Company has at its Dahej Complex, covered large area by development and maintenance of green belt, landscaping, flora & fauna, rainwater harvesting and natural ponds. The Company has rolled out the construction of facility for recycling part of its liquid effluent stream, using ZLD principle in Dahej Complex. The Company has undertaken water conservation by channelizing Cooling Tower Water Spillage, treated sewage and drip irrigation. Nearly 22,406 nos. of trees have been planted and 18.71 acre green belt developed.

This year, number of heron birds have arrived at the flora & fauna at Dahej Complex making their habitat nests behind Administration building of Dahej Complex.
 - iii. Huge green belt - GACL have 125171 MT² green cover area developed and maintained.
 - iv. Rain water harvesting - Rain water harvesting is being done at our solid waste landfill site in surface area of 29 acres by way of groundwater recharge.
 - v. Treatment of effluent - GACL is promoter and member of Vadodara Enviro Channel Limited (VECL) which is responsible for safely conveying treated liquid effluent from industries into estuary of river Mahi through 55 KM long channel.
 - vi. Captive solid waste landfill site - GACL has own solid waste landfill site for safe disposal of hazardous waste.
 - vii. Reduction in solid waste quantity by implementing Cleaner production - We have replaced use of raw salt with washed salt (having less impurities) for production of Caustic Soda. By using washed salt, solid waste generation has reduced by around 200 MT/Month.
3. Does the Company identify and assess potential environmental risks? Y/N
- Yes. Potential environmental risks are identified and assessed before any new project / expansion of existing plant by way of conducting Environmental Impact Assessment & preparing Environment Management Plan for the same.
4. Does the Company have any project related to Clean Development Mechanism? If Yes, whether any environmental compliance report is filed?

The Company is continuously implementing various Energy Conservation Schemes and has earned 1977 Escerts for Vadodara Plant under PAT (Platform, Achieved and Trade) Scheme introduced by Government of India.

In order to continue promoting Green technology and to meet the Solar Renewable Purchase Obligations, the Company had taken up another 20 MW Solar Power Project at Charanka, Patan, (Gujarat) which was commissioned in September 2019 in a phased manner. The aggregate solar power capacity of the Company has increased to 35 MW, and aggregate renewable energy capacity to 206.45 MW, including 171.45 MW of wind power capacity.

The production of Carbon Tetrachloride (CTC) which comes under Ozone Depletion Substance (ODS) Rules, 2000 as per the guidelines of Montreal Protocol framed by Government of India, has been phased out while production of CTC only for feed stock application is continued.

In the field of Water conservation, the Company has commissioned daily 400 to 500 M³ of waste water recycling RO Plant for converting waste water into reusable water.

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.

Yes, the Company has commissioned Solar Power Project of 35 MW Capacity in Gujarat.

6. Are the Emissions / Waste generated by the Company within the permissible limits given by Central Pollution Control Board (CPCB) / Gujarat Pollution Control Board (GPCB) for the Financial Year being reported?

Yes. The emissions / Waste generated by the Company are within the limits prescribed by Gujarat Pollution Control Board (GPCB).

7. Number of show cause/ legal notices received from Central Pollution Control Board (CPCB) / Gujarat Pollution Control Board (GPCB) which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

No show cause / legal notices received from CPCB / GPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

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 :

The Company is a Member of :

1. Alkali Manufacturers Association of India, New Delhi
2. Indian Chemical Council, Mumbai
3. Gujarat Chemical Association, Ahmedabad
4. Society for Clean Environment, Vadodara
5. National Safety Council, Mumbai
6. Gujarat Safety Council, Vadodara
7. Federation of Gujarat Industries, Vadodara
8. Exim Club, Vadodara
9. CHEMEXCIL, Mumbai
10. Gujarat Employers' Organization, Vadodara
11. Dahej Industries Association

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).

No.

Principle 8 - Businesses should support inclusive growth and equitable development.

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

The Company has well defined CSR Policy which aims at inclusive growth and equitable development having its focus areas as follows :

- Education and related activities
- Special Children
- Healthcare, Hygiene and Sanitation
- Livelihood activities
- Art, Culture and Heritage
- Water Conservation and environment



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

All the programmes / projects are undertaken by in-house team along with GACL's CSR arm, viz. : 'GACL Foundation Trust' and 'GACL Education Society' and few projects through external agencies and NGO'S.

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

Yes. In-house Impact Assessment of Home for Mentally Differently Abled Children (Special children agency) as well as seeking feedback from the beneficiaries related to outcome and impact of various projects such as Perna Project, Gap teaching volunteers, Smart Class Project and Transportation Project.

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

The Company's contribution to community development projects in the Financial Year 2019-20 was Rs. 14.07 Crore.

For more details kindly refer Annexure – 2 of Board's Report, i.e. Annual Report on CSR Activities for the Financial Year 2019-20.

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

Yes. By regular visits to respective locations of the projects and follow ups are done over phone. Also, by engaging the parents of the children, Principal and teachers of the school in various activities conducted for the children. Regular meeting with parents and community stakeholders is also undertaken to assess needs at various intervals.

For developmental activities at Dahej of Vagra Taluka, respective Gram Panchayats and school authorities were involved for ensuring successful implementation and continuation of the project.

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.

NIL.

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)

Yes.

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.

An investigation was conducted by the Director General of the Competition Commission of India (CCI) against the Company, for alleged contravention of the provisions of Section 3(1) read with 3(3)(d) of the Competition Act, 2002, in respect of sales of chemical products to Delhi Jal Board. The Competition Commission of India (CCI) vide its order dated 05.10.2017 imposed penalty Rs.1.88 Crores.

The Company had filed an Appeal before the NCLAT Challenging the order of the CCI. The Hon'ble NCLAT through its order dated 04.12.2017 granted stay on the operation of the impugned order of the CCI subject to a deposit of 10% of the penalty amount. The Delhi Jal Board has filed its Reply to the Appeal. The Company has also filed its Rejoinder to the Reply of the DJB. The matter is pending before NCLAT, the Company believes that it had not indulged in any such activity.

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

Yes.