



SRF

We always find a better way

Fluorochemicals Business

Specialty Chemicals Business

SUSTAINABILITY REPORT 2017-19

EMPOWERING. EVOLVING.
TOGETHER



'Empowering. Evolving. TOGETHER'

At SRF, we look at empowerment as a process of consciously evolving. A belief that is reflected in our commitment to our people who make 'Us' possible, to our communities whose well-being ensures ours, and to our planet that sustains us.

Achieving sustainable development has remained an unwavering focus. By focusing on finding long-term sustainable solutions through active collaboration, we foster trust, we safeguard the future development of our businesses and of the communities in which we operate.

In 2019, we completed 30 years of togetherness – a toast to continuously Empower and Evolve TOGETHER!



About the Report

This report highlights our environmental, social and economic initiatives, their progress and performance, along with details on company policies and risk management framework.

Our sustainability reports are prepared biennially and build on the trends from the previous report. This is the seventh sustainability report of SRF's Fluorochemicals Business (FCB) and Specialty Chemicals Business (SCB) for the reporting years 2017-18 and 2018-19.

The report is based on the Global Reporting Initiative (GRI) standards ('Core' option) of sustainability reporting.

Our corporate office located in Gurugram (Haryana) and two of our manufacturing sites located in Bhiwadi (Rajasthan) and Dahej (Gujarat) are part of the reporting boundary.

The report has been assured based on the International Standard on Assurance Engagement (ISAE) 3000 – limited assurance criteria. The assurance statement has been provided in the report's annexure.

All information presented in the report has been obtained from the various departments responsible for managing the relevant data and reported to the Head office and the respective site offices.

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For any additional information, please visit our website at <http://www.srf.com/>

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ENGAGEMENT

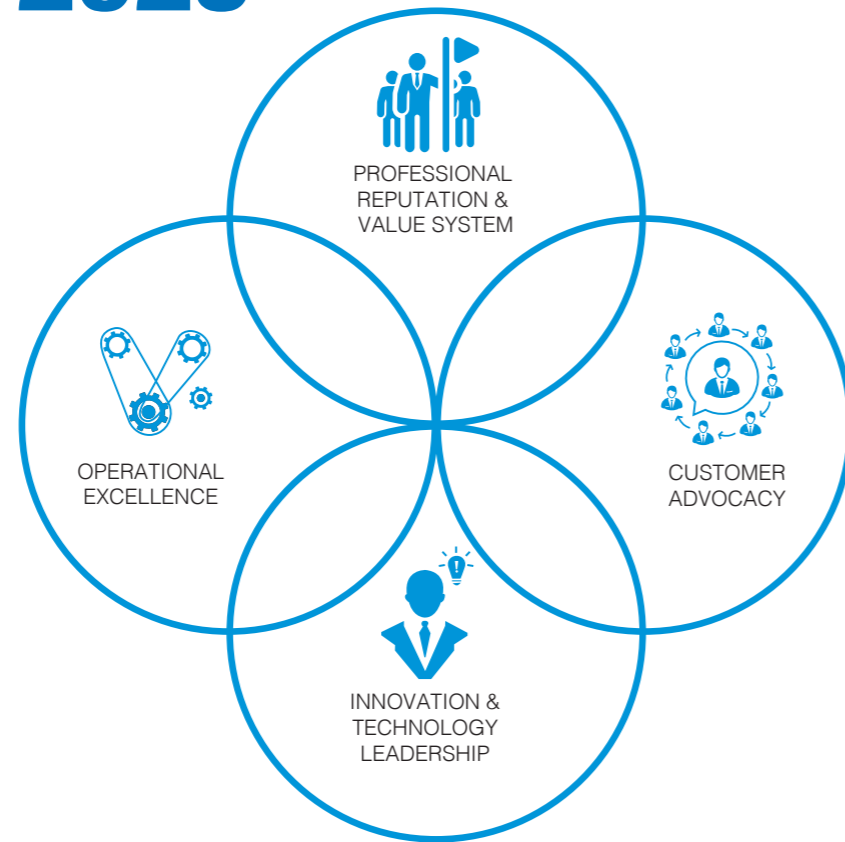
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IN THIS REPORT



- Respect**
We believe in nurturing relationships with all our stakeholders and treating them with respect
- Integrity**
We stand by our commitments and do not compromise on our ethical and moral standards
- Non-discrimination**
We do not discriminate on account of gender, caste, religion, creed, region, language, physical disabilities, etc.
- Excellence**
We use the SRF Management Way to pursue excellence in all that we do
- Well-being**
We believe that happy employees are key to organizational success

Progress on Goals and Targets

(set in 2017)



ENVIRONMENT

Bhiwadi		Dahej	
Sustained specific electricity consumption at FY 2015-17 level	😊	Sustained absolute electricity consumption at FY 2015-17 level	😊
Sustained Scope 1 Greenhouse Gas (GHG) emissions at FY 2015-17 level	😐	Sustained Scope 1 Greenhouse Gas (GHG) emissions at FY 2015-17 level	😐
10% reduction in waste generation at FY 2015-17 level	😊	Sustained waste generation at FY 2015-17 level	😊
Sustained specific water consumption (m³/MT of product) at FY 2015-17 level	😐	Sustained specific water consumption (m³/MT of product) at FY 2015-17 level	😐



ENGAGEMENT

Bhiwadi		Dahej	
20% increase in inclusion of children under Project Shiksha at FY 2015-17 level	😊	Sustained inclusion of children under Project Shiksha at FY 2015-17 level	😊
Sustained employee turnover at FY 2015-17 level (<10%)	😊	Sustained employee turnover at FY 2015-17 level	😊
Sustained employee unplanned absence at <1% level	😊	Sustained employee unplanned absence at FY 2015-17 level	😊
Sustained man hours of training per employee per year at the level of 24 man hrs per person per year	😐	Sustained man hours of training per employee per year at FY 2015-17 level	😐
10% increase in skill enhancement of all employees (skill index) at FY 2015-17 level	😊	Sustained skill enhancement of all employees (skill index) at FY 2015-17 level	😊
Sustained overall employee satisfaction at >90% level	😊	Sustained employee satisfaction levels at FY 2015-17 level	😊
Sustained rolling target for first aid and minor injury reduction at FY 2015-17 level	😊	Sustained rolling target for first aid and minor injury reduction at FY 2015-17 level	😊
100% reduction in reportable injuries at FY 2015-17 level	😊	Sustained reportable injuries reduction at FY 2015-17 level	😊
Sustained man-hours of EHS training per employee per year at FY 2015-17 level	😐	Sustained man-hours of EHS training per employee per year at FY 2015-17 level	😐



ENTERPRISE

Bhiwadi		Dahej	
Sustained new product development at FY 2015-17 level	😊	Sustained new product development at FY 2015-17 level	😊

LEGEND

Excellent	Average	Poor
😊	😐	😞

PERFORMANCE HIGHLIGHTS



Only Indian manufacturer of ozone friendly refrigerants, such as F 134a and F 32



21.9 average training man-hours per employee during 2017-19



24 new patents granted during 2017-19



Total energy savings of 3,969.9 GJ due to energy saving initiatives



Economic value generated grown by 31% in Bhiwadi and 69% in Dahej between 2017-18 and 2018-19



Bhiwadi site continues to be a zero wastewater discharge unit since 2007

Awards and recognition



National CSR Award 2018 in the category – Corporate Awards in CSR in Challenging Circumstances – North by His Excellency, The President of India, Shri Ram Nath Kovind



ICC (Indian Chemical Council) Lifetime Achievement Award to the Chairman, Mr. Arun Bharat Ram



Family Business of the Year (Large Companies) Award 2019 – The Economic Times



Safety Award 2018 awarded for Bhiwadi site – Government of Rajasthan



Institute of Company Secretaries of India CSR Excellence Award in 'Best Corporate - Medium category' - 2019

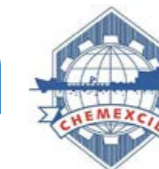


TOGETHER FOR SUSTAINABILITY

Received **Gold rating in 'Together for Sustainability' (TfS)** - Audited in 2017, valid till Dec 2021

Oracle Cloud **Platform Innovation Award** in the 'Application Development and Development' category - 2018

syngenta Supplier Award for Innovation - 2018



CHEMEXCIL Export Award - 2017 – LSM-II category. Mr Suresh Prabhu, Union minister for Commerce & Industry gave the awards in recognition of outstanding export performance



FROM THE LEADERSHIP...



“
We remain steadfast on our emphasis on good governance. Ethical practices and transparency are core values that guide our actions.
”

The publishing of this Sustainability Report also marks thirty years since our Bhiwadi plant commenced operations.

For SRF, the Chemicals Business remains a key growth driver. Today's world – from the food we consume, the way we travel, and the technology we harness – depends on the products of the chemical industry.

It is through responsible production, use, and management of chemicals that we can minimize negative impact, protect the environment, promote social progress, and support economic growth. At SRF, we have a responsibility to create a sustainable business environment and we continue our journey in finding new ways to adopt good sustainability practices. We are heartened to be recognized for this, with our Bhiwadi and Dahej sites having once again been granted permission to use the Responsible Care Logo by the Indian Chemical Council (ICC), highlighting the excellent environmental, health, safety measures that we have in place at our facilities.

In our Fluorochemicals Business, our prudent investments in innovation and technology has made us one of the very few, fully backward integrated producers of refrigerant gases in the world, offering the widest portfolio of gases and value-added products to our customers. In addition, our cGMP USFDA facility at Dahej, manufacturing Dymel® F 134a/P, our propellant for asthma inhalers has been awarded an EXCiPACT™ GMP for Pharmaceutical Excipient (2017) Certificate from SGS, one of EXCiPACT's internationally recognized certification bodies.

Backed by strong, differentiated technology play, our Specialty Chemicals Business continues to remain committed to enhancing our product offerings further within our business model. Our two dedicated R&D facilities, Engineering Lab and Pilot Plant facilities, employing highly skilled and experienced scientists and engineers work together to achieve the innovation and technology leadership at SRF. We continue to invest in R&D to create propositions for the future, with 24 new patents granted to SRF during the reporting period.

I am also happy to share that our customers have appreciated these initiatives. In recognition of our inherent strengths and capabilities, we were honored with the 'Syngenta Supplier Award for Innovation' at the Syngenta Suppliers Meet.

At the corporate level, we remain steadfast on our emphasis on good governance. Ethical practices and transparency are core values that guide our actions.

In addition, our focus on shared value creation, on people who are the backbone of all growth and on well-being of the community, is what drives us. Through our Natural Resource Management program, we continue to reach the economically weaker families near our Bhiwadi facility and improve their livelihood by adopting the watershed-based livelihood and environment conservation approach. We have conducted several hydrological and environmental studies across thirty-five villages where rainfall is below normal, and the results have helped us create a forward-looking plan.

As we continue on our path as a well-respected global company, strengthen our capabilities and empower our people and communities to be a part of our growth, our commitment to sustainable and inclusive growth will always remain unwavering, unhindered and uncompromised.

Thank you.

KARTIK BHARAT RAM

Deputy Managing Director
SRF Limited

It is my pleasure to present the Sustainability Report 2017-19 of SRF's Chemicals Business.

Representing the Fluorochemicals Business which manufactures products ranging from refrigerants to pharma propellants and industrial chemicals, I am aware of the impact that our operations have on social and environmental aspects, ranging from climate change, food security and human health. Therefore, it is my continuous endeavor to support and guide the affairs of my team to innovate and develop products that uphold our vision of 'Sustainable Technologies, Responsible Solutions'.

I believe that the chemical sector, as a solutions provider, is an enabler of sustainability across value chains. Combating climate change and transforming the energy system are core challenges on the path to a sustainable future for business, society and the environment.

The chemical sector is a major energy user; however, it has also made significant progress to decouple economic growth from carbon emissions. This holds true for SRF, which has been at the forefront of major Fluorine-based gas transitions set by international regulations to reduce the global emissions of greenhouse gases. We have been instrumental in developing and transitioning to low GWP (Global Warming Potential) refrigerants, offering more environmentally responsible gases for cooling and heating requirement of our growing population.

Moreover, in upholding our vision of 'Sustainable Technologies, Responsible Solutions', our production facility for Dymel® 134a/P, our propellant for asthma inhalers operates in compliance with the stringent Good Manufacturing Practice guidelines.



“SRF has been at the forefront of major Fluorine-based gas transitions set by international regulations to reduce the global emissions of greenhouse gases.”

Over-the-years, the Fluorochemicals business has shown significant growth in terms of economic performance indicators and has been successful in meeting the expectations of our shareholders. In November 2017, our company signed an agreement to acquire the HFC-125 assets from a global leader in the development, manufacture and supply of fluoro products. With this acquisition, we gained the unique advantage of manufacturing all three major HFCs namely, HFC 134a, 32 and 125, which are marketed under the company's FLORON® brand. We have also become the only Indian company to have fully integrated blending capability to offer HFC 410A and 407C to our customers, thereby making us one of the very few, best-in-class producers in the world.

Engagement with our employees and wellness of the communities in which we operate have been at the forefront of our growth agenda. We have continued to invest in learning and career advancement of our employees. We have created huge impact in areas of education and environment for the communities surrounding our manufacturing facilities.

This report truly reflects our company's vision and commitment towards sustainable growth and how we aim to incorporate sustainability practices in our strategy for future growth.

PRASHANT YADAV

President & CEO

Fluorochemicals Business (FCB)

Sustainability is an integral part of SRF's heritage, of its long-term commitment to its people and communities. While it is now one of the primary yardsticks to gauge a company's performance, I have seen the ever-increasing significance of sustainability, which we tirelessly continue to incorporate in our business practices.

Our Customers are global innovators and partner with us on molecules that are business-critical. Driven by two state-of-the-art R&D labs and in-house plant design and project management teams, SRF's Specialty Chemicals Business has commercialized a significant number of molecules, with several new molecules at different stages of development and commercialization.

The Business is well-known for introducing novel and cutting-edge technologies to the world, with a strong emphasis on Intellectual Property creation and protection, both – our own and our customers'. In the innovation space, this has instilled huge confidence in our global customers.

We continue to work on sustainability with a more determined effort to reduce the resources footprint in our processes. Water management remains a key focus area for us. While recyclability and reuse of wastewater remains a focus, quality of water discharge and effluent treatment is also a high priority area for us. Our Bhiwadi operations have successfully maintained a water positive status since 2008-09. Moreover, Bhiwadi plant continues to have zero liquid discharge.

Safety of our plants and processes is paramount. Our world-class standards in Safety-Health-Environment are embedded in our business strategies and execution plans.

We have taken several initiatives to reduce the GHG emissions both at Bhiwadi and Dahej. We have included the material usage for the Specialty Chemicals Business for the first time in this reporting period.



“SRF is well-known for introducing novel and cutting-edge technologies to the world, with a strong emphasis on Intellectual Property creation and protection.”

We are also increasingly shifting our energy profile to fully realize the potential of renewable and innovative energy sources.

Community welfare remains close to our heart. In the communities where we operate, we routinely have dialogue with local officials responsible for emergency response, health, safety and environmental protection.

SRF Foundation, the CSR wing of the company has made tremendous contribution towards the upliftment of communities. Several awareness drives promoting the need for education, women's empowerment, among other initiatives have been undertaken during 2017-19, and our contribution has been recognized by the State Government. We have also extended our community development programs to another block - Netrang in Bharuch district in Gujarat.

We have continued our focus on the three sustainability pillars – Environment, Enterprise and Engagement. The tremendous support received from our stakeholders is testament to our ethical practices and strong business capability in delivering results.

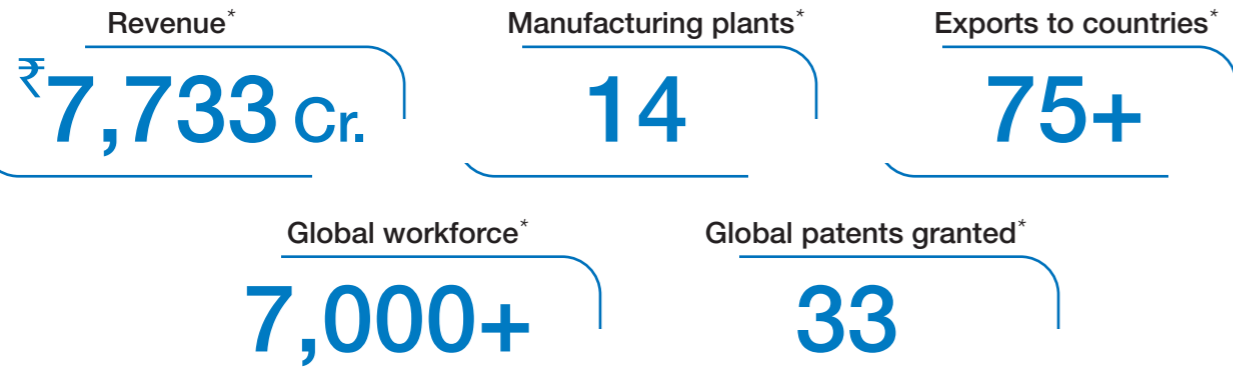
We have integrated sustainability across our operations and draw strength from the robust foundations that we have built over time. As we continue to deliver the benefits of more complex chemicals and specialty products to our global customers, we will drive our sustainability agenda with clear goals that are implemented and carried forward by our dedicated employees and our partners in progress.

ANURAG JAIN

President & CEO

Specialty Chemicals Business (SCB) & Chemicals Technology Group (CTG)

ABOUT SRF



SRF is a multi-business chemicals conglomerate with a business portfolio that covers Fluorochemicals, Specialty Chemicals, Packaging Films, Technical Textiles, Coated and Laminated Fabrics. It is a global market leader in most of its businesses and commands a strong global presence with exports to more than 75 countries.

Equipped with State-of-the-Art R&D facilities, SRF, as of March 31, 2019, has applied for 239 patents and has been granted 33 patents globally.

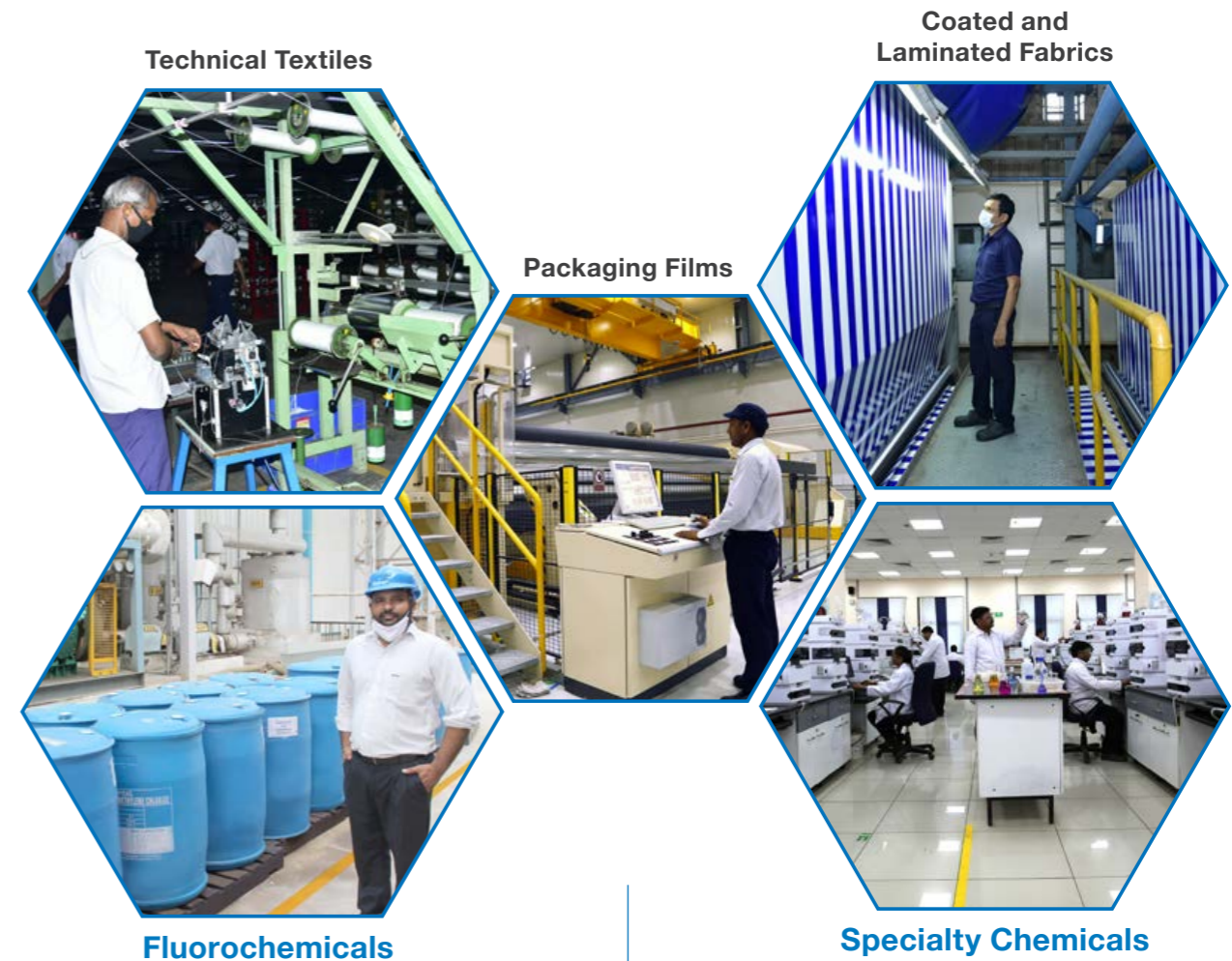
SRF was a winner of the prestigious Deming Prize, a gold standard in Total Quality, in two businesses – Tyre Cord Business in 2004 and Chemicals Business in 2012. It was recognised in the Forbes' Best Under a Billion List in 2011 and has been a five-time winner of the CII Sustainability Awards in several categories since 2008.

* As on March 31, 2019

- Globally no. 1** in
 - TFA and its derivatives
 - Difluoro intermediates for SDHI
- Globally no. 2** in
 - Nylon 6 tyre cord fabric
- Globally no. 3** in
 - Conveyor belting fabrics
- Only company in India** manufacturing
 - F 134a and F 32 refrigerants using in-house technology
 - Dymel® F 134a/P, our propellant for asthma inhalers
 - Polyester tyre cord fabrics
- No 1 in India** in
 - Tyre cord fabrics
 - Specialty chemicals
 - Belting fabrics
 - Refrigerants
 - Coated fabrics



Our Business Verticals



SRF's Fluorochemicals business (FCB) is a global scale fully integrated HFC player. Our refrigerants have various applications, particularly in room air-conditioners, automobile air-conditioners, refrigerators and chillers. SRF is the only manufacturer of ozone-friendly refrigerants – F 134a, F 32, F 410A and F 407C, which are sold under the brand name FLORON®. The production of F 125 led SRF to become the largest producer and seller of refrigerants in India. In 2017, we broadened our portfolio to integrate environmentally responsible refrigerants.

At our world-class facility in Dahej, we manufacture HFA 134a/P in accordance with the European Monograph / BP standards. The production facility for Dymel® 134a/P operates in compliance with the stringent Good Manufacturing Practice guidelines. This facility has been audited by SGS, in addition to having received EXCI Pact GMP certification of pharmaceutical excipient suppliers.

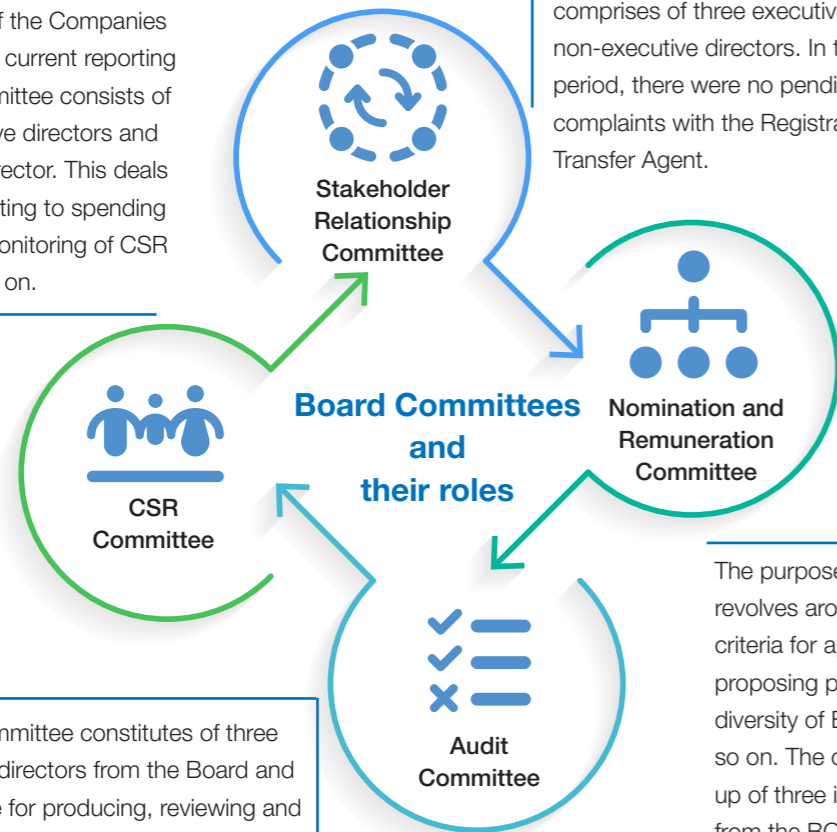
SRF's Specialty chemicals business (SCB) has expertise in fluorine chemistry and deep knowledge in a variety of platform chemistries that act as a foundation for the enterprise. The two plants at Bhiwadi and Dahej have excellent capabilities in production of advanced intermediaries that are used in the agrochemical and pharmaceutical industries. The seamlessly integrated value chain delivers right from Building Blocks to Active Ingredients. This is supported by supply chains that are de-risked through strategic partnerships across regions and suppliers.

With a strong track record of safety in hazardous processes, the business has developed processes and built facilities which meet international standards. SRF's SCB has acquired certifications for process and environment management, occupational health and safety and social accountability. Moreover, the business has voluntarily become a part of the Responsible Care initiative to drive continuous improvement in health, safety and environmental (HSE) aspects.

GOVERNANCE

Our robust internal control processes and policies in different domains ensure compliance to various regulatory requirements. Various risks faced by the organization are evaluated by the different Board committees which recommend approaches and solutions to tackle those risks. Our governance hierarchy comprises the Board of Directors and its four sub-Committees which oversee business functionality in specific areas. As of 31st March 2019, SRF's Board of Directors consisted of 11 members, including Chairman, Managing Director, Deputy Managing Director and eight independent Directors. Of the 11 members on the Board, two are women.

The CSR committee functions in line with the rules and requirements of Section 135 of the Companies Act, 2013. In the current reporting period, the committee consists of two non-executive directors and one executive director. This deals with aspects relating to spending of CSR funds, monitoring of CSR activities, and so on.



Board of Directors

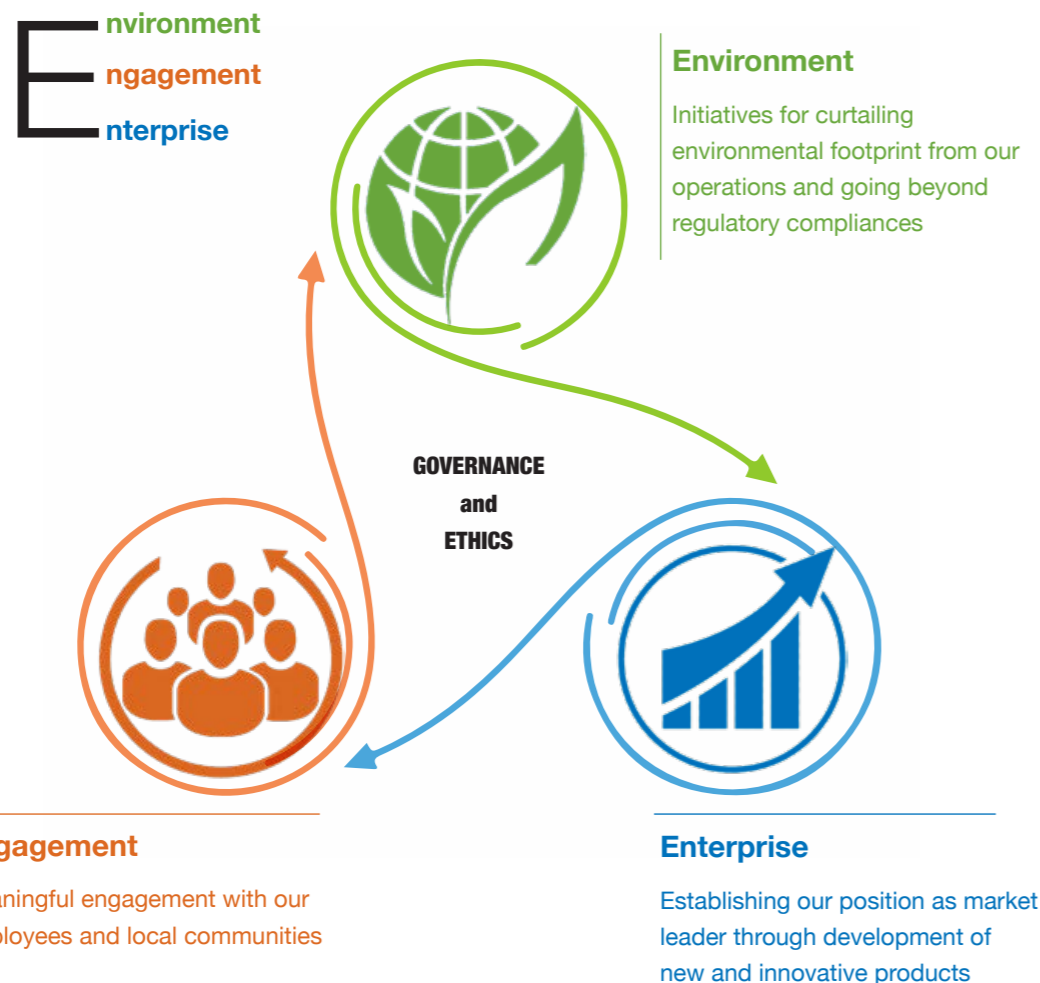
Arun Bharat Ram Chairman		Ashish Bharat Ram Managing Director	
Kartik Bharat Ram Deputy Managing Director		Pramod G. Gujarathi Director (Safety & Environment)	
Dr. Meenakshi Gopinath Director (CSR)		Lakshman Lakshminarayan Independent Director	
Vellayan Subbiah Independent Director		Tejpreet S. Chopra Independent Director	
Bharti Gupta Ramola Independent Director <i>(w.e.f. February 4, 2019)</i>		Puneet Yadu Dalmia Independent Director <i>(w.e.f. April 1, 2019)</i>	
Yash Gupta Independent Director <i>(w.e.f. April 1, 2019)</i>		Pramod Bhasin <i>(Served the Board as Independent Director till 04.02.2019)</i>	
Vinayak Chatterjee <i>(Served the Board as Independent Director till 31.03.2019)</i>			

HOW WE REPORT

Our approach to sustainability

Traditionally, businesses have focused on the monetary profits from their operations. However, concepts such as the Triple Bottom Line have motivated companies to look beyond financial profit and advance the sustainability agenda. SRF is not only cognisant of the social and environmental impact of its businesses, inclusive growth is at the core of its business strategies.

John Elkington, the pioneer of the triple bottom line framework, explained this on the basis of 3 P's – People, Planet and Profit. We have adapted our sustainability approach based on Elkington's framework and redefined our sustainability model as 3 Es – Engagement, Environment, and Enterprise. This **Triple E framework** forms the basis for our approach to sustainability.



Aligning with the United Nations Sustainable Development Goals

The United Nations put forth a set of 17 Sustainable Development Goals which paved the way to ensuring a better and sustainable future for all. They aim to promote action on global challenges such as poverty, climate change, environmental degradation, peace and justice. United Nations has urged countries across the world to undertake action for achievement of all these goals by 2030.

SRF has been committed toward undertaking noteworthy action for particularly fulfilling some of these goals. We have strategically aligned our vision in terms of economic, social and environmental objectives in line with the SDGs.



3 GOOD HEALTH AND WELL-BEING
Our company's policies for our employees are aligned to ensure good health and well-being. Moreover, community support activities as part of our CSR initiatives have included promoting awareness around HIV-AIDS, health and sanitation.



4 QUALITY EDUCATION
SRF Foundation is committed to promotion of quality education. The main focus of our CSR initiatives is centered on supporting schools in terms of infrastructure, digital transformation and helping academically weak students.



5 GENDER EQUALITY
SRF has supported gender equality in the conduct of all its activities. We have two women members on the Board of Directors. Moreover, Project Shiksha particularly targets education of girls.



7 AFFORDABLE AND CLEAN ENERGY
SRF is committed to using clean and renewable energy to the extent possible. Over the years, it has been our constant endeavour to transition from non-renewable energy sources to renewable ones for running our operations.



12 RESPONSIBLE CONSUMPTION AND PRODUCTION
We are committed to operating our business with utmost responsibility toward environmental and societal objectives. We continuously ensure that any hazardous and other waste generated from our operations is responsibly disposed.



13 CLIMATE ACTION
Our company is the only Indian manufacturer of ozone friendly refrigerants, such as F 134a and F 32. Further, we are at the forefront of developing the next-gen, low Global Warming Potential (GWP) refrigerants.

Stakeholder Engagement

SRF engages with a broad spectrum of internal and external stakeholders to understand their concerns and priorities, which are then incorporated during policy formulation and other decision-making. Business considerations govern our decisions about which stakeholders to engage with, in what manner, and with what periodicity.

Key stakeholders are identified through a prioritization exercise undertaken in consultation with our company's management. The detailed stakeholder engagement process is explained below.

Stakeholder Engagement Process

IDENTIFY



- » Internal and external stakeholders relevant to FCB and SCB
- » Identify and prioritize issues critical to each stakeholder group
- » Establish each stakeholder's status quo and existing perceptions before and during the reporting period

PLAN

- » Establish objectives and scope of the stakeholder engagement
- » Allocate time, resources and responsibilities
- » Design engagement strategy
- » Design modes of communication for each stakeholder



ENGAGE AND CONSULT



- » Engage with each stakeholder group through interviews, etc.
- » Share contextual information (application material issues) with stakeholders
- » Follow-up sessions for feedback on identified material issues

MONITOR AND REPORT

- » Ensure effective, timely documentation of consultation process and learning points
- » Report back to stakeholders on commitments and performance related to identified material issues
- » Ensure transparency in the stakeholder engagement



The stakeholder engagement exercise that is undertaken to identify the organization's material topics has been described in Table 1. It enunciates the stakeholder engagement activities, expectations, mode of engagement, and the topics of significance to each stakeholder group.

Stakeholder Engagement Exercise

Stakeholder Group	Significance / Relevance	Expectations	Channels Of Communication	Key Issues Discussed
Shareholders, Investors	<ul style="list-style-type: none"> » The economic value of FCB and SCB creates and distributes wealth for its shareholders » Expectations from investor can influence financial strategy 	<ul style="list-style-type: none"> » Business growth and stability » Better quarterly reports » Corporate Reputation » Transparency in corporate governance 	<ul style="list-style-type: none"> » Annual and Quarterly Meetings » SRF website: Investor Relations » Biennial Sustainability Report 	<ul style="list-style-type: none"> » Financial Performance » Business Risk Management » Entry into new markets » Optimising operational costs » Corporate governance and corruption » Ethics and value » Energy efficiency » Renewable energy
Customers	<ul style="list-style-type: none"> » Customers primarily are the source of value creation to FCB and SCB » Customer satisfaction is essential for FCB and SCB for their long-term success 	<ul style="list-style-type: none"> » Safety and reliability of products » Ethical and fair marketing » Privacy and protection of customers » Customer communication (e.g. Product updates) 	<ul style="list-style-type: none"> » Annual Customer Satisfaction survey » Customer Invitation Program » Feedback during manufacturing/ R&D unit site visit » Customer's supplier recognition/ awards programs » Biennial Sustainability Report 	<ul style="list-style-type: none"> » Product innovation and life-cycle efficiency » Service quality » Resolution of customer complaints » Quality and safety of products » Pricing of products » Branding
Suppliers	<ul style="list-style-type: none"> » Suppliers are important business partners for ensuring sustainable growth for FCB and SCB 	<ul style="list-style-type: none"> » Fair and accountable transactions 	<ul style="list-style-type: none"> » Supplier evaluation » Quarterly meetings » Site visit by supplier » Site visit to supplier facility 	<ul style="list-style-type: none"> » Pricing, quality and safety of raw materials » Issues related with human rights » Local employment » Materials

Stakeholder Group	Significance / Relevance	Expectations	Channels Of Communication	Key Issues Discussed
Employees	<ul style="list-style-type: none"> » The capabilities and well-being of our employees influence our operational performance » Employees leave a significant footprint in the organizational work culture 	<ul style="list-style-type: none"> » Career development » Performance feedback » Fair evaluation and Compensation » Regard for Human Rights policies » A comfortable organizational culture 	<ul style="list-style-type: none"> » Quarterly CEO communications meetings » Daily TIE Group meeting » Complaint and suggestion box » Grievance redressal mechanism » Annual employee feedback surveys » Annual training needs assessment » People Redbook system 	<ul style="list-style-type: none"> » Career growth prospects » Learning and development programs » Trainings » Rewards and Recognition » Occupational Health and Safety » Work environment and policies » Grievance redressal mechanism » Ethics and transparency » TQM » Emergency preparedness » Labour conditions
Local Community	<ul style="list-style-type: none"> » Strong and healthy relationships with the local communities is essential in identifying needs from FCB and SCB 	<ul style="list-style-type: none"> » Minimum environmental impact on communities » Recruitment of the people from community » Supporting the local economy 	<ul style="list-style-type: none"> » Needs assessment studies » Social impact assessment » Formal public hearings 	<ul style="list-style-type: none"> » Social concerns in the region » Minimizing negative environmental impact » Local employment
Regulatory Authorities	<ul style="list-style-type: none"> » Stakeholders have the capability to influence Regulatory authorities with regard to deployment of new legislations or updating existing legislations 	<ul style="list-style-type: none"> » Compliance with relevant regulations » Cooperating with national and regional policies 	<ul style="list-style-type: none"> » Annual review meeting of statutory clearances » Participation in public advocacy programs (CII, FICCI) 	<ul style="list-style-type: none"> » Regulatory compliance » Operational efficiency » Development of communities » Management of environmental impact. » Occupational Health and Safety » Emergency Preparedness » Air and GHG emissions » Biodiversity and resource conservation » Waste management

Materiality Assessment

Focusing on the most pressing issues related to environmental, social and governance aspects that impact our business and interest our stakeholders is a vital step in the formulation of our business strategy. It is also an integral part of how we develop and report on our business and our sustainability efforts. This will warrant that we account for the evolving social, environmental and economic context as we advance our business, along with broader stakeholder expectations.

Materiality assessment for our chemicals business involves extensive engagement with our stakeholders.

The process commences once all departments select their priority areas, with due evaluation by technical experts within SRF. The priority areas are then listed based on pre-defined criteria, by our Sustainability Leadership Team. These criteria comprise of the importance to SRF's chemical businesses, importance to our key stakeholders, probability of occurrence and risk or opportunity potential. The team categorizes the material issues under the 3 'Es – Environment, Engagement and Enterprise, at both sites. The list of material issues has been presented in the matrix below:



Materiality assessment has enabled us to identify and prioritize issues which are crucial for business planning and decision-making. The identified issues are regularly monitored and integrated in our process planning, wherein we regularly set new achievable targets and map our performance for each reporting period.

ENVIRONMENT

We at SRF, are determined to ensure efficient utilization of scarce natural resources and continuously strive to align ourselves with the Sustainable Development Goals set forth by the United Nations. We are committed to upholding our exemplary environmental performance by adhering to regulatory compliances, emission control, water and waste management, and maintaining the biodiversity around our plant sites. Our environmental management efforts are aimed at enhancing positive impact and minimizing unavoidable negative impact. Both our units work towards minimizing the

environmental footprint and endeavour to reduce adverse impact on the environment.

At SRF, we recognize that emerging global environmental issues such as climate change, water scarcity and reduction in green cover, will have wide-ranging long-term impact on world economies, and businesses will be no outliers. Therefore, we realize the importance of environmental compliances and consider it our responsibility rather than a compulsion.

Air and GHG Emissions

SRF is cognizant of the criticality of environmental challenges and the benefits of transitioning towards a low carbon economy. As a responsible corporate in the chemicals industry, we are determined to support the international climate agenda and have lined our operations to ensure that the world meets the Paris Agreement goal, i.e. to limit the increase in global average temperature below 2 degree Celsius from pre-industrial levels.

We measure, disclose and constantly work towards reducing Scope 1 and Scope 2 GHG emissions. These are presented in the graphs below.

Scope 1 and Scope 2 Emissions



The increase in total emissions is due to increase in production. The significant hike in specific Scope 2 emissions for Dahej from 2017-18 to 2018-19 was on account of a shutdown in the power plant for over two months because of which electricity had to be purchased.

We are taking action to curtail emissions from our operations as well as developing new and innovative products which have a reduced carbon footprint.

Further, the detailed break-up of significant air emissions from our operations at Bhiwadi and Dahej is reported in the table below.

	Bhiwadi		Dahej	
	2017-18	2018-19	2017-18	2018-19
Suspended Particulate Matter (SPM) [tons]	2.82	3.07	63.38	49.79
Oxides of Sulphur (SO _x) [tons]	22.53	13.87	109.11	166.38
Oxides of Nitrogen (NO _x) [tons]	11.05	17.66	70.53	18.09

Initiatives for reduction in GHG emissions in Dahej plant and reductions achieved (in tCO₂e p.a.)

	2017-18	2018-19
Replacement of CFL by LED lights	80.0	86.1
Saving by installation of Rotary Switch/Timer in plant	106.8	52.6
UPS made Off	399.8	-
Extra Light Removal (Pipe Rack)	23.0	-
Motor Connection change (Delta to star)	20.5	-
Replacing conventional light fixture by LED light fixture	78.8	97.4
Energy saving through power saving by optimizing flow of utility in plants. Installing single high capacity pump for cooling towers in P2 plant and stopped two low capacity pumps	3665.2	-
Installing Advance Aeration Equipment in ETP (i.e Aspirators) and Operation Control	410.2	1235.2
Installing single high capacity pump for cooling towers in GIDC pump house and stopped two low capacity pumps. Energy saving through power saving by optimizing flow of utility in plants.	-	2134.3
Energy saving by operating UPS in ECO-Mode	-	251.5

Energy

A key contributor to GHG emissions is the burning of fossil fuels used for generating electricity. We believe that transitioning towards renewable energy sources, such as solar and wind energy, is critical for a cleaner energy future, and that our operations will gradually need to be powered by low-carbon electricity. In this context, SRF's business strategy encompasses improvement in energy efficiency and a shift towards renewable sources for energy production.

As the world migrates from fossil fuels to renewable energy, we are focused on shifting our energy profile

towards renewable sources in order to minimize the carbon footprint from our operations. In the captive power plant at Bhiwadi, we are utilizing husk as fuel in the biomass boilers for producing steam.

Since energy efficiency and use of renewable energy are material issues for SRF, an overview of the energy consumption profile is of relevance. Detailed break-up of different energy sources utilized in Bhiwadi and Dahej plants during the two reporting years has been presented.

Composition of energy consumption by source (in Giga Joules)

	Bhiwadi		Dahej	
	2017-18	2018-19	2017-18	2018-19
High Speed Diesel	40,023.7	71,929.1	981.4	729.6
Furnace Oil	46,943.7	-	-	-
LSHS	12,440.5	85,766.8	-	-
LDO	23,837.5	-	-	-
Coal	823,045	878,973.3	486,833.7	564,846.5
Husk	295,192	294,524.5	-	-
Electricity purchased	12,440.9	29,113.1	-	-

SRF has been engaged in promoting energy use efficiency for years. During the current reporting cycle, some of the initiatives undertaken in this context are as follows:

Energy saving initiatives at Bhiwadi

	Description	Nature of initiative	Energy saved (GJ)
2017-18	Conventional Luminaire replacement with LED	Retrofitting of equipment	232
	Replacement of centrifugal pump with PD pump for P2208 in P2 Plant	Retrofitting of equipment	90
2018-19	Variable frequency drive in crude gas compressor of RG plant	Retrofitting of equipment	194.5
	Variable frequency drive in raw water pump in CPP DM plant	Retrofitting of equipment	125.8
	Conventional Luminaire replacement with LED	Retrofitting of equipment	137.2
	Replacement of reciprocating type water chiller to screw type water chiller in SCB.	Retrofitting of equipment	775.9
	Replacement of double shell rotary dryer to Steam Paddle dryer in AHF Plant	Retrofitting of equipment	57.3

Energy saving initiatives at Dahej

	Description	Nature of initiative	Energy saved (GJ)
2017-18	Reduce Lighting consumption by Replacing of CFL by LED Lights	Retrofitting of equipment	327.2
	Saving by Installation of Rotary Switch/Timer in Plant	Opportunity saving	220.1
	UPS made off	Opportunity saving	823.9
	Extra Light Removal (Pipe Rack)	Opportunity saving	47.3
	Motor Connection change (Delta to star)	Operating mode change	42.2
2018-19	Replacement of CFL by LED Lights	Lighting consumption	378.2
	Replacement of 150 W to by 45 LED lights	Lighting consumption	17.9
	Saving by Installation of Rotary Switch/Timer in Plant	Lighting consumption	108.4
	Energy saving by operating UPS in ECO-Mode	ECO Mode UPS	518.4
	Voltage Reduction	Lighting consumption	37.3
	Solar Street Light	Lighting consumption	34.3



Energy saving initiatives led to total energy savings of **1,584.7 GJ in 2017-18**, and **2,385.2 GJ in 2018-19**

Materials

Chemical manufacturing utilizes many different raw materials depending on the final product. In the production process, there are certain primary raw materials which become part of the final product and some associated materials which are needed in the process but do not necessarily change form during production. Raw materials as well as associated materials are an extremely crucial element of our business. It is therefore our endeavour to strike a sustainable balance in consumption of both raw and associated materials in our business operations. As part of this sustainability strategy, we intend to reclaim and recycle the materials to the maximum extent possible.

We have a thorough system for supplier evaluation and selection which involves several levels of screening. The key evaluative criteria include quality of the product, reliability, timeliness of delivery, service and communication and competitive pricing.

Primary raw materials used in SRF FCB and SCB manufacturing processes during the two reporting years are given below. It may be noted that until previous reporting cycle, i.e. 2015-17, we were reporting materials data only for our Fluorochemicals Business (FCB).

Raw Materials used

Materials	Bhiwadi		Dahej	
	2017-18	2018-19	2017-18	2018-19
Fluorspar (tons)	20,563	20,801	31,902	33,531
Liquid chlorine (tons)	45,224	48,629	37,483	85,629
Methanol (tons)	14,224	14,938	3,844	16,556
Oleum (tons)	5,371	4,829	9,140	8,194
Sulphuric acid (tons)	24,971	26,848	38,014	52,665
Caustic Lye (tons)	2,100	2,324	5,410	11,629
Trichloro-acetyl Chloride (TCAC) (tons)	2,098	2,224	2,570	3,357
Caustic Potash Lye (tons)	260	526	-	363
Ethyl Acetate (tons)	203	393	941	61
Anhydrous Hydrofluoric Acid (tons)	64	895	601	608
Liquid nitrogen (kL)	3,012	2,463	-	20,304

The total packaging materials used including threaded caps, empty cans, inner carton with separators, drums was 27,04,499 (in absolute numbers) during 2017-19. The same figure for Dahej was 13,42,866.



Water Management

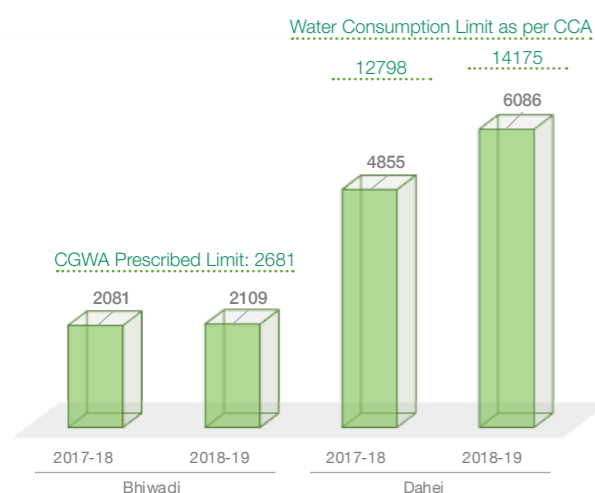
SRF acknowledges and accepts the fact that access to freshwater is a human right and essential for human existence. Furthermore, we also recognize the significance of water in business continuity. Therefore, SRF is committed to sustainable water management, encompassing efforts aimed at both managing water quantity as well as the quality of water.

Our strategy revolves around improving water use efficiency, and recycling and reuse of wastewater within our operations to the maximum extent possible. We have an established mechanism for monitoring water intake and consumption and are continuously working to establish a closed-loop system so that we can re-use the treated wastewater generated from our operations.

Total water withdrawal from different sources (kL)

Water Withdrawal	Bhiwadi		Dahej	
	2017-18	2018-19	2017-18	2018-19
Ground Water	759,669	769,639	NA	NA
Surface Water	NA	NA	NA	NA
GIDC	NA	NA	1,772,240	2,221,333
Total	759,669	769,639	1,772,240	2,221,333

Average daily water withdrawal (kL/day)



None of our manufacturing units fall under water-scarce areas and therefore, there is no significant effect reported by the withdrawal or purchase of water on the water sources at our plant locations. Our average daily water withdrawal (kL/day) are well within prescribed limits for Central Ground Water Authority (CGWA) and Gujarat Pollution Control Board-Consolidated Consent & Authorization(GPCB-CCA).

In the chemical sector, contaminated wastewater is generated from both primary and secondary production processes. Therefore, effluent management is on a high priority for the company, and we have taken innovative and effective steps to reduce our effluent discharge. Out of our two units, Bhiwadi has been a zero wastewater discharge unit since 2007. All the wastewater generated there is treated and reused in its operations or put to other uses such as gardening and horticulture.

Further, the wastewater discharged due to our operations at Dahej site was 612.2 kL/day in 2017-18 and 611.6 kL/day in 2018-19 which are well below the Central Ground Water Authority prescribed limit of 688 kL/day. We are continuously working to establish a closed-loop system and re-use the treated wastewater, thereby reducing the amount of water discharged from our operations.

Bhiwadi site has been a zero wastewater discharge unit since 2007. We reuse the entire treated water in our

operations and other activities such as horticulture.

For our Dahej plant, we are constantly pushing to find ways to eliminate the wastewater discharge. We have a full-fledged ETP in place having primary, secondary (biological, i.e. trickling filter and aeration tank) and tertiary treatment (ACF, PSF, UF and RO), MEE and ATFD. Wastewater from Dahej plant is discharged through GIDC Sewer line - Dahej pipeline / common disposal system up to the sea.

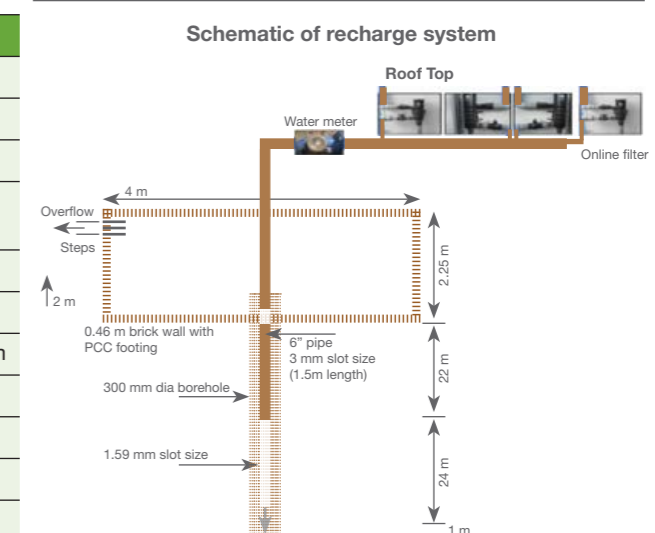
Wastewater management

	Bhiwadi		Dahej	
	2017-18	2018-19	2017-18	2018-19
Wastewater generated (kL/day)	505.3	504.9	1313.5	1757.2
Wastewater discharged (kL/day)	0	0	612.2	611.6
Wastewater recycled (kL/day)	81.2 (16%)	86.1 (17%)	701.3 (14%)	1,145.6 (19%)

We are committed to saving water and to this effect have installed a rooftop rainwater harvesting system at our Bhiwadi site. Roof top rainwater harvesting system is designed to collect the rainwater from roof top catchment area (around 650 sq. m.). The drainage system of roof connected with pipes and filters (4 for each drain). The outlet of these filters connected with one main header which goes directly to recharge bore well.

SRF's roof top rain water harvesting system

Salient Features	
Roof top area	Admin Block
Total catchment area of the building	650 sq.m
Average annual rainfall	550 mm
Projected water available for recharge annually	286 cu.m
Projected water available for recharge (Max/hr)	13 cu.m
Capacity of the tank	20,000 litre
Size of the tank	4 x 2.5 x 2.25 m
Depth of the recharge borewell	49 mbgl
No. of filters and filtration	4, online
Ground water level (at the time of installation)	38.53 mbgl
Date of installation	12 Feb, 2018



Waste Management

Regarding waste management, SRF has adopted the strategy of Reduce, Reuse, and Recycle, also known as the 3R approach. The focus is to function as a closed-loop and ensure circularity in operations.

All hazardous waste generated from our operations is disposed off in compliance with the applicable regulations.

The methods followed for their disposal are:

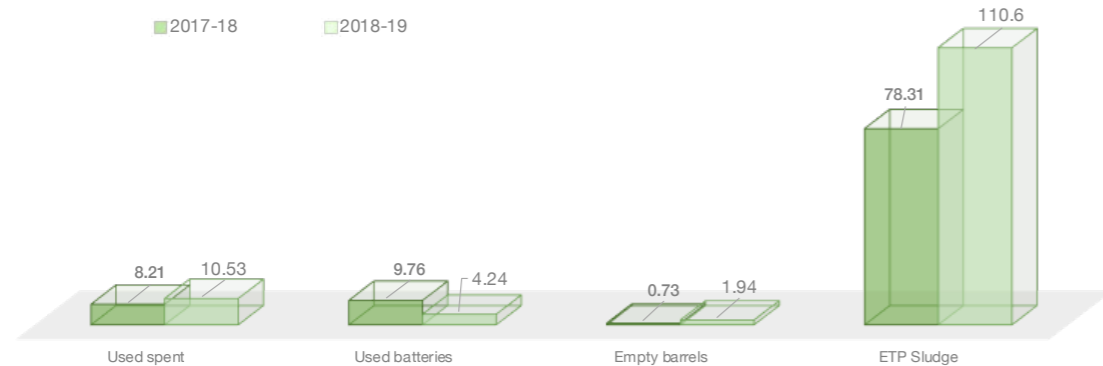
- Recycle through authorized third-party recyclers
- Reutilization as raw material
- Government authorized landfills
- Incineration

The main types of hazardous waste generated through our operations include used batteries, ETP sludge, empty barrels, spent oil and catalysts, organic residue, and other chemicals.

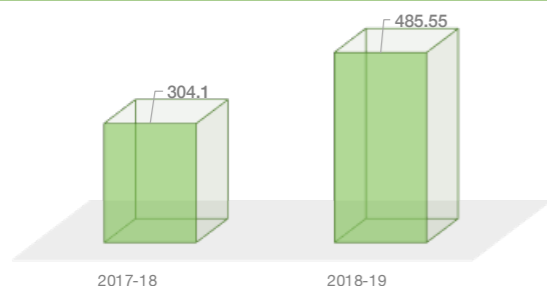
The e-waste generated on Bhiwadi site for FY 2017-18 and FY 2018-19 amounted to 2 tons and 2.5 tons, respectively. This was disposed off through government authorized e-waste recyclers in compliance with the prevalent e-waste management rules. We also carefully collect and store any biomedical waste generated due to our operations and dispose it off through a third-party vendor in compliance with the biomedical waste management rules of 2016.

We reuse a large part of our process waste in our operations to reduce the use of virgin raw materials. At our Dahej site, we transported a total of 2,05,733 tons of hazardous waste in 2017-18 and 2,72,075 tons in 2018-19.

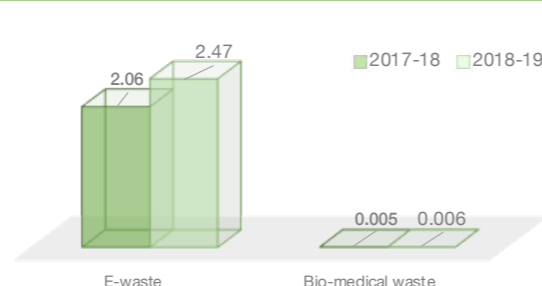
Hazardous waste generated at Bhiwadi (tons)



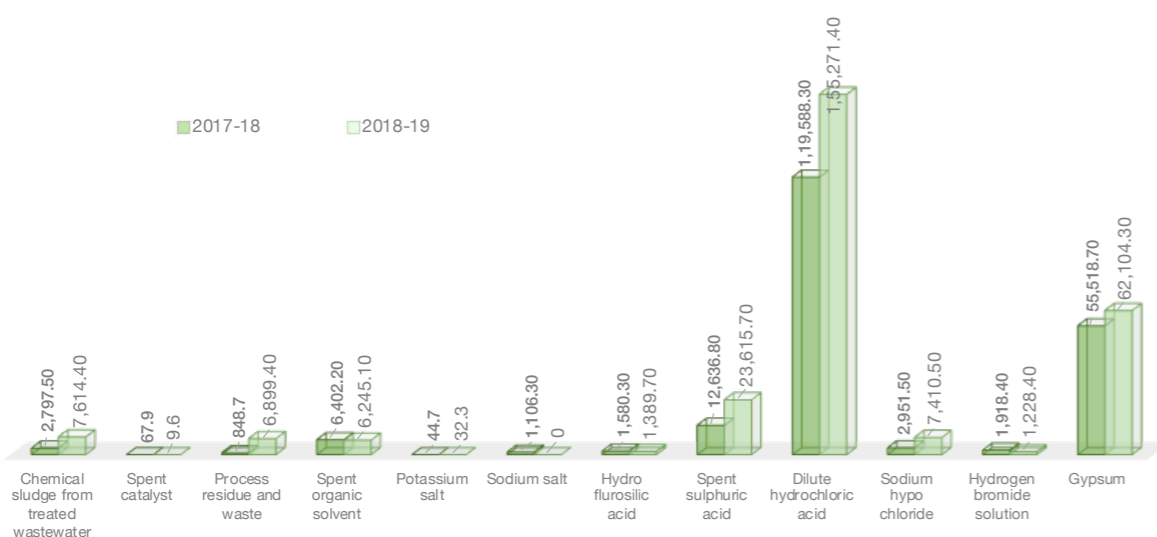
Non-hazardous waste generated at Bhiwadi (tons)



E-waste and bio-medical waste generated at Bhiwadi (tons)



Hazardous waste generated at Dahej (tons)



We have standard procedures in place for safe and careful handling, storage and disposal of waste generated at our facilities. During the reporting period, there has been no incident of any significant spills at either site during the manufacturing and transportation of our wastes.

Hazardous waste disposable method (tons)	Bhiwadi		Dahej	
	2017-18	2018-19	2017-18	2018-19
Waste incinerated	-	-	1,478.9	8,356.2
Sent to authorized re-cycler	10.27	13.0	-	240.1
Sent to secure landfill	0.73	56.94	59,467.2	69,751.0
Utilized as raw material / Used in process	78.31	55.6	138,675.2	187,687.3
Other disposal methods (co-processing etc.)	9.76	4.24	5,839.9	4,811.9

Biodiversity

Biodiversity is an important material issue for SRF and we have taken various initiatives to maintain the biodiversity in the vicinity of our operating units. As part of our endeavour to promote biodiversity, we undertook various plantation drives in the Bhiwadi plant, the surrounding areas as well as within our CSR program schools. 2100 saplings were planted during the reporting period.



Regarding the Dahej unit, there are no national parks, biosphere reserves, wildlife sanctuaries, migratory bird routes, or protected and reserved forests within a 10 km radius. However, since our Bhiwadi unit is near some protected and reserved forests, an Environmental Impact Assessment was undertaken to determine if there was any impact of our operations on these zones. The results of the EIA showed no significant impact on these forests.

Red List species such as peacocks, hyenas, and bluebell around the Bhiwadi site. We are taking all possible measures such as afforestation and natural resource management to curtail any risk from our operations on these species.

In addition, the study also revealed the existence of the International Union for Conservation of Nature (IUCN)

Regulatory Compliance

As a responsible company, all our activities are concerned about the stewardship of the environment and comply with Government rules and regulations. We at SRF strongly believe in a strong ethical, and transparent culture across all our operations. There have been no incidents of environmental non-compliance during the reporting period. Bhiwadi plant did not receive any notices or monetary fines from regulatory bodies such as the Pollution Control Board (PCB) or the Ministry of Environment, Forest and Climate Change (MoEFCC) during the two reporting years.

However, during 2018-19 in Dahej unit, there were four instances of environmental non-compliance due to which monetary fines amounting INR 20 lakhs were levied by Gujarat Pollution Control Board.

We have also completely stopped production of halons and phased out CFCs from our operations in line with the guidelines of Montreal Protocol after its adoption in India and are also in the process of phasing out HCFC-22.

ENGAGEMENT

SRF is committed to ensuring active engagement with all stakeholders, including investors, employees, and local communities, particularly in areas where the business operates. Our engagement strategy is focused on building a mutually rewarding long-term relationship with all stakeholders. We strive to build a culture that promotes the dignity of all our employees. For employee engagement, SRF has developed an elaborate strategy that comprises

employee development activities, rewards and recognition, and other social and economic benefits.

At SRF, we set high standards for our people at all levels and strive to meet these standards consistently. Our sound business principles and practices foster a collaborative and innovative culture, which is devoted to ethical conduct, accountability and transparency.

EMPLOYEE ENGAGEMENT

SRF strongly believes that a well-engaged workforce is a more productive workforce. To ensure high motivation and commitment among its workforce, the company has a well-defined approach towards employee engagement. One of the major factors contributing to the success of our organization is the virtue of diversity in the workforce. The tables below provide a detailed breakdown of the diversity in terms of age and gender at our two sites – Bhiwadi and Dahej.

Workforce Breakdown - Bhiwadi

Employees	2017-18						2018-19					
	<30 yrs.	30-50 yrs.	>50 yrs.	Male	Female	Total	<30 yrs.	30-50 yrs.	>50 yrs.	Male	Female	Total
Senior Management	14	41	16	70	1	71	13	37	18	67	1	68
Middle Management	70	142	26	237	1	238	65	143	33	238	3	241
Junior Management	68	185	13	266	0	266	57	191	17	265	0	265
New Joiners	<30 yrs.	30-50 yrs.	>50 yrs.	Male	Female	Total	<30 yrs.	30-50 yrs.	>50 yrs.	Male	Female	Total
Senior Management	0	3	0	3	0	3	0	1	0	1	0	1
Middle Management	3	1	0	4	0	4	4	0	1	5	0	5
Junior Management	25	19	3	47	0	47	16	9	0	23	2	25



Workforce Breakdown - Dahej

Employees	2017-18						2018-19					
	<30 yrs.	30-50 yrs.	>50 yrs.	Male	Female	Total	<30 yrs.	30-50 yrs.	>50 yrs.	Male	Female	Total
Senior Management	0	6	1	7	0	7	0	8	1	9	0	9
Middle Management	86	115	2	199	4	203	115	120	4	231	8	239
Junior Management	222	294	2	513	5	518	324	343	2	658	11	669
Workers (permanent)	311	383	0	694	0	694	414	468	1	883	0	883
New Joiners	<30 yrs.	30-50 yrs.	>50 yrs.	Male	Female	Total	<30 yrs.	30-50 yrs.	>50 yrs.	Male	Female	Total
Senior Management	0	1	0	1	0	1	0	1	1	1	0	1
Middle Management	39	14	2	53	2	55	57	18	0	70	5	75
Junior Management	104	33	0	133	4	137	194	59	2	250	5	260
Workers (permanent)	103	57	0	160	0	160	243	84	0	327	0	327

Our commitment towards providing employees with highest levels of job satisfaction has resulted in one of the lowest attrition rates in the industry at both our sites. SRF envisions the relationship with all its employees in a way that they feel part of the larger SRF family. The tables below provide details of workforce turnover at Bhiwadi and Dahej sites separately during the two reporting years.

Workforce Turnover - Bhiwadi

Employees	2017-18						2018-19					
	<30 yrs.	30-50 yrs.	>50 yrs.	Male	Female	Total	<30 yrs.	30-50 yrs.	>50 yrs.	Male	Female	Total
Senior Management	0	0	1	1	0	1	0	2	0	2	0	2
Middle Management	1	3	2	6	0	6	0	1	0	1	0	1
Junior Management	8	11	9	27	1	28	13	8	3	24	0	24
New Joiners	<30 yrs.	30-50 yrs.	>50 yrs.	Male	Female	Total	<30 yrs.	30-50 yrs.	>50 yrs.	Male	Female	Total
Senior Management	0	0	0	0	0	0	0	0	0	0	0	0
Middle Management	0	0	0	0	0	0	0	0	0	0	0	0
Junior Management	0	2	0	2	0	2	1	0	0	1	0	1

Workforce Turnover - Dahej

Employees	2017-18						2018-19					
	<30 yrs.	30-50 yrs.	>50 yrs.	Male	Female	Total	<30 yrs.	30-50 yrs.	>50 yrs.	Male	Female	Total
Senior Management	0	1	0	1	0	1	0	1	0	1	0	1
Middle Management	8	12	0	20	0	20	25	27	0	50	2	52
Junior Management	28	14	0	42	0	42	70	32	1	102	1	103
Workers (permanent)	27	13	0	40	0	40	87	53	0	140	0	140
New Joiners	<30 yrs.	30-50 yrs.	>50 yrs.	Male	Female	Total	<30 yrs.	30-50 yrs.	>50 yrs.	Male	Female	Total
Senior Management	0	0	0	0	0	0	0	0	0	0	0	0
Middle Management	3	0	0	3	0	3	3	1	0	4	0	4
Junior Management	8	0	0	8	0	8	15	2	0	16	1	17
Workers (permanent)	3	0	0	3	0	3	26	7	0	33	0	33

In 2017-18, the ratio of basic salary of females to males in Bhiwadi for officers was approximately 0.81, whereas for the staff it was 1.28. In 2018-19, the ratio for officers improved to 0.91, whereas it slightly declined for the staff to 0.92.

For Dahej, ratio of basic salary of females to males for middle management and junior management were 0.72 and 0.64, respectively in 2017-18. In 2018-19, these ratios were 0.63 for middle management and 0.65 for junior management.

Employee Development

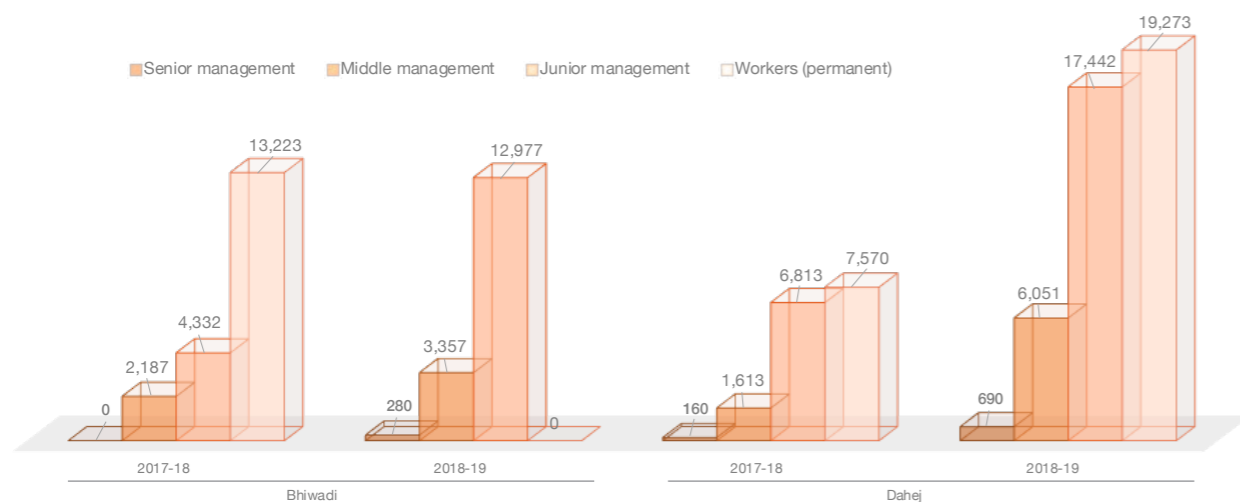
SRF is dedicated to developing and upgrading skills and performance of its employees. Our commitment towards creating a culture of excellence for our staff is reflected in our robust system for rewarding and recognizing good performance.

During the financial years 2017-18 and 2018-19, the junior management spent 4,332 and 12,977 hours respectively, in various training sessions at Bhiwadi. Further, there were substantial trainings conducted for permanent workers during 2017-18 wherein they spent a total of 13,223 man-hours.

At Dahej, highest number of training man-hours have been recorded for workers (permanent). In 2017-18 and 2018-19, workers (permanent) spent 7,570 and 19,273 man-hours in trainings, respectively. Similarly, during these two reporting years, the training man-hours for junior management in Dahej plant were also quite high at 6,813 and 17,442, respectively. In general, the learning and development trainings spanned across technical, behavioural and safety trainings.

The training hours in the Bhiwadi and Dahej plants for employees in different categories are shown in the graph below.

Total manhours spent in training across different management levels



Another mechanism for employee development and career advancement is the system of regular performance feedback and appraisal for employees. During the reporting years, 100 percent of employees in Dahej plant received performance feedback and career development review through the appraisal system. However, in Bhiwadi plant, 4 employees in senior management, 67 in middle management and 504 in junior management received performance feedback during the FY 2017-18. During FY 2018-19, these figures were same for senior management, decreased by 3 in middle management and increased by 1 for junior management category.



Rewards and Recognition

With the purpose of motivating employees and encouraging good performance, SRF has in place a fair and transparent employees' appreciation and recognition programs across businesses. These are as follows:

Formal and Monetary

- » Protsahan Awards
- » Spot Awards
- » Special Achievement Awards
- » Significant Contribution Award
- » Long Service Award
- » Organizing Team Awards/Recognition

Semi-formal and Non-Monetary

- » Gratitude for family
- » Work Anniversary
- » Peer-to-Peer
- » Happy Hours
- » Appreciation Cards
- » Team Celebration

Informal Day-to-Day

- » Verbal appreciation
- » Written appreciation
- » Team appreciation

Employee Well-being

We have various policies and benefits such as provident fund, insurance plans, medical insurance, parental leave and so on, to ensure the well-being of our employees. Some of these are:

Group personal accident policy insures employees against

- Untimely death or permanent total disablement due to an accident
- Permanent partial or temporary total disablement or loss of a body part as a result of an accident

It compensates employees and their families for contingencies relating to death/ injury or absence from duty due to total/ partial, permanent/ temporary disability arising out of an accident. Sum insured ranges from 4 lakhs to 50 lakhs for different grades.

Self education encourages further education for self-development of officers by providing financial support

- To enable them to address their specific personal development needs in line with organizational needs
- To help them further their education and/ or qualifications



Sabbatical leave provides support to officers who may require a leave of absence for emergency and special reasons. It can be availed on account of the following:

- Pursuing higher education
- Personal reasons
 - Medical reason
 - Joining spouse at a location other than work location
 - Childcare requirements (other than maternity leave)

This can be availed for a maximum of 3 months.

Other policies and benefits include

- Birthday celebration policy
- Chummary policy
- Club Mahindra policy
- Company car policy
- Death and disability policy
- Wedding gift policy
- Uniform policy
- Scholarship to SC / ST students

Ensuring ethical conduct

The company has a well-established code of conduct which explains our stance on several key matters. SRF's Code of Conduct explains how employees, contractors and anyone else acting on behalf of the company must behave to live up to our business values and ethics. The Code of Conduct is comprehensive, covering safety, anti-bribery and corruption, fair competition and other important areas.

Equal opportunities employer

The company is committed to providing equal opportunities of employment to all regardless of gender, caste, race,

ethnicity and religion. We also ensure equal opportunities of professional growth to all employees. A fair, honest and unbiased work environment is promoted in routine activities and for assessing merit and performance of employees. Further, the company takes specific efforts to encourage workplace diversity.

There has been no incident of discrimination during the reporting period.

Sexual Harassment

SRF is committed to building a workplace that is free from harassment of any kind. This includes sexual harassment (physical contact or gestures that makes the other person uncomfortable); or a person in a position of authority abusing the authority of his/ her position in hiring, appraisals, promotions, etc. in order to receive sexual favours. Harassment can occur within or outside of the workplace. No one, irrespective of gender, nature of employment, position in the organizational hierarchy, etc., should be subject to any form of sexual harassment. Harassment is strongly condemned by the company and strict disciplinary action is taken on those found guilty.

Substance Abuse

The consumption or possession of prohibited substances is strictly prohibited on company premises or company workplace as it may affect the health, productivity and work environment in the organization.

Whistle Blower policy

SRF has instituted a rigorous complaints mechanism under which several issues are covered, such as workplace practices, sexual harassment, company invention/innovation, work related expenses, accuracy in financial reporting, protection and appropriate use of company's assets, insider



trading, gifts and entertainment, conflict of interest and substance abuse.

The company ensures protection of identity of the whistle blower. Further, the modes of reporting incidents of breach of company's code of conduct and policies are clearly defined in the policy document.

[Please refer to the company's whistle blower policy document for additional information. Refer to Code of Conduct document for information on other aspects.]

SRF aims to provide a safe and productive work environment through enforcement of policies related to discrimination, human rights norms and policies including prohibition of child labour, forced or compulsory labour, non-discrimination based on any grounds either in hiring process or among employees and policy against sexual harassment. Moreover, we ensure that all our employees and contractual workers are paid in excess of the stipulated minimum wage.

We strongly believe in workplace equality, achieved when people can access and enjoy the same rewards, resources and opportunities regardless of race, colour, sex, religion, political opinion, social origin, etc. We are firmly committed to providing equal opportunity in all aspects of employment and have zero tolerance towards illegal discrimination or harassment of any kind. We have been providing equal opportunity to women employees and minorities (disabled people) since our inception. Majority of our employees are non-white, given that our operations are based out of India.

Our HR policies provide healthy growth opportunities to all our employees irrespective of age, race, colour, gender, religion, nationality or disability. Our leave policy includes provisions for earned, sick and maternity/ paternity leaves for all employees. During 2017-18, there were three

female employees in Dahej plant who were eligible for parental leave. Of these, one employee took maternity leave, rejoined work and stayed with the company for over 12 months after returning from the leave. During 2018-19, 27 male employees and one female employee took parental leave. All 28 employees rejoined work after the parental leave and continued to work with SRF post 12 months of rejoining.

Our HR department informs employees of any significant operational changes through institutional procedures. The minimum notice period for providing such information is four weeks. SRF does not have any agreements related to collective bargaining.

All contractual workers are also paid more than or equal to minimum wages as defined by the appropriate authorities.

SRF is committed to prohibition of child, forced or compulsory labour and has in place several checks. Government authorized identity proof for all staff is verified before appointment. In addition, the hiring process includes a medical examination by a practicing doctor.

Our company has in place a grievance redressal mechanism for reporting any incidents on discrimination. This comprises of:

- Policy on grievance redressal
- Various committees like works/transport/canteen/safety etc. to capture voices of employees
- Open forums to understand grievance/needs of employees

Other programs and schemes implemented by SRF for improving the quality of life of its employee include awareness programs on health issues like diseases, stress management and summer camp for employees' children.

Occupational Health & Safety

Safety consciousness is of paramount importance in our industry, where we routinely deal with complex technology and handle hazardous products. Safety is more than just policies and procedures; it is an ongoing conscious effort by all of us to use and promote safe work practices in our facilities. Simply put, safety is an integral part of our business. In keeping with this philosophy, SRF's chemical plant in Bhiwadi has adopted a stringent Environment, Health & Safety Management System to minimize injuries and losses. As industry frontrunners, we have undertaken tremendous efforts to make our sites, supply chain and operations safe and secure.

SRF's approach for a healthy and safe working environment for its employees is centered around accomplishing zero injury/fatality/accident at the sites through preventive arrangements. Moreover, our Health and Safety manual details extensive guidelines for ensuring a safe, clean and healthy work environment. We believe that employees play an important role in building a safe work environment and therefore, we value any suggestions from our workforce in terms of strategic or implementation aspects of health and safety.

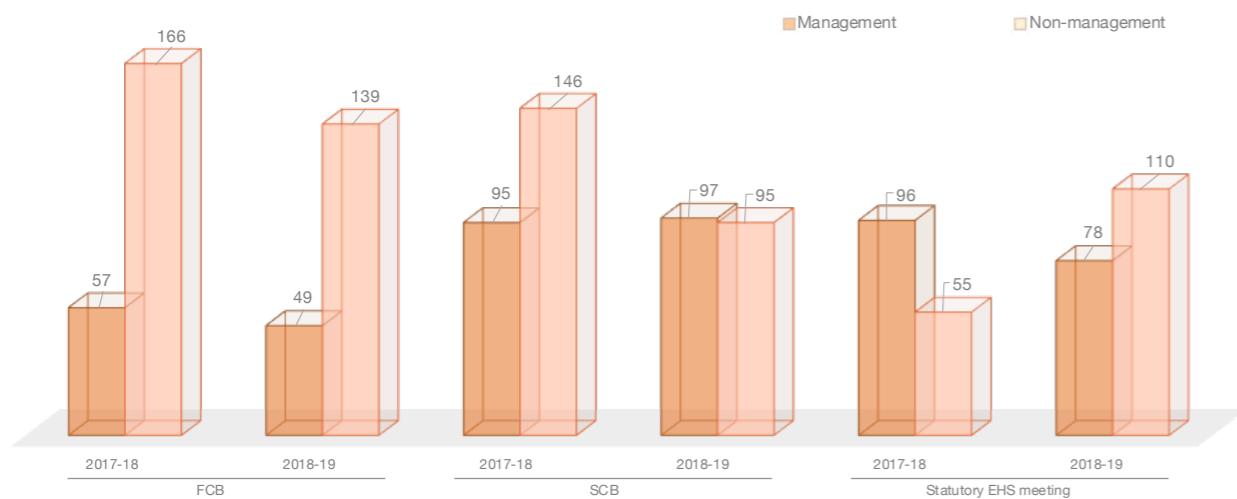
There were no reportable injuries or work-related fatalities at Bhiwadi during 2017-19, which showcases our commitment to health and safety of our workforce.

Injuries and lost days at Dahej

Type of injury	Employees		Contractors	
	2017-18	2018-19	2017-18	2018-19
Reportable injuries	1	2	7	2
Work-related fatalities	0	0	1	0
Lost days	18	109	480	346
Lost day rate	0.00016	0.00068	0.00081	0.00077

We strive to maintain a healthy working environment to ensure well-being of our human capital. At both Bhiwadi and Dahej units, we have a central health and safety committee which has been constituted as per the guidelines of the Factories Act, 1948, comprising of a minimum of 50 percent representation from the non-management workforce. We ensure complete compliance and adherence to all applicable laws, and always strive to go beyond the minimum acceptable threshold of compliance.

Representation of management and non-management in health & safety committee and meetings at Bhiwadi



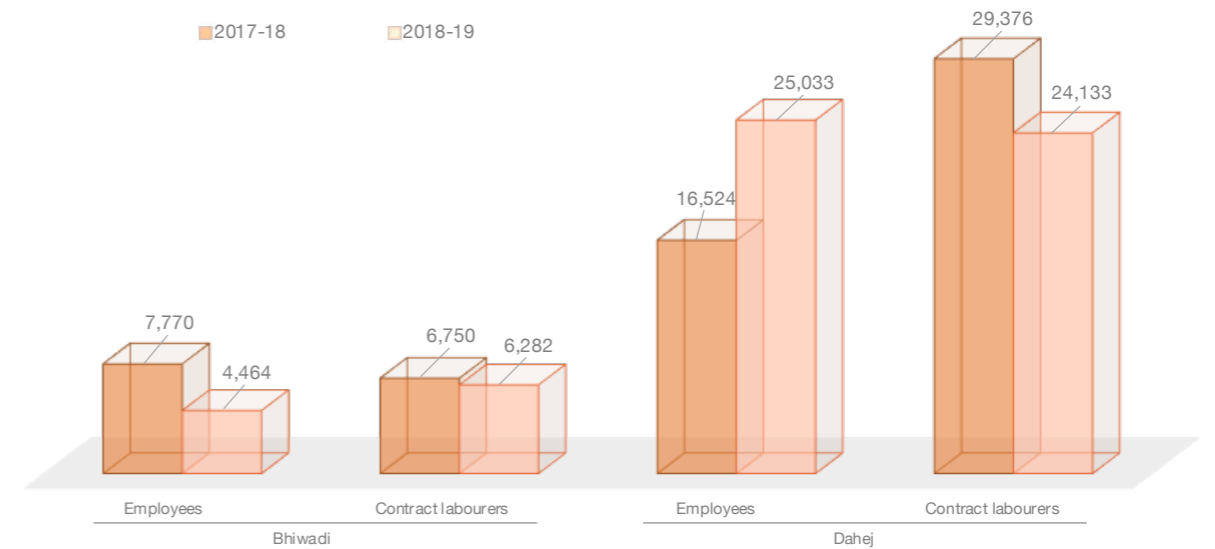
We had an equal representation of members from management and non-management including 39 members from each category in the Statutory EHS meeting at Dahej in 2017-18. In 2018-19, the statutory EHS meeting in Dahej comprised 51 members from non-management and 52 members from management.



We have been awarded Responsible Care logo authorization by ICC from September 2018 until August 2021 for both Bhiwadi and Dahej units.

We have successfully implemented the 'Behavior Based Safety Approach'. There are total of 100 observers involved. We have procured BBS software from EQMS and observation data is stored through this software.

EHS training man-hours



In recognition of our team's consistent effort towards making SRF a sustainable and safe organisation, our Bhiwadi unit has been felicitated with the 'ICC Award for Excellence in Management of Health & Safety' for 2019 by the Indian Chemical Council at a virtual ceremony held this year.



We also regularly conduct health and safety trainings on several operational aspects such as:

- Process safety management
- Lock Out Tag Out (LOTO)
- Work permit systems
- Accident prevention and control
- Personal Protective Equipment (PPE)
- Transport safety
- Basic fire fighting
- First Aid
- Emergency Preparedness & Response Training
- Behavioural Based Safety (BBS)
- Hazard Identification and Risk Assessment (HIRA)
- Industrial hygiene & occupational health



Few of the important highlights in terms of our health and safety performance at Bhiwadi site include:

- A pedestrian pathway has been constructed from main gate to SCB area to improve road safety inside Factory Premises
- Railing height has been increased at all the plants to reduce risk of falling
- Renovation of fire hydrant system was completed resulting in significant improvement in the capability of the system
- To ensure hassle-free export to EU, REACH registration of 7 products (TFA, TFAA, Trifluoroacetamide, TFAc, TFBA, ETFA and Propanoic Acid) done as Transport Isolated Intermediate (TII)
- Stopped use of smart phones and personnel phones at site by implementing mobile policy



EHS initiatives by the Bhiwadi plant have been recognized by the Government of Rajasthan, second time in a row (for 2018 and 2019). The team was conferred with an award (in the chemicals category) for upholding superior safety and employee welfare practices and complying with all provisions of the Factories Act, 1948.

The award was presented by ministers and senior officials from the Rajasthan Government to A K Singh Gangwar (Head of Works), Manoj Kumar Sharma (Associate Vice President – EHS) and Sanjay Katiyar (Senior Manager – EHS, Bhiwadi), on the occasion of National Safety Day on March 4, 2020.



At our Dahej unit, we have set up an EHS training facility approved by the State Government of Gujarat (Director of Industrial Health & Safety).

In addition, the following key initiatives have been undertaken at Dahej site for ensuring employee and workers safety at the workplace.

- Capability enhancement for emergency response and fire-fighting –
 - » A multi-purpose fire tender with a capacity of 2 kL foam, 6 kL water and 10 kg DCP, has been placed on site. Moreover, foam fire-fighting capability enhancement has been undertaken by replacing the foam carboys with foam drums near each monitor and 10 kL of foam is stored at site to tackle any kind of Class-B fire.
 - » Improved Gas detectors for confined space continuous gas monitoring which include LEL, O2 & motion alert. The person entering the confined space carries the portable meter with him. If the person is motionless for 30 seconds the alarm goes off for timely rescue of the person in confined

space. 60 such portable detectors were provided to the plant team.

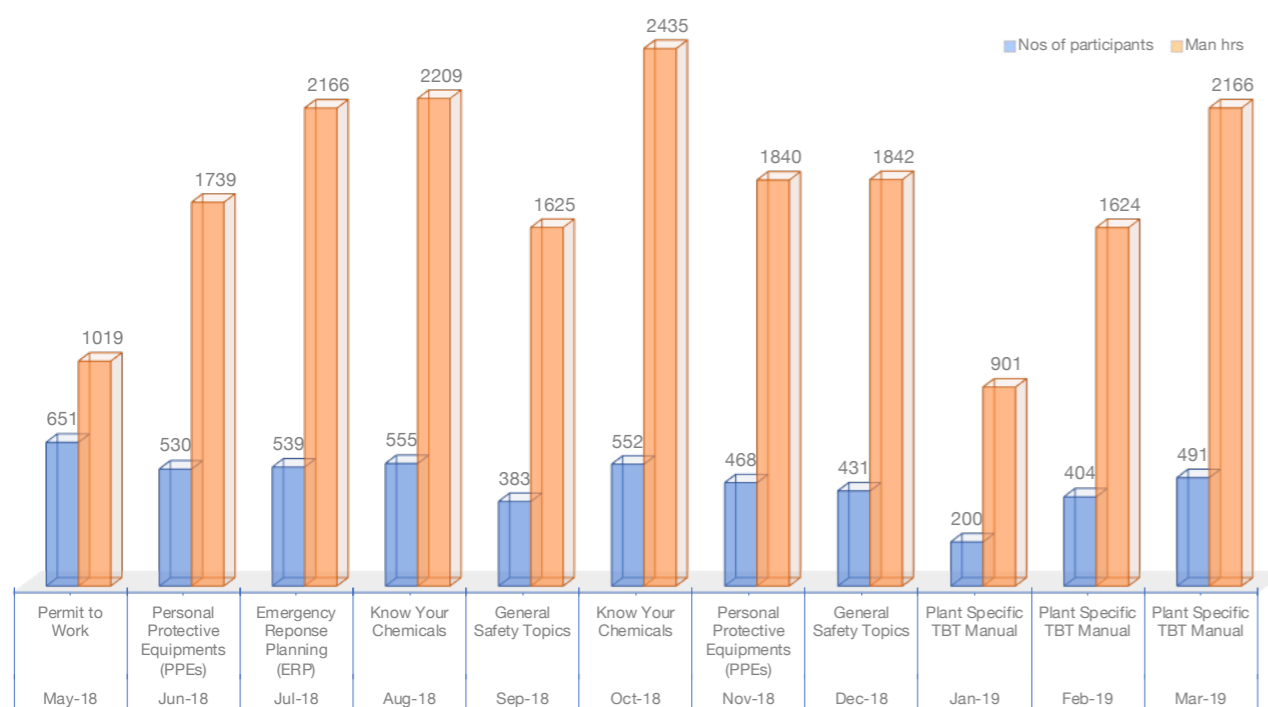
- » Auto fire-suppression system in IT server room.
- » K-type fire extinguishers in kitchen areas in canteens, pantry and guest house for extinguishing oil-based fires.
- » Interlocking of ventilation system in MPP2, PP1 & P32 control room buildings with toxic gas detection and shut down of AHUs.
- » Introduced low back-pressure fast acting fire nozzles. 100 such nozzles are kept at strategic locations at the plant. The nozzles can be handled by a single person and are always charged. During any kind of hot work at the plant, the fire hydrant can be used within no time during any fire emergency. This saves the charging time and eliminates the requirement for 2 people to handle the fire hose.
- » Introduced intrinsically safe (flame-proof) mobile phones in the hazardous operational plants.



► Competence building, training and development:

- » New Employee Safety Training – from two hours to full day with questionnaire-based evaluation
- » May 2018 onwards, plant wise Tool Box Talks (TBT) manuals prepared and structured Safety Tool box talks conducted

TBT Summary



Emergency Preparedness

At SRF, we prioritize the safety of our workforce and have set up robust systems which equip our employees and workers to combat any unanticipated situations. We have identified 38 types of emergencies specific to our sites. Further, we provide emergency response trainings to our workforce as part of the EHS training. Being a Responsible Care company, we adhere to the following:

Emergency Preparedness under Responsible Care guidelines

1

Assessment of potential risk: We ensure an ongoing assessment of potential risks to employees and local communities resulting from accidents or other emergencies.

2

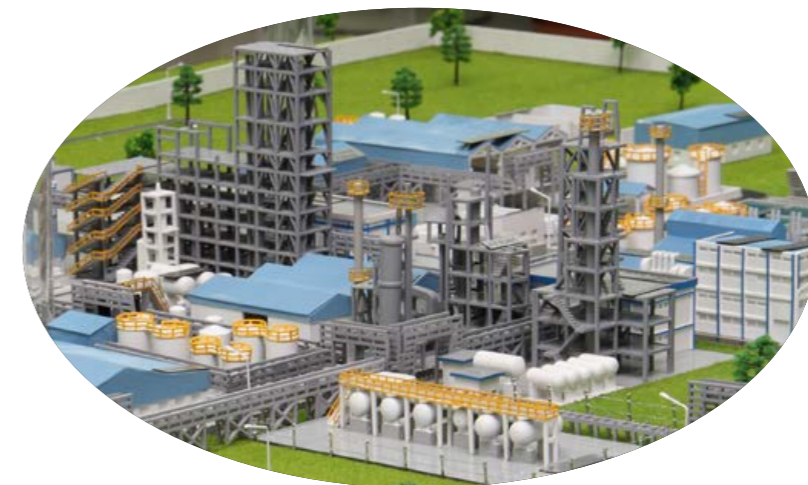
Emergency plan: We have adopted an emergency response plan which addresses, among other things, communications and the recovery needs of the community after an emergency.

3

Training: We continuously train employees who have response or communications responsibilities in the event of an emergency.

4

Emergency exercises: We conduct emergency exercises once every quarter, to test operability of the written emergency response plan.



5

Communication to local crisis group: We ensure communication of relevant and useful emergency response planning information to the Local Emergency Planning Committee.

6

Facility tours for emergency responders: We conduct facility tours for emergency responders to promote emergency preparedness and to provide current knowledge of facility operations.

7

Coordination: We coordinate the facility emergency response plan with the comprehensive community emergency response plan and other facilities. If no plan exists, the facility initiates community efforts to create a plan.

8

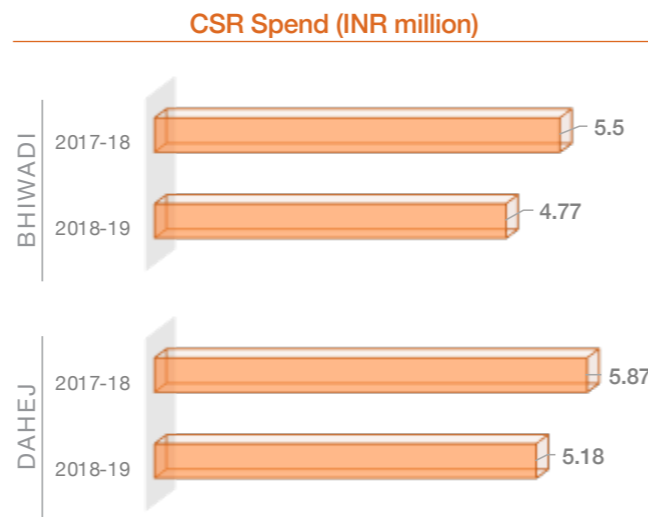
Participation in the community emergency response planning process: We develop and periodically test the comprehensive community emergency response plan developed by the Local Emergency Planning Committee.

9

Sharing experience: We share information and experience related to emergency response planning, exercises, and handling of incidents with other facilities in the community.

COMMUNITY ENGAGEMENT

SRF Foundation, the CSR arm of our company, is actively engaged in undertaking activities for the upliftment of the communities surrounding our areas of operation. As a responsible corporate citizen, SRF undertakes several social welfare and community development programs throughout the country. Our initiatives are designed to support the social and economic development of the community while also developing their capacity through various programs on education, water, health and sanitation (WASH) and community infrastructure. Fund utilization is closely monitored to ensure that the benefits of the programs flow directly to the identified target groups. Moreover, we are particularly cognizant that all our focus areas are in line with Schedule VII of the Companies Act, 2013 and Corporate Social Responsibility Rules, 2014.



Project Shiksha

SRF Foundation, through Public-Private Partnership model, has continued the Rural Education Program. Our Primary Education initiatives are aimed at improving the quality of education in rural govt. schools, with focus on girl child education. Activities that lead to such developments include improvement of school infrastructure, appointment of para teachers, remedial classes for academically weak children, provision of computer-aided learning facilities and syllabus-wise workbooks, capacity building of teachers and the community.

In addition to the communities around our plants in Bhiwadi and Dahej, we have also expanded the program to another block – Netrang in Bharuch district, Gujarat.

	Bhiwadi	Dahej	Netrang
Schools	11	10	11
Students	6,300	5,386	5,642
Teachers	70	92	124

Model Schools: Education has been a key focus of the Foundation's work. SRF Foundation has worked extensively to transform Government schools in rural areas into centres of learning excellence, called 'Model Schools'. The program was initiated in collaboration with the Department of Education, State Government of Gujarat in Dahej, and Netrang in 2017-18 and aimed to impact 11,028 students, 216 teachers and 272 School Management Committee (SMC) members.

This program particularly involves undertaking infrastructural upgrades, such as construction of safe drinking water facilities, separate toilets for boys and girls, playgrounds, provision of sports equipment, library, digital classroom, play zone, plantation and so on. Further, we have supported these schools in terms of strengthening the SMC as well as enabled them to conduct monthly meetings for Head-Master leadership, organize inter-school sports competitions and other such extra-curricular activities.

Digital transformation: SRF, in partnership with IBM and District Administration-Bharuch, has established KidSmart Early Learning Centers under PPP model in the 11 primary Government schools in Dahej. These were set up with the objective to offer children from low socio-economic status households good quality learning opportunities with the use of technology. This has benefited over 2,000 school children. SRF has appointed Vidya Volunteers (computer teachers) in these schools to facilitate teaching-learning besides an overall coordination with partners for its successful operations and maintenance.

In order to provide digital-based education in Government schools, Digital Smart classrooms were established. In 14 schools in Dahej, digital equipment (Smart Android TV, Tablet) were supplied and installed. Till date more than 4,748 students have benefitted through this initiative.

Promotion of sports and extra-curricular activities: We successfully supported the organization of inter-school sports competitions among the government schools that we support in Dahej. During the reporting years, more than 1,420 students have participated in these sports events.

We have promoted and supported the conduct of Annual Day celebrations in the schools. SARGAM 2018-19 was a grand success across 11 schools in Dahej involving participation from 715 students. Children actively engaged in classical singing, dance and drama.

Our Chemicals Business site in Bhiwadi has **won the esteemed 'Bhamashah Award' by the Government of Rajasthan, sixth year in a row.**

This has been possible due to the efforts of our employees and the team of SRF Foundation to drive initiatives in the area of education, both primary and secondary, along with infrastructural enhancements across a number of Government schools in the vicinity of our operations.



Community Support Program

We at SRF, are committed to serving the best interests of local communities. Supporting the nearby communities is another aspect of our development intervention.

Community support initiatives at Bhiwadi

As part of this endeavour, we undertook several activities ranging from awareness campaigns for promoting education, Swachh Vidyalaya campaign and HIV-AIDS awareness campaign.



Providing accessibility to differently-abled school children



AEP-KKMT Program – launched by officers from Department of Education & SRF CSR Council members



HIV-AIDS awareness program for truck drivers and surrounding community members



Developed and inaugurated a Sports Complex at GSSS Khijuriwas

Community support initiatives at Dahej

SRF supports various development activities in two villages - Suva and Jolva, in the vicinity of Dahej plant. Since the establishment of SRF plant in Dahej, we have provided multi-faceted support to the communities in these villages.

Since there is no high school in these two villages, we have provided a regular bus facility for girl students that runs between these villages to the High School located in Dahej (12 km away) for enabling them to attain higher education. During the two years 2017-19, over 180 girls have benefited from this service.

In Suva village, we have supported animal husbandry, livestock and other livelihood activities by setting up cattle shed and other such infrastructure. Further, we undertook deepening of the village pond to store rainwater.

Other important contributions of SRF in village development have been the renovation of the front yard of Gram Panchayat office in Jolva where we set up 25 benches and the renovation of drainage line in Suva village.



Yuva Shakti project

SRF Foundation developed smart classroom under Yuva Shakti project at Government College, Bibirani. The main objective of this smart room is to skill the youth in their field of interest.



World-on-Wheels

SRF Foundation has been successfully operating Digital Mobile Bus 'World on Wheels' in collaboration with HP India in Tijara block of Alwar district, Rajasthan. The digital bus is a self-contained, internet-enabled and solar-powered digital learning lab aimed at promoting digital literacy, e-education, entrepreneurship training, and other services in rural India. Until 2018-19, WoW has impacted 24,400 youth and community members.

As a part of this project, SRF Foundation collaborated with Police Department of Rajasthan for providing basic computer training to 85 Rajasthan police constables. After training, these constables have been posted in various police stations in Alwar district and conducting their work digitally.



ENTERPRISE

Financial Performance and Growth

Chemicals business at SRF has been functioning for than 40 years and has attained a key position in the global chemicals industry. We have been instrumental in curtailing the various business risks, largely by way of expanding and diversifying our product base.



31% increase
in revenues for **Bhiwadi**
from 2017-18 to 2018-19

69% increase
in revenues for **Dahej**
from 2017-18 to 2018-19

REVENUE

Economic performance indicators (in INR million)

	Bhiwadi		Dahej	
	2017-18	2018-19	2017-18	2018-19
Economic value generated: Revenues	6,130	8,024	9,365	15,867
Operating cost	4,300	6,065	7,261	13,349
Employee wages and benefits	498	576	738	958
Payments to government	886	1,410	1,104	2,854
Economic value retained	445	(26)	262	(1,293)

Total Quality Management

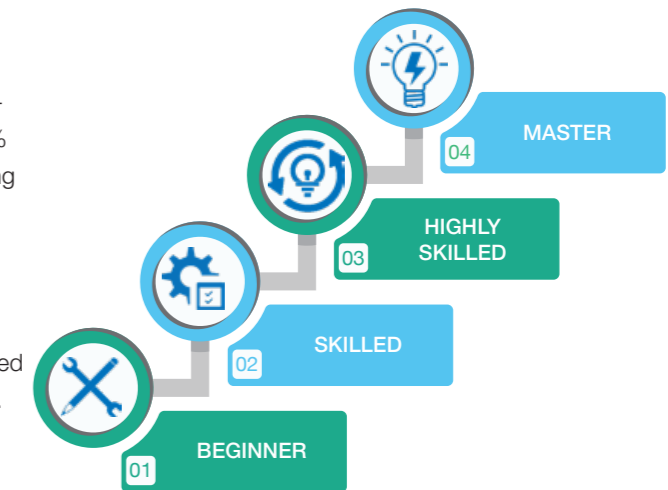
At SRF, we have adopted TQM as 'The Way of Management' to meet needs and expectations of all the stakeholders. 'Continual improvement' is embedded into SRF culture to improve our processes and services in entire supply chain. Our TQM system has been able to promote customer orientation and systematic improvement to raise organizational competence to meet future challenges.

Policy Management i.e. Breakthrough Management, Daily Work Management, Problem Solving Process (PSP), TIE (Total Employee Involvement) and Autonomous Maintenance activities are key components of robust and agile

management system. TIE groups are based on the idea that everyone's participation is essential, and no single individual can make a process change by themselves. TIE group is a small team of cross functional individuals whose endeavour is to improve the efficiency of various systemic processes. TIE groups promote a culture of identifying and implementing ideas for improvement at the lowest level. Any improvement made by TIE group which contributes to the improvement of a process is considered as a 'Kaizen'. In TIE, teams do 5S improvement, abnormality removal, develop Model Machines, implement Kaizens and improved visuals in the areas.

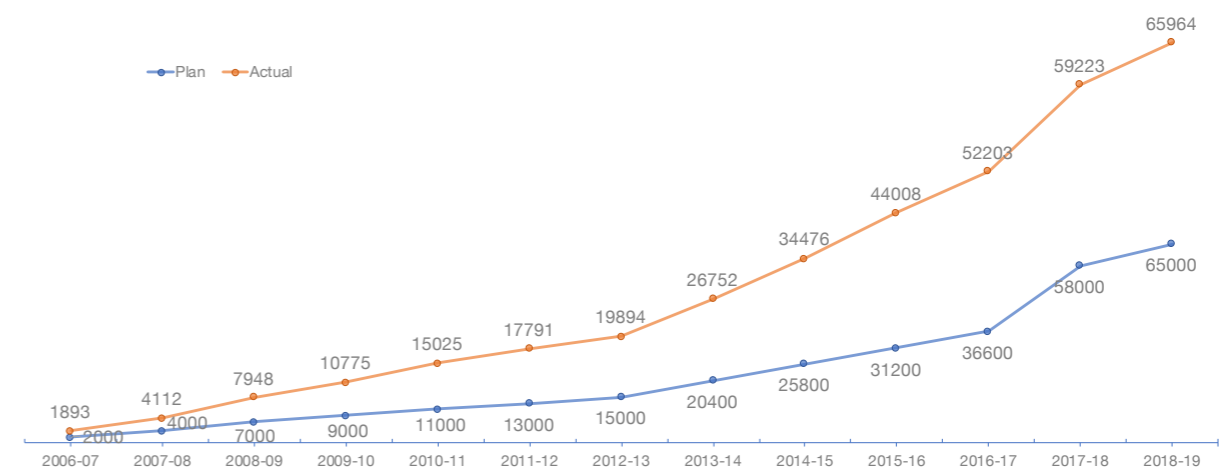


Our skill evaluation system enables us in evaluating and improving the skill level of our employees. The skill level measurement is based on three core parameters – Assignment (20% weightage); Observation on Job (40% weightage); Interview (40% weightage). After undertaking the evaluation, the employees are then placed in one of the four quadrants as shown in the figure. As a practice we periodically evaluate all our Junior Employees (JE) and Technicians on their skill sets over a range of technical parameters. Our employees are regularly trained according to their skill sets and company's requirement.



We also train our employees on various TQM initiatives – TQM Basic Course, PSP, Control Points & Themes, TIE, FMEA, Process Control, and so on. The most intriguing result of the implementation of TQM is the development of analytical & quality focused mindset across the organization. The trend of TQM training is shown below:

TQM cumulative training hours

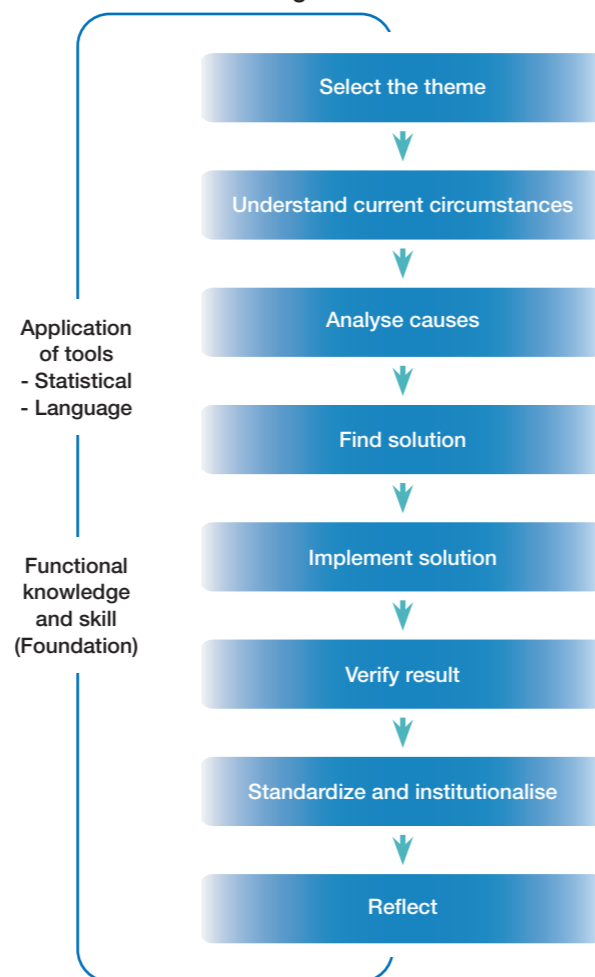


SRF's Problem Solving Process (PSP) is a standardized and robust methodology to raise the capability of the employees for solving chronic problems using 7 QC tools and other statistical tools. PSP focuses on enhancing the analytical skills of employees. There are two types of PSP certifications, Blue and Silver.

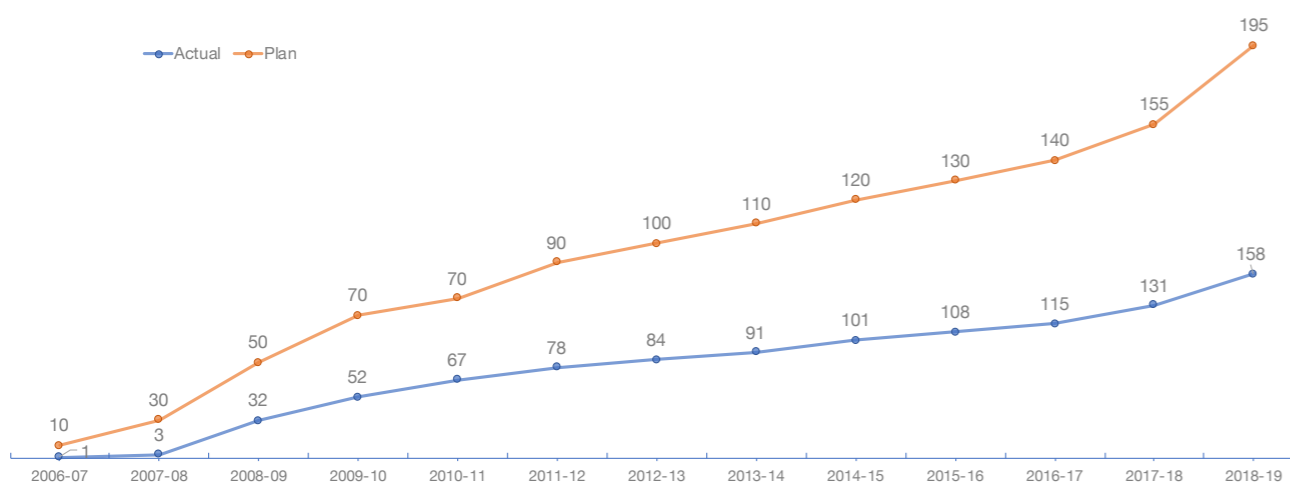
- In PSP Blue certification, we carry out problem-solving by using basic QC tools such as 7 QC tools, FMEA Failure Mode and Effects Analysis, and Process Control. The blue group of employees' experience improvement within the current system via PSP certification.
- In PSP Silver certification, we carry out problem-solving by using advanced statistical tools such as hypothesis testing and Design of Experiments (DOE). The silver group of employees experience high impact projects or breakthroughs.

We at SRF, follow an eight-step process combined with functional knowledge and skills and application of 7QC tools, statistical and language tools to solve any problem. Over the years we have seen a significant increase in the number of PSP Blue certifications.

SRF's Problem Solving Process



PSP enrollment and certification details



SRF Themes convention is organized across SRF on a yearly basis. The thought behind this convention is to recognize the best themes across SRF. Teams from various businesses participate in the event and the winners receive due recognition.

Product innovation and safety



SRF recognizes innovation as an integral part of its culture and as the propellant of long-term growth. We are continuously engaged in designing new products through Research and Development to meet the rapidly changing customer and market demands. Our Chemicals Technology Group (CTG) is actively involved in undertaking such R&D. Its key focus is on the development of intermediates for new Active Ingredients (AI) in pharmaceutical & agrochemical industries and new generation refrigerants. **During the two reporting years, we have been granted 24 new patents, which is testimony to our strong focus on innovation.**

The CTG aims to develop and leverage SRF's position as a prominent innovator to build innovative products for customers. We foster a higher level of excellence throughout the entire innovation process, starting from the lab all the way to the customer.

Innovation and technology leadership is the one of the key focus areas of SRF Aspiration 2025. We believe that the continuous improvement in the current processes and developing creative and innovative skill set for the new product and process development is the key to faster growth and sustainability.

At SRF, we have two state-of-the-art R&D facilities (one at Bhiwadi and the other at Manali, near Chennai) with more than 100 highly motivated researchers, who work tirelessly to meet the aspirations of 2025. The R&D labs are equipped with cutting edge in-process and product testing facilities.

SRF's R&D department is playing a very crucial role in establishing commercial processes for both FCB and SCB. As a result, we have been able to commercialize over 50 molecules with the development of in-house innovative process technologies. Another list of about 60 molecules are in the pipeline at different stages of development and commercialization. As of March 31, 2019, the company has applied for 170 patents. Till date, the company has been granted 33 patents globally. Highly motivated teams of scientists are currently engaged in the area of process research and technology development. We aim to master innovative chemistries and processes to generate value for customers and partners. Our R&D is particularly focused on developing in-house processes, optimization of lab processes, support for pilot operations and dedicated plants for commercial production. Some of the significant highlights of our R&D include:

- Conversion of existing potential processes from batch to continuous to enhance the production capability. Two processes have been converted from **batch to continuous mode** which has significantly reduced overall product's cost.
- Development of capabilities to **generate and handle elemental fluorine and new fluorinating agents**.
- **Improvements on critical unit operations** like crystallization and utilization of statistical tools (such as DOE) to optimize the process parameters helped us improve cost, quality and delivery which satisfy our customers' needs.
- Institutionalization of a systematic way to carry out **safety studies** of the processes to bring in sustainability in operation. Our system is equipped with state-of-the-art equipment like DSC and reaction calorimeters (including the accelerated reaction calorimeter).
- **Development of processes** for different class of heterocyclic compounds like triazoles, tetrazoles and pyridines which were new requirements from our global customers.
- **Developing processes with minimal or without use of solvents**. For instance, to increase the process capacity for an agrochemical intermediate, we have converted and scaled up a hydrogenation reaction without use of solvent.
- **Work on challenging chemistries** like handling of azide reactions, carrying out diazotization reaction, cryogenic reactions and chiral synthesis up to ton scale. Based on our experience and learnings from handling all these types of chemistries, we have set up an **agrochemical AI manufacturing plant**.



Agrochemical AI manufacturing plant

- Developed innovative processes for the key raw materials to enhance product sustainability and commercial aspects for some of our key products. This has helped in optimization of yield, reducing number of operations, emphasizing more on the safety related issues and getting better recovery/recycle of solvents.
- **Replaced sulphur-based chlorinating reagents with simple reagents** for chlorination reaction. More focus has been put on understanding of the key practical aspects of mass balance and atom utilization.
- **Implementation of innovative ideas for better atom efficiency in bromination reactions**. For a process of an agrochemical intermediate, we have applied innovative chemistry to achieve >98% atom efficiency in bromination reaction at ton scale.

Branding



Customer satisfaction is a key driver in success of our organization. Gauging customer feedback is helpful to provide valuable data to improve our products in multiple areas such as packaging, quality and availability, amongst others. We undertook a detailed customer satisfaction survey during the reporting years to recognize the areas of concerns, assess customer perspective and understand their preferences.

Business Risk Management

SRF's risk management policy defines our approach to tackling various business risks. The policy is applicable to all our business units and aims to identify possible challenges that can impact operations as well as facilitates the development of mitigation measures.

We have internal control systems intended to meet business needs while managing associated risks. There is a rigorous framework of Control Self-Assessment (CSA) that is designed to ensure compliance with existing

policies and other guidelines from time-to-time as well as supports the management of control gaps.

The Board of Directors directs FCB's and SCB's performance on economic, environmental and social aspects along with an assessment of the related risks such as strategic risks, operational risks, financial risks, information technology risks and sustainability risks. Each of these five risk types are explained below:

Strategic risks



Strategic risks include risks emanating from a competitive business environment, evolving demands of customers and technological advancements. SRF FCB and SCB develop a comprehensive plan on an annual basis, for tackling these risks.

Operational risks



Operational risks are the risk of loss due to inadequacy or failure of internal processes, people and systems or may result from external occurrences. Our TQM system, which lays down precise roles and responsibilities in major operational and managerial aspects, plays a crucial role in curtailing such risks.

Financial risks



Financial risks mainly include risks emanating from foreign currency exchange for exports and imports of our products and raw materials. Such risks are handled through a conservative foreign exchange risks management policy.

Information Technology risks



Our robust IT systems with strong hardware and software capabilities and structures, including an ERP system, ensures that our business operations continue online, even in the event of any disruptions.

Sustainability risks



There may be physical risks to business operations on account of environmental issues such as climate change and water scarcity, among others by way of unavailability of raw materials, lack of demand, increase in extreme weather events which restrict continuity in operations. Moreover, increasing environmental regulations also elevate the chances and severity of non-compliances which may be financial impositions or other measures which impact the business. SRF FCB and SCB have in place various controls and checks to account for and minimize such sustainability risks.



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 Gurugram - 122 002, (India)

Independent Limited Assurance Statement to SRF Limited (Chemical Business) on their Corporate Sustainability Report for Financial Year 2017-19

To,
 The Management of SRF Limited (Chemical Business)

Introduction

SRF Limited ('the Company' or 'SRF') has requested KPMG Assurance and Consulting Services LLP in India ('KPMG', or We) to provide an independent assurance on its Sustainability Report 2017-19 ('the Report').

The Company's management is responsible for identifying its material topics, engaging with its stakeholders and developing the content of the Report.

KPMG's responsibility is to provide limited assurance on the Report content as described in the scope of assurance.

Reporting Criteria

SRF applies its sustainability performance reporting criteria, derived from the Sustainability Reporting Standards of GRI as detailed in the 'Report scope and boundary'.

Assurance standards used

We conducted the assurance in accordance with

- Limited Assurance requirements of International Federation of Accountants' (IFAC) International Standard on Assurance Engagements [(ISAE) 3000, (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information]. Under this standard, we have reviewed the selected information presented in the Report against the principles of relevance, completeness, reliability, neutrality and understandability.

Boundary Scope, and Limitations

The following is covered under the scope and boundary of the assurance engagement:

- The scope of assurance covers the sustainability performance of SRF's sustainability performance disclosures for the period of 01 April 2017 to 31 March 2019, as per the table below.
- The boundary of the report includes the data and information from SRF sites as mentioned in the Sustainability Report section – Reporting Boundary:
 - Bhiwadi, Rajasthan
 - Dahej, Gujarat
- The assurance scope excludes:
 - Aspects of the report other than those mentioned in the table below;
 - The Company's financial performance;
 - Data and information outside the defined reporting period;
 - The Company's statements that describe expression of opinion, belief, aspiration, expectation, aim or future intention provided by the Company and assertions related to Intellectual Property Rights and other competitive issues;

KPMG Assurance and Consulting Services LLP, an Indian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity

KPMG (Registered) (a partnership firm with Registration No. BA-62445) converted into KPMG Assurance and Consulting Services LLP (a Limited Liability Partnership with LLP Registration No. AAT-0367), with effect from July 23, 2020

Registered Office: Locha-1 Exotus, 1st Floor Apollo Mills Compound, N. M. Joshi Marg, Mahalakshmi, Mumbai - 400 011



The disclosures subject to assurance as per GRI Standards were as follows:

Standard Disclosures	Topic-Specific Standard Disclosures
<ul style="list-style-type: none"> Organizational Profile: GRI 102-1 to GRI 102-13 Strategy and Analysis: GRI 102-14 Ethics and Integrity: GRI 102-16 Governance: GRI 102-18 Reporting Practice: GRI 102-45 to GRI 102-56 Management Approach: 103-1 to 103-3 	<ul style="list-style-type: none"> Economic: Economic Performance (GRI 201-1) Environment: Materials (GRI 301-1 to GRI 301-2), Energy (GRI 302-1), Water (GRI 303-1), Emissions (GRI 305-1 to GRI 305-2), Effluents & Waste (GRI 306-2) Social: Employment (GRI 401-2), Occupational Health and Safety (GRI 403-2), Diversity (GRI 405-2), Non-Discrimination (GRI 406-1), Child Labour (GRI 408-1), Forced or Compulsory Labour (GRI 409-1)

Assurance procedures

We have obtained sample evidence, information and explanations that were considered necessary in relation to the assurance scope and have arrived at conclusions mentioned below. Our work included a range of evidence-gathering procedures including:

- Assessing that the report is prepared in accordance with the GRI Standards: Core option.
- Understanding the appropriateness of various assumptions used for estimation of data by SRF.
- Verifying systems and procedures used for quantification, collation and analysis of sustainability performance indicators included in the Report.
- Assessing the systems used for data collection and reporting of the Universal Standard Disclosures and Topic-Specific Standard Disclosures of material aspects as listed in the assurance scope above.
- Reviewing the Report to ensure that there is no misrepresentation of disclosures as per scope of assurance and our findings.
- Reviewing the materiality and stakeholder engagement framework deployed at SRF.
- Testing on a sample basis, the evidence supporting the data and information.
- Holding discussion with senior executives at the plant locations and at the corporate office to understand the risks and opportunities from a sustainability perspective including the strategy that SRF has adopted to address the same.
- Assessing data reliability and accuracy.
- Verifying select key performance data through site visits to operational locations and corporate office for:
 - Testing reliability and accuracy of data on a sample basis.
 - Assessing stakeholder engagement process through interactions with relevant internal stakeholders and review of related documentation.
 - Limited review of the materiality assessment process.
 - Reviewing the processes deployed for collection, compilation and reporting of sustainability performance indicators at corporate and plant level.

Appropriate documentary evidence was obtained to support our conclusions on the information and data verified. Where such documentary evidence could not be collected on account of confidential information our team verified the same at SRF's premises.

Conclusions

We have reviewed the Sustainability Report of SRF. Based on our review and procedures performed as described above, nothing has come to our attention that causes us not to believe that the sustainability data and information presented in the Report is appropriately stated, in material aspects, and in accordance with GRI Standards.

We have provided our observation to the company in a separate management letter. These, do not, however, affect our conclusions regarding the Report.

Independence



The assurance was conducted by a multidisciplinary team including professionals with suitable skills and experience in auditing environmental, social and economic information in line with the requirements of the ISAE 3000 (revised) standard. Our work was performed in conformance to the requirements of the IFAC Code of Ethics for Professional Accountants, which requires, among other requirements, that the members of the assurance team (practitioners) as well as the assurance firm (assurance provider) be independent of the assurance client, in relation to the scope of this assurance engagement, including not being involved in writing the Report. The Code also includes detailed requirements for practitioners regarding integrity, objectivity, professional competence and due care, confidentiality and professional behavior. KPMG has systems and processes in place to monitor compliance with the Code and to prevent conflicts regarding independence. The firm applies International Standard on Quality Control (ISQC) 1 and the practitioner complies with the applicable independence and other ethical requirements of the International Ethics Standards Board for Accountants (IESBA) code.

Responsibilities

SRF is responsible for developing the Report contents. SRF is also responsible for identification of material sustainability issues, establishing and maintaining appropriate performance management and internal control systems and derivation of performance data reported. This statement is made solely to the Management of SRF in accordance with the terms of our engagement and as per scope of assurance. Our work has been undertaken so that we might state to SRF those matters for which we have been engaged to state in this statement and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than SRF for our work, for this Report, or for the conclusions expressed in this independent assurance statement. The assurance engagement is based on the assumption that the data and information provided to us is complete and true. We expressly disclaim any liability or co-responsibility for any decision a person or entity would make based on this assurance statement. By reading this assurance statement, stakeholders acknowledge and agree to the limitations and disclaimers mentioned above.

Manpreet Singh
Partner
KPMG Assurance and Consulting Services LLP in India
Dated: 09th October 2020

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Goals and Targets

(for the next reporting period)



ENVIRONMENT

Bhiwadi

Sustain specific electricity consumption at FY 2017-19 level

Sustain Scope 1 Greenhouse Gas (GHG) emissions at FY 2017-19 level

5% reduction in waste generation at FY 2017-19 level

10% reduction in specific water consumption (m³/MT of product) at FY 2017-19 level

Dahej

Sustain specific electricity consumption at FY 2017-19 level

Sustain Scope 1 Greenhouse Gas (GHG) emissions at FY 2017-19 level

5% reduction in waste generation at FY 2017-19 level

10% reduction in specific water consumption (m³/MT of product) at FY 2017-19 level



ENGAGEMENT

Bhiwadi

Sustain employee turnover at less than 10 %

Sustain employee unplanned absence at less than 1%

Sustain man-hours of training per employee per year at 24

5% increase in skill enhancement of all employees (skill index) at FY 2017-19 level

Sustain overall employee satisfaction at more than 90%

Sustain rolling target for first aid and minor injury reduction at 2017-19 level

100% reduction in reportable injuries

Sustain man-hours of EHS training per employee per year at FY 2017-19 level

Dahej

Sustain employee turnover at 2017-19 level

Sustain employee unplanned absence at 2017-19 level

Sustain man-hours of training per employee per year at 2017-19 level

5% increase in skill enhancement of all employees (skill index) at FY 2017-19 level

Sustain employee satisfaction levels at more than 90%

Sustain rolling target for first aid and minor injury reduction at 2017-19 level

100% reduction in reportable injuries

Sustain man-hours of EHS training per employee per year at FY 2017-19 level



ENTERPRISE

Bhiwadi

Sustain new product development at FY 2017-19 level

Dahej

Sustain new product development at FY 2017-19 level





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