Sterlite Tech

Sustainability Report 2018

Interlinked Transformation for Development

Contents

Message from **The Vice Chairman**

Pravin Agarwal
Vice Chairman & Whole-Time Director

Transforming everyday living by delivering smarter networks is how we at Sterlite Tech envision building a connected future that is inclusive for all. Hence, our focus not only centres on delivering substantial shareholder value in the form of profits, but also on driving responsible development for our stakeholders.

As an organisation, we have a huge impact on various social, economic and environmental factors. It is therefore essential that we adopt a proactive approach and have sustainability at the heart of our operations as well as interlinked with every function in the company. This is how we at Sterlite Tech should endeavour to become a more sustainable business.

The transformative leap we are making will need us to ensure that sustainability and responsibility are at the forefront of how we function. This will ensure our impact on the environment is minimal, allowing us to deliver products, processes and services that are beneficial for every stakeholder.

Our progress on Sustainability over the last few years has been significant and the inaugural Sustainable Business Report chronicles each step we have taken to reach where we are today.

Message from **The CEO**

Dr. Anand Agarwal
Group CEO & Whole-Time Director

Our approach to how we operate as a business has 'Sustainability' embedded into it and this is evident from our corporate vision – Transforming Everyday Living by Delivering Smarter Networks. It also guides our values and mission.

By acting responsibly and creating shared value for all our stakeholders, we believe in contributing to building a more connected and inclusive India. It is this belief that has enabled us to leverage our core capabilities and develop solutions together with our stakeholders, allowing us to positively impact our triple bottom line.

This belief has translated into us leveraging technology, knowledge and innovation to not only conserve water within our premises, but also develop programs for surrounding communities to alleviate drought conditions through sustainable use of water, while simultaneously enhancing their livelihoods. It has motivated us to set up a state-of-the-art Centre of Excellence for research and development, to build products that use minimum resources and connectivity solutions that link remote locations, allowing access to the masses. It is even helping us create a more motivating work culture where diversity in the workforce is integral; as is empowerment through training and development.

While all of this is good progress, we still have an immense amount of work to be done.

We need to proactively identify processes and areas where sustainable business practises can be implemented, including innovative packaging and disposal methods. We need to move from 'Near Waste to Landfill' certification to 'Zero Waste to Landfill' for all of our manufacturing units and further reduce our emissions and waste usage.

Similarly, we need to invest in our people even more to ensure they are not just growing professionally, but also have adequate time for their families. We need to continue enhancing the diversity and skills of our employees to future-proof the organisation.

As a step in this direction, I proudly present to you Sterlite Tech's first Sustainable Business Report. This report will serve as a measurement of our sustainability performance. While the progress is noteworthy, there are several areas we still need to work on. I am confident that together we can achieve the sustainability goals we have set. Although the targets may be ambitious, they are definitely achievable given the capabilities, technology and knowledge we possess. Sustainability should drive our actions and decisions, defining how we, as an organisation, operate.











ng Everyday Living by Delivering Smarter Solutions

Know
The Business

About **Sterlite Tech**

UN SDGs Impacted

Sterlite Technologies Limited is a global leader in smarter digital infrastructure. Our product portfolio includes telecom solutions such as Optical Fibre Communication products, cables and software services. This unique silicon-to-software capability is unparalleled in the world. It enables us to design, build and manage smarter data networks for Global Service Providers, Smart Cities, Rural Broadband and large establishments such as the defence services.

We are one among three integrated fibre providers globally and have several state-of-the-art manufacturing operations around the world. Our manufacturing facilities are located in Aurangabad and Silvassa in India, while our joint venture partners for manufacturing fibre and cables are located in China, Brazil and Italy.

Our Global Presence

The network projects developed as part of our services include:

- Secure network for the Indian Armed Forces under Network for Spectrum
- Enabling rural broadband through BharatNet and Smart City development
- Establishing high-speed Fibre-to-the-Home (FTTH)

Our software division was recognised as a 'Visionary' in Gartner's Magic Quadrant in the BSS / OSS space.

Our optical fibre technology has enabled smarter broadband networks in some of the world's toughest terrains, including Iceland and the Amazonian rainforest.

In India, more than 45% of all data travels on Sterlite Tech's fibre network. Globally, it enables eight of the top ten global telecom operators with its fibre for tower/data backhaul and last-mile connectivity. Our optical-communication products are flame retardant and compliant with Europe's Construction Products Regulations, which ensures ultra-fast connectivity, long-lasting performance, efficiency and scalability.

Our commitment to innovation is evident from a portfolio of 217 patents as well as a Centre of Excellence in Aurangabad, which is India's only broadband research facility.

Telecom Products	Telecom Services	Software Services
OFC product solutions	Network integration	Monetisation of next-gen networks
OF product solutions	System integration	Real-time analytics
Copper data cable solutions		Real-time customer experience management

To know more visit:
https://www.sterlitetech.com/products_services.html

The reporting boundary for this report is limited to only the Telecom Products business.

Our Vision & Values

Transforming Everyday Living by Delivering Smarter Networks

Promises Delivered

We take our commitments very seriously, whether to our stakeholders, clients or society at large. We do not commit to please, because we mean it. And once promised, we plan thoroughly and execute flawlessly through structured processes, every time! After all, only when we deliver on our promises, we deliver as Sterlite Tech.

Hunger to Learn

Unfamiliarity does not deter us. It drives our passion to know more. We do not turn back. We go deeper. We learn. We strive to explore and understand things even beyond our comfort. This drives us to know more, better ourselves, constantly enhance our capabilities and sharpen our expertise.

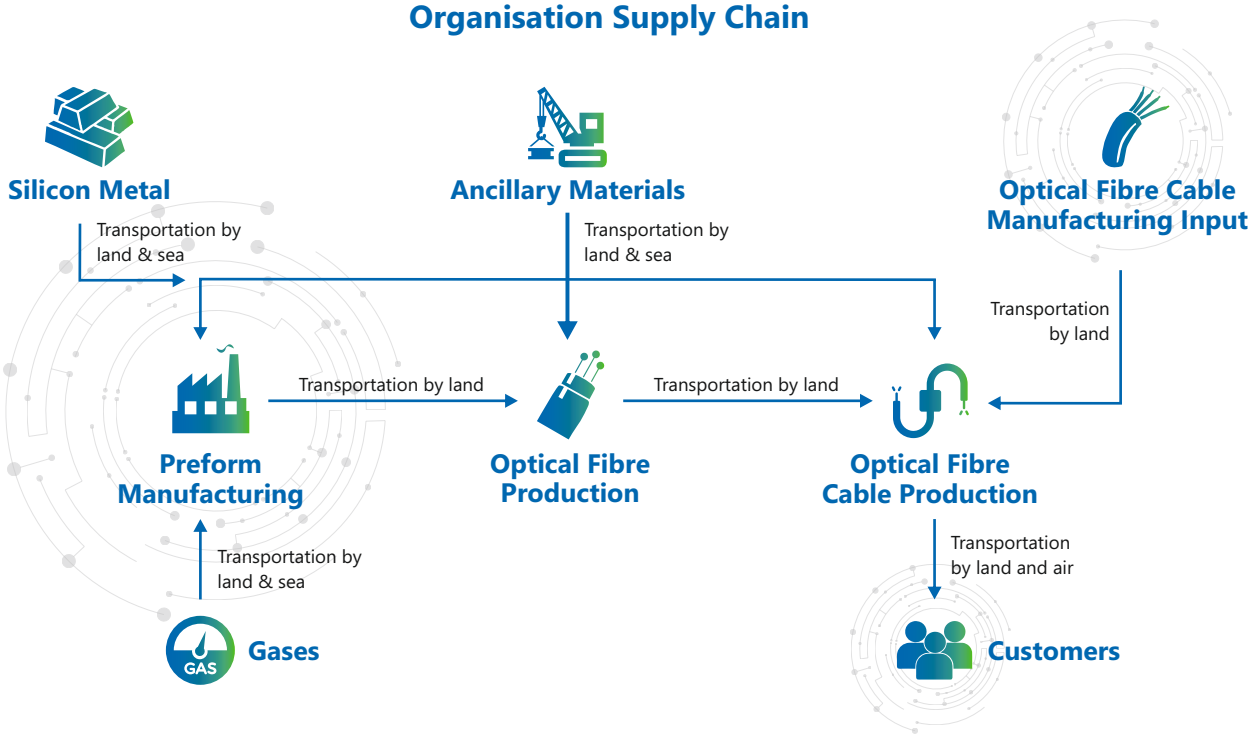
Respect & Empathise

We believe that when we empathise with our fellow colleagues and partners, we can create magic. Being sensitive to other's needs is core to our business. Understanding people, processes, highs and lows helps us move forward.

Keep It Simple

We value common sense. We value speed, but only with direction. No running through processes mechanically - we aim to simplify all our internal/bureaucratic processes to ensure we get it right in the first go, and ensure an optimum work-life balance for all.

Organisation Supply Chain

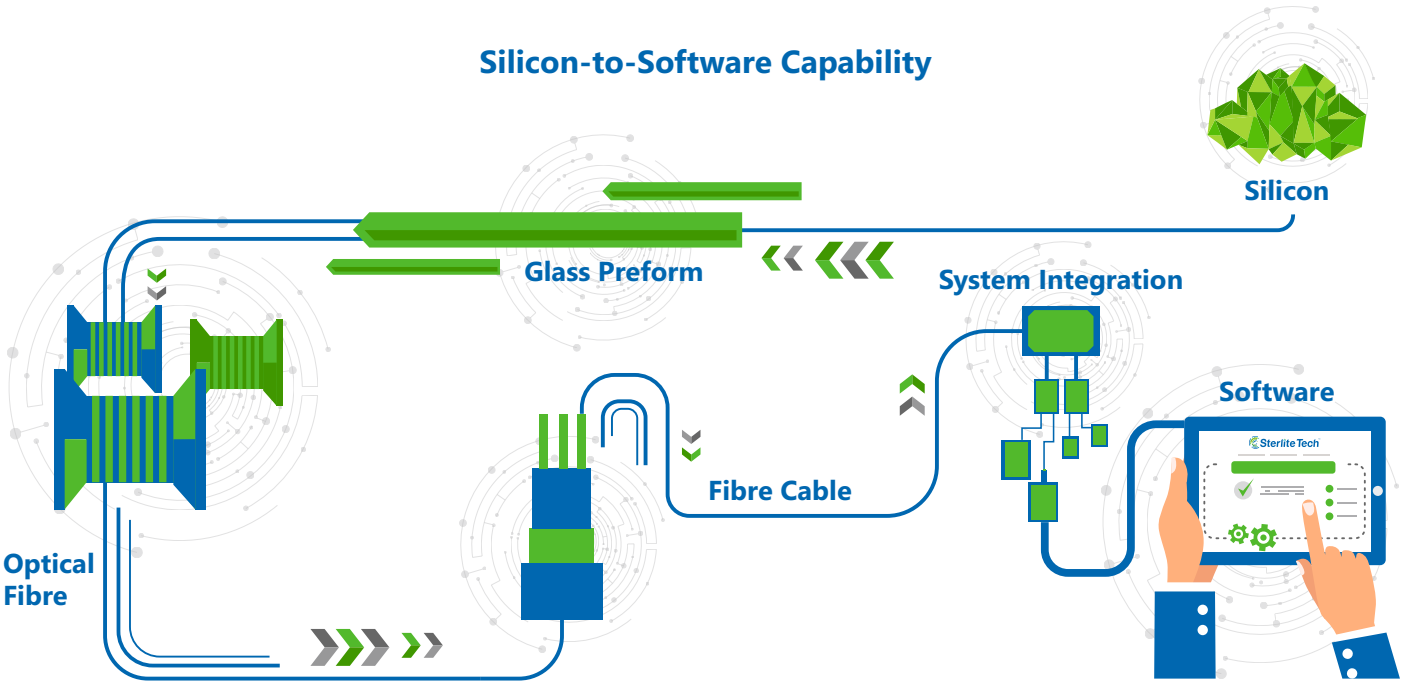


The Sterlite Tech glass and optical fibre manufacturing plant at Waluj is one of a kind. The plant has an end-to-end process for manufacturing glass preform and optical fibres from silicon metal. The procured silicon goes through various chemical processes in the presence of gases such as chlorine, oxygen and hydrogen. This process eventually produces glass preform.

At our state-of-the-art facilities at Waluj and Shendra in Aurangabad, this preform is melted at high temperatures to draw the optical fibre. The fibre is then coated with resins to enhance its strength and flexibility.

At Rakholi, the reinforced optical fibre is made into cables as per the customer's requirements. Manufacturing processes involve colouring, stranding, sheathing, coating with protective, layers, etc. Finally, the cable is embossed with the lot number, client number and Sterlite Tech labelling before being sent for quality checks and assurance. The product is then dispatched.

Silicon-to-Software Capability



Our Sustainability Approach

Sterlite Tech's sustainability "vision" to be a responsible leader to ensure India's connected future is based on four pillars.

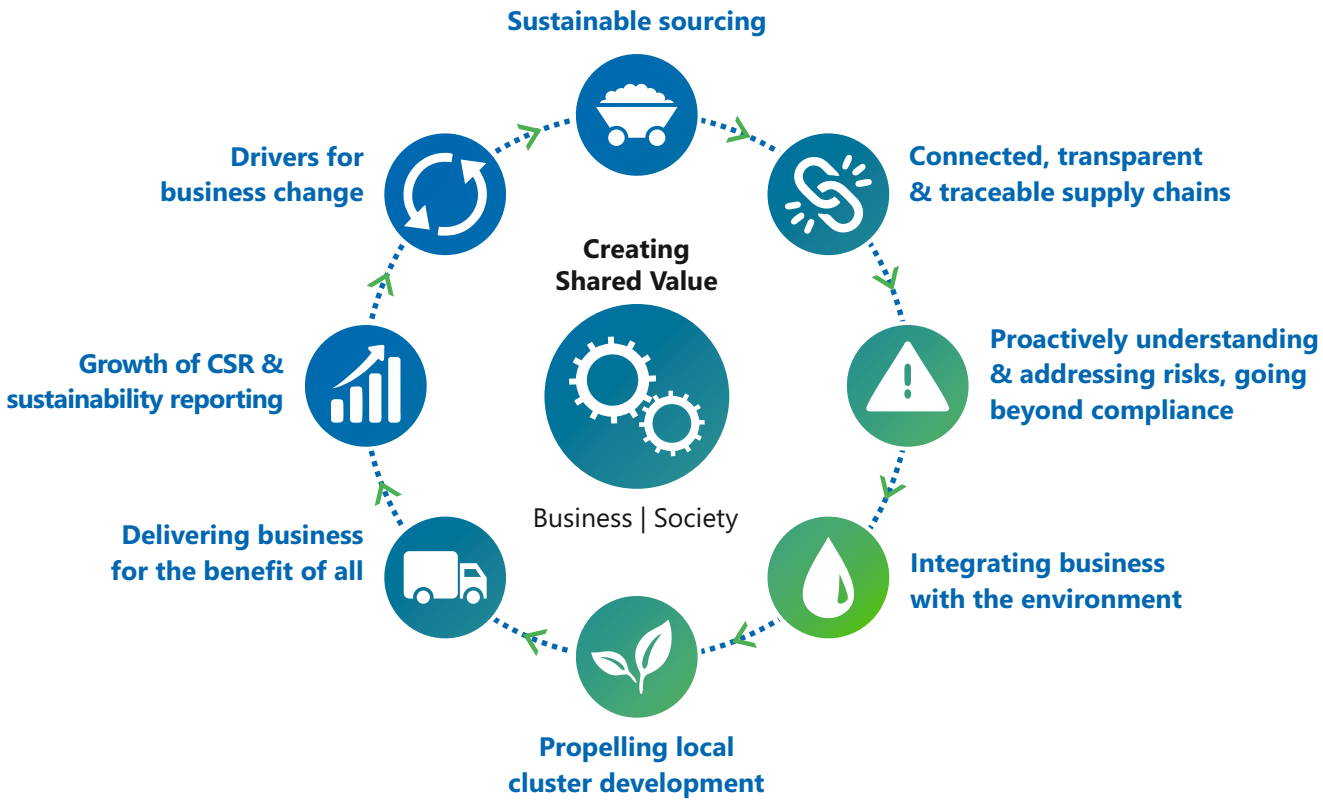
Community: Deliver life-changing services and technologies thereby enabling a brighter future for the communities we operate in.

Environment: Develop system-wise approaches that will reduce our environment footprint with economic returns in the long run.

People: Ensure that our people are healthy, safe, engaged and inspired to drive inclusive, equitable growth.

Conduct: Create sustainable practices, policies and business models that will support the growth of our business and communities.

By creating shared value, we make this a reality by improving India's connectivity and growing a sustainable business. We as a company are determined to set the bar for what it means to be a responsible, transparent, clean and green business in India.



Report Profile

Sustainability is an integral part of our operations at Sterlite Tech. We believe in responsible business practices and through this inaugural report for the financial year 2017-18, we are reporting our performance across key areas which will help develop our focus on sustainability. We intend to publish this report on an annual basis.

The report is intended for internal and external stakeholders of the organization. A list of these stakeholders has been provided in the following section of the report.

Aligned to the reporting framework of GRI Standards and adhering to the 'In Accordance – Core' option, this report presents a fair, balanced and reasonable representation of the sustainability objectives, actions and achievements of Sterlite Tech for FY 2017-18. It is also linked to the UN Sustainable Development Goals.

The contents of this report have been defined through a materiality assessment exercise to identify key issues of relevance to the business. The materiality assessment for this particular report has primarily been limited to engagement with internal stakeholders. However, we have captured the perceptions of external stakeholders based on the interactions various functions of the organisation have with them on a periodic basis.

This report covers the optical fibre manufacturing facilities at Waluj and Shendra (located in Aurangabad), the optical fibre cable manufacturing facility at Rakholi and the speciality cable manufacturing facility at Dadra (both located in Dadra & Nagar Haveli). The reporting boundary does not include operations outside India as well as non-manufacturing facilities such as offices in India. Keeping in line with the business, the theme for this inaugural edition of the report is Interlinked Transformation; signifying the approach of 'Creating Shared Value' which seamlessly links sustainability and society to the core activities of the company.

Sterlite Tech's Waluj Manufacturing Unit

Stakeholder **Engagement**

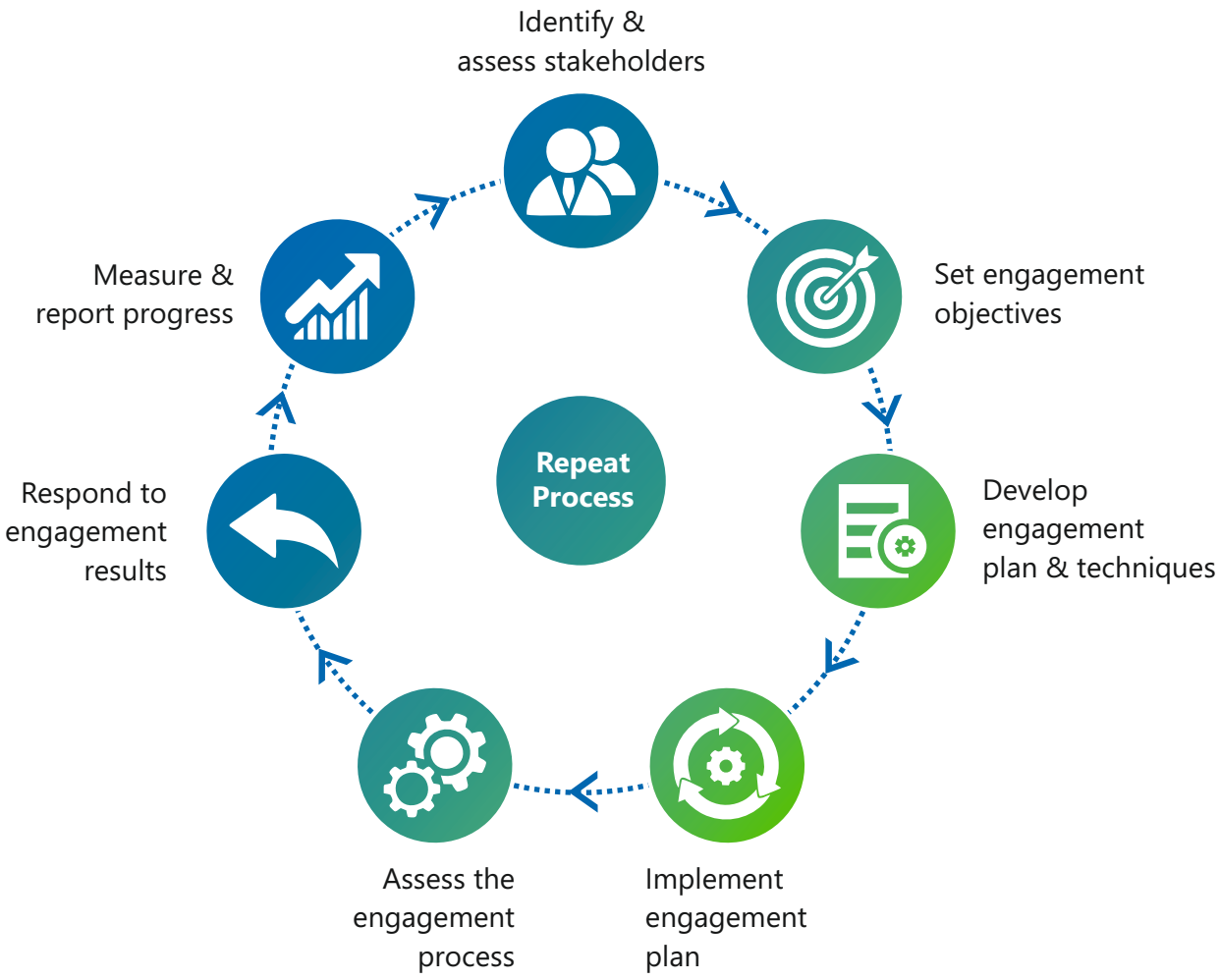
Collective progress can only take place when all parties involved work in tandem.

Inclusive growth and a continued drive to create shared value form the foundation of all our efforts in stakeholder engagement. At Sterlite Tech, we recognise all groups of individuals who affect us or are affected by us, as stakeholders. Our sustainability vision would not be achievable unless the experiences and interests of our stakeholders are incorporated into our business strategy.

So, we ensure that stakeholder engagement is a continuous process conducted using robust systems. At the heart of our approach is stakeholder identification and prioritisation. This allows us to understand the impact of each group and the extent of their influence on the business. We periodically engage with these groups to understand their evolving needs and how they can be aligned with the business strategy.

Since the process is cyclical in nature, we periodically review and recalibrate the engagement objectives with stakeholders based on the changing business priorities and global sustainability issues. The engagement mechanism is listed below:

Stakeholders Engagement Process



Stakeholder Group	Engagement Mechanism	Key Topics of Engagement
Shareholders	Annual general meeting Quarterly reports (Press Releases on financial results) Interaction with investors	Economic value creation Increase in profitability Robust corporate governance Transparent communication
Employees	Town-hall meetings Induction workshops Annual employee engagement survey Annual performance review Department surveys	Employee satisfaction Professional development & growth Healthy & safe workplace
Customers	Customer plant visits Customer satisfaction surveys Key account management Personal contact as per need	Product specifications Delivery compliance Customer satisfaction Innovation and new product development
Suppliers	Supplier meets Supplier relationship management	Supplier satisfaction Timely payments Long-term partnerships Mutual value creation
Communities	Interaction with villagers Field visits by CSR team Employee engagement activities Community surveys	Community benefit initiatives Social empowerment Livelihood opportunities
Media	Press Releases Interviews by leadership team	Transparent and timely communication of performance, progress and achievements
Policy-makers	Representation on policy issues Advocacy on forums such as industry associations	Regulatory compliance Industry policy

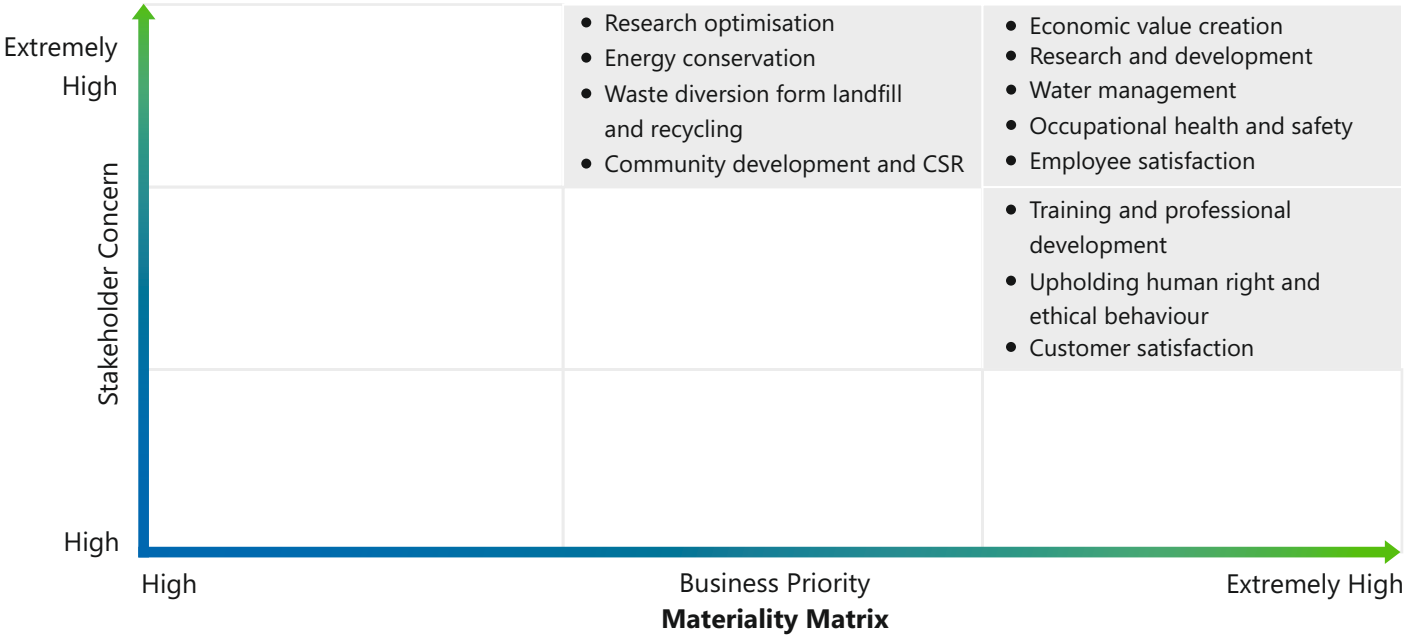
Stakeholder Engagement and Materiality Assessment Workshop for Employees

Materiality Assessment

Determining the materiality of sustainability issues by mapping them against stakeholder concerns and importance to business allows us to prioritise these aspects and incorporate them in our sustainability strategy. We recognise the fact that not all sustainability topics are of equal priority to the business and to concerned stakeholders. Materiality of sustainability topics for us is thus the threshold beyond which they become sufficiently important to be accorded higher emphasis in our business strategy, engagements and communications.

We leverage this assessment as a guide. It allows us to align our sustainability actions with the perceptions of stakeholder groups so as to ensure that we always remain responsive to their needs and expectations.

Over the years, we have constructively evolved our engagement strategy with stakeholders, keeping in line with national as well as global trends and developments. Such interactions, conducted periodically as well as on an as-needed basis, have helped us integrate sustainability priorities and avenues of focus with our business strategy.



Materiality Matrix

Material Topics	GRI Standards Topics	Reporting Boundary
Economic value creation	Economic performance	Indian operations
Resource optimisation	Energy	Manufacturing facilities in India
Energy conservation	Energy	Manufacturing facilities in India
Water management	Water	Manufacturing facilities in India
Waste diversion from landfill and recycling	Effluents and waste	Manufacturing facilities in India
Employee satisfaction	Employment	Indian operations
Training and professional development	Training and education	Indian operations
Occupational health and safety	Occupational health and safety	Manufacturing facilities in India
Community development and CSR	Local communities	Indian operations
Research and development	NA	
Customer satisfaction	NA	

Corporate Governance

Sound corporate governance is the foundation of any business and this belief is deeply ingrained in Sterlite Tech. It allows us to achieve sustainable corporate growth and long-term shareholder value creation. Our corporate governance approach is driven by attaining and maintaining highest standards of ethics, transparency and accountability in every business transaction with stakeholders, including but not limited to employees, investors, regulatory agencies and the government.

Governance Structure

Continually striving to attain excellence in products, facilities, packaging and transportation, accompanied by excellent documentation and backed by client service, we have instituted a robust, three-tiered governance structure:

Strategic Supervision

The Board of Directors occupies the top-most tier in the governance structure. It plays a role of strategic supervision without involving the strategic management of the company. The Board lays down strategic goals and exercises control to ensure that the company is progressing to fulfil stakeholders' aspirations.

Strategic Management

The Executive Committee is composed of the company's senior management and operates upon the directions of the Board.

Executive Management

The function of Management Committee is to execute and realise the goals that are laid down by the Board and the Executive Committee.

Board of Directors (As on 31st Dec 2018)

The Board of Directors comprises of two Whole-time Directors and six Non-Executive Directors, including one woman director.

Anil Agarwal
Promoter,
Non-Executive Chairman

Arun Todarwal
Independent,
Non-Executive Director

A. R. Narayanaswamy
Independent,
Non-Executive Director

Sandip Das
Independent,
Non-Executive Director

Kumud Srinivasan
Independent,
Non-Executive Director

Pravin Agarwal
Promoter, Vice Chairman &
Whole-time Director

Anand Agarwal
CEO & Whole-time Director

Pratik Agarwal
Promoter, Non-Executive Director

Committees of The Board

Audit Committee

The primary objective of the Audit Committee is to discharge responsibilities relating to accounting and reporting of financial practices adopted by Sterlite Tech and its subsidiaries, surveillance of internal financial control systems as well as accounting and audit activities.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee is responsible for formulating the criteria for determining qualifications, positive attributes and independence of a director. It also recommends to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees.

Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee oversees the redressal of stakeholders' grievances for various matters like non-receipt of share certificates, non-issue of duplicate certificates and rejection of demat requests, among others. The Company Secretary functions as the Compliance Officer.

Sustainability and Corporate Social Responsibility Committee

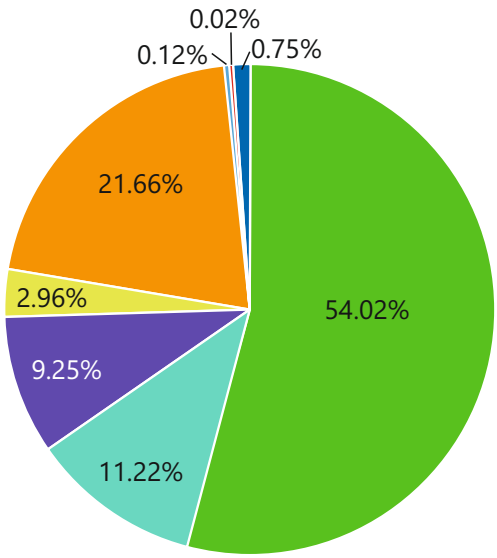
The Committee's primary role is to assist the organisation in discharging its social responsibilities. The Committee monitors the implementation of the Corporate Social Responsibility Policy and oversees the company's sustainability initiatives.

Its terms of reference include:

- To formulate and recommend to the Board, a Corporate Social Responsibility Policy (CSR Policy) or its modification, which shall indicate the activities to be undertaken by the company as specified in Schedule VII:
- To recommend the amount of expenditure to be incurred on the activities as prescribed under the CSR Policy.
- To monitor the CSR Policy of the company from time to time.
- To approve the Corporate Sustainability Report and oversee the implementation of sustainability activities.
- To formulate and recommend to the Board - policies, principles and practices to foster the sustainable growth of the company and to respond to evolving public sentiment and government regulations.
- To aid management in setting strategy, establishing goals and integrating sustainability into daily business activities across the company.
- To review and advise the Board on the company's sustainability reporting and sustainability targets.
- To review management's risk assessment and risk management policies and procedures with respect to sustainability impacts and considerations.

Industry Association Memberships:

- Federation of Indian Chamber of Commerce & Industry (FICCI)
- Cellular Operator Association of India (COAI)
- ASSOCHAM



Shareholding pattern 2017-18 (% of Equity)

- Promoter Group
- Banks, mutual funds, trusts, government & companies, Indian financial institutions, etc.
- FIIs, Foreign National, Foreign Portfolio Investors and NRIs
- Bodies corporates
- Individuals (Public) & HUFs
- Clearing members
- GDRs
- Others (including IEPF)

Economic Performance

Financials

The telecommunication industry has been one of the fastest-growing sectors in the country. This is propelling the demand for fibre, network-related services and software. Driven by technology shifts in the domestic and international markets, the demand for data is expected to grow at an exponential rate. Sterlite Tech recorded its highest ever revenues of ₹2,915.76 crores during the year, higher than the ₹2,411.55 crores in 2016-17, showing a 21% year-on-year improvement. The revenue growth was secular, driven by all product lines and business units. Exports for the year increased to ₹1,735 crores against ₹957 crores in FY17, registering a growth of 81%.

Economic Performance (in ₹ crores)	2015-16	2016-17	2017-18
Economic Value Generated (A)	-	-	-
Revenues	2162.06	2411.55	2915.76
Economic Value Distributed (B)	-	-	-
Operating Costs	1545.85	1705.33	1970.80
Employee Wages & Benefits	178.87	271.11	316.10
Dividend & Interest	126.28	167.36	125.35
Taxes to government	51.66	66.90	119.78
Community Investment (CSR)	2.23	3.05	3.64
Others	-	-	-
Economic Value Retained (A-B)	256.06	197.80	380.09

Retirement benefits in the form of provident funds and superannuation funds are defined contribution schemes at the organisation. We also have a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Re-measurements, comprising actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur.

Defined benefit plan obligations for 2017-18 are as listed below:

Particulars	31st March, 2018 (₹ crores)	31st March, 2017 (₹ crores)
Non-current	-	-
Provision for gratuity	5.07	12.16
Provision for compensated absences	2.80	-
Total Non-current Employee Benefits Obligation	**7.87**	**12.16**
Current		
Provision for gratuity	13.96	4.12
Provision for compensated absences	8.79	7.57
Total Current Employee Benefits Obligation	**22.75**	**13.69**

Year-on-Year Compounding Value

24% Revenues

45% EBITDA

66% Profit After Tax

Optical Fibre Manufacturing Facility at Waluj


ZERO
PAPER
FIBER
TURBOTEK

Environmental Excellence

Optimising Resource **Consumption**

UN SDGs Impacted

Sterlite Tech is proud to be the only global integrated manufacturer of fibres and cables. Optical fibres and cables manufacturing is a specialised process which requires different kinds of raw material.

Being conscious of our responsibility towards the environment, we have always strived for eco-friendly production at our manufacturing facilities. Causing the least harm to the environment though our business activities drives our processes. Over the years, we have been continuously working towards understanding our impact on the environment and minimising and mitigating the adverse effects to become a more sustainable business.

We execute such initiatives across different stages of the manufacturing process. This enables us to focus and act upon various causes of negative impact on the environment. This proactive approach has ensured the protection of communities in the areas we operate in, the conservation of the environment, as well as the success of our business by way of increased cost reduction and a lower environment footprint.

At our manufacturing facilities, the process starts with pure silica being converted into silicon tetrachloride ($SiCl_4$). It is then made into glass by way of a highly technical process of soot deposition. This is followed by a series of processes involving treatment using various chemicals. Specific additives are also used to produce glass which meets the highly stringent requirements for producing optical fibres. In the next step involving drawing fibres from glass cores and their subsequent cabling, several materials such as inks, resins, metal, and HDPE and PVC plastics are required.

Transportation of these fibres and cables to the customers requires packaging. This includes the use of plastic spools, cardboard boxes, wooden drums and pallets as well as steel drums. We recycle wooden waste and drums by using them to manufacture pallets. The adoption of reusable packaging options is also being explored to reduce dependence on fresh raw materials.

Solar Ambient Lighting at Rakholi

Case Study: Resource Conservation through Automation

Automation leads to reduced time consumption and optimal utilisation of raw materials. By employing such state-of-the-art machinery, our manufacturing units have eliminated the need for manual labour in several processes. This has significantly reduced the use of input materials as well as avoided incidents such as spillages or leaks. These interventions include the use of a hopper for feeding polyethylene granules to extrusion machines in optical fibre cable manufacturing. This modification has ensured better control over the feed. Similarly, in the fibre drawing process, the coating is sourced in large amounts and fed into the draw towers directly via a completely automated process. As a result, waste caused by manhandling is completely eliminated.

Efficient Energy Use

UN SDGs Impacted

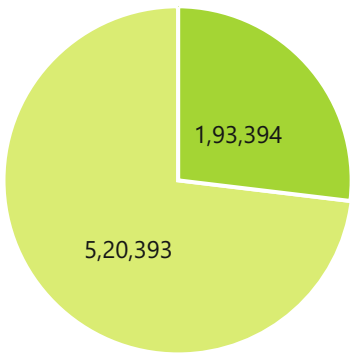
Production at all Sterlite Tech manufacturing units is dependent on energy, in the form of electricity and other direct sources. Electricity is purchased from regional power grids. We also use direct energy in the form of furnace oil in Waluj.

Fully aware of our dependence on the availability of electricity for unhindered operations, we have instituted robust mechanisms to keep usage in check. These allow us to track electricity consumption at a minute level, on a continuous basis as well as identify systems where there are opportunities for improvement. We undertake periodic inspections and preventive maintenance to ensure optimal usage and to ensure reliable operations. Additionally, we have battery banks to ensure uninterrupted power supply.

Improving energy efficiency is of prime importance not only at our manufacturing facilities, but also in our offices. Energy conservation practices at Sterlite Tech facilities include:

- Installation of LED lights in place of conventional incandescent, halogen and CFL lamps
- Ceramic paint on roof tops to reduce heat in the process area thereby cutting down on the air conditioning required
- Replacement of inefficient chillers, cooling towers & air compressors with modern energy-efficient equipment
- Improving power factor of electrical systems to reduce feeder losses
- Optimisation of condenser water pumps
- Installation of variable frequency drives in air handling units

Energy Mix in GJ (2017-18)



Energy from fuels Energy from purchased electricity

Case Study: Energy Saved is Energy Generated

While optical fibre and cable manufacturing operations are not energy-intensive in nature, the amount that we use due to the size of our operations makes it a material issue. Energy conservation is a priority for us as it is also the need of the hour. We employ several initiatives towards reducing energy intensity in our processes, creating awareness among employees regarding energy consumption, as well as periodically conducting energy audits and efficiency studies to identify opportunities for improvement.

Use of variable frequency drives, optimisation loading of transformers, preventive maintenance and modernisation of equipment are some of the initiatives aimed at reducing energy consumption. We have established an Energy Management System in our manufacturing plants which provides real-time analysis of power consumption. This has enabled us to tap the potential for energy saving and continually monitor opportunities to reduce energy consumption.

Upgraded Vacuum Machines at Waluj

Newly Commissioned 750 TR Water-cooled Chiller at Waluj

Water - Reduce, Reuse, Recycle & Replenish

UN SDGs Impacted

In our manufacturing facilities, water is primarily used for operating chillers for industrial cooling purposes, in boilers and for domestic use. In order to reduce our water footprint, the utilities teams at respective units strive to optimise water consumption by recycling and reusing it. With advanced water treatment facilities, we are able to continually increase the reuse potential of waste water. We also treat and reuse domestic effluent, which is channeled back into domestic uses such as flushing as well as used for gardening and horticulture.

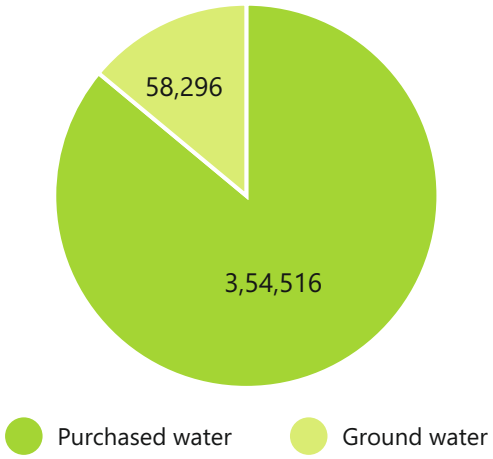
Staying true to our endeavour of embedding sustainability in day-to-day practices, we also stress upon imparting sustainable water usage habits among employees. While observing World Water Day and World Environment Day, we conduct several plant-level drives to create awareness towards the necessity of water conservation. We further encourage our employees to adopt these practices at both the workplace and home. Installation of low-flow taps and waterless urinals are some of the initiatives towards reducing domestic water use undertaken at the manufacturing units.

Our manufacturing activities are not particularly water intensive. However, our presence in Aurangabad, a water-stressed region and water conservation being the need of the hour, has prompted us to consider water management as an important facet of our efforts in sustainability.

We have a four-pronged approach to reduce our fresh water demand:

1) Reducing usage by controlling leakages
2) Reusing waste water directly in processes
3) Recycling effluent
4) Replenishing groundwater reserves by harvesting rainwater

Water withdrawal by source in kilo liter (2017-18)



Srubbers to Remove Harmful Pollutants from Gases at Waluj

Zero Liquid Discharge Facility at Waluj

Case Study: Water-effiicient Operations for a Sustainable Future

At Waluj, the OF plant has installed an Effluent Treatment Plant (ETP) and a Multiple Effect Evaporator (MEE) for treating waste water. This water is generated from domestic, industrial cooling and manufacturing processes. These systems have successfully enabled us to achieve zero water discharge at our manufacturing facilities. Further, by arresting leakages, innovatively altering processes and through condensate recovery, the plant has significantly reduced fresh water consumption.

On the effluent treatment side, we regularly monitor the quality of waste water. Using the findings, we optimise the ETP operation to achieve the desired effluent quality. In the ETP, waste water from the scrubber process, silicon tetrachloride and softener plants are processed using chemical treatments, thus removing solid particles and chlorine in the water. The treated water is then fed with steam in the MEE plant through a 3-stage centrifuging process to remove salt. The recycled water is then used in the boiler and scrubber processes.

At the Waluj OF plant, the entire zero water discharge process is monitored by Supervisory Control And Data Acquisition (SCADA) and shift dashboards. SCADA is a Distributor Console System that monitors the feed going into the system. Shift dashboards are circulated by the shift in-charge to the operators during a particular shift to monitor the quality of water, ETP parameters and so on. The quality of waste water is also regularly monitored to see how it can be directly reused in processes, thereby reducing the feed that goes to the ETP.

Waste Management

UN SDGs Impacted

Part of being a responsible corporate citizen involves conducting business activities in synergy with the environment we operate in. Our objective has always been to cause no harm to our surroundings and to ensure that the air, water and land are kept pristine. Driven by this, we have contained emissions into air and water through several measures to protect the environment.

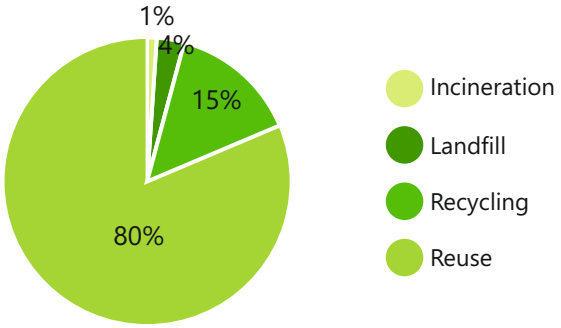
Our waste management philosophy has been to view any process waste as a lost opportunity in the conversion of raw materials into finished products. As a result of our concerted efforts, none of our manufacturing facilities discharge any liquid effluent outside plant boundaries. We are recycling and reusing all waste water in our processes post requisite treatments. Similar efforts are being undertaken to ensure Zero Waste to Landfill and towards eliminating scrap in our processes. The organisation is fully-committed towards this goal. We have taken initiatives to maximise reusing and recycling process and non-process waste. Every phase of waste management is examined to identify opportunities for generating value. This includes generation at source, primary waste collection, storage at scrap yards and eventual disposal.

We also monitor hazardous and non-hazardous waste generated on a monthly basis. Through better primary waste segregation, we have been able to reduce efforts required for segregation. Additionally, the recycling potential of the waste has also been improved.

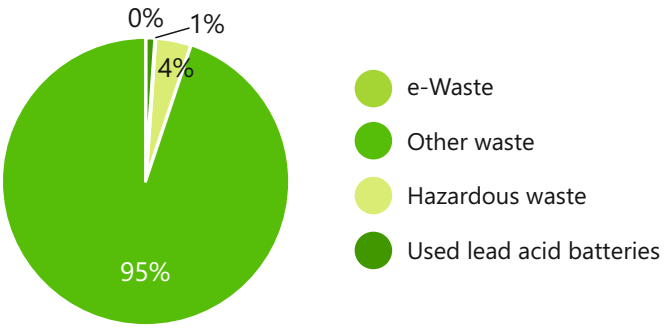
Some of the waste diversion initiatives being implemented at the manufacturing units are:

- Selling by-products like HCl and SiO_2 to other industries which use them as raw material in their processes.
- Cleaning of contaminated plastic containers and converting them into plastic granules which are then used in manufacturing products.
- Recycling of used oil and spent solvent through an authorised recycler.
- Recycling of wooden waste for manufacturing wooden pallets - thus avoiding the demand for fresh wood.
- Selling scrap items such as metal, wood, plastic scrap to industries which re-process them.

Total waste break-up by disposal method (2017-18)

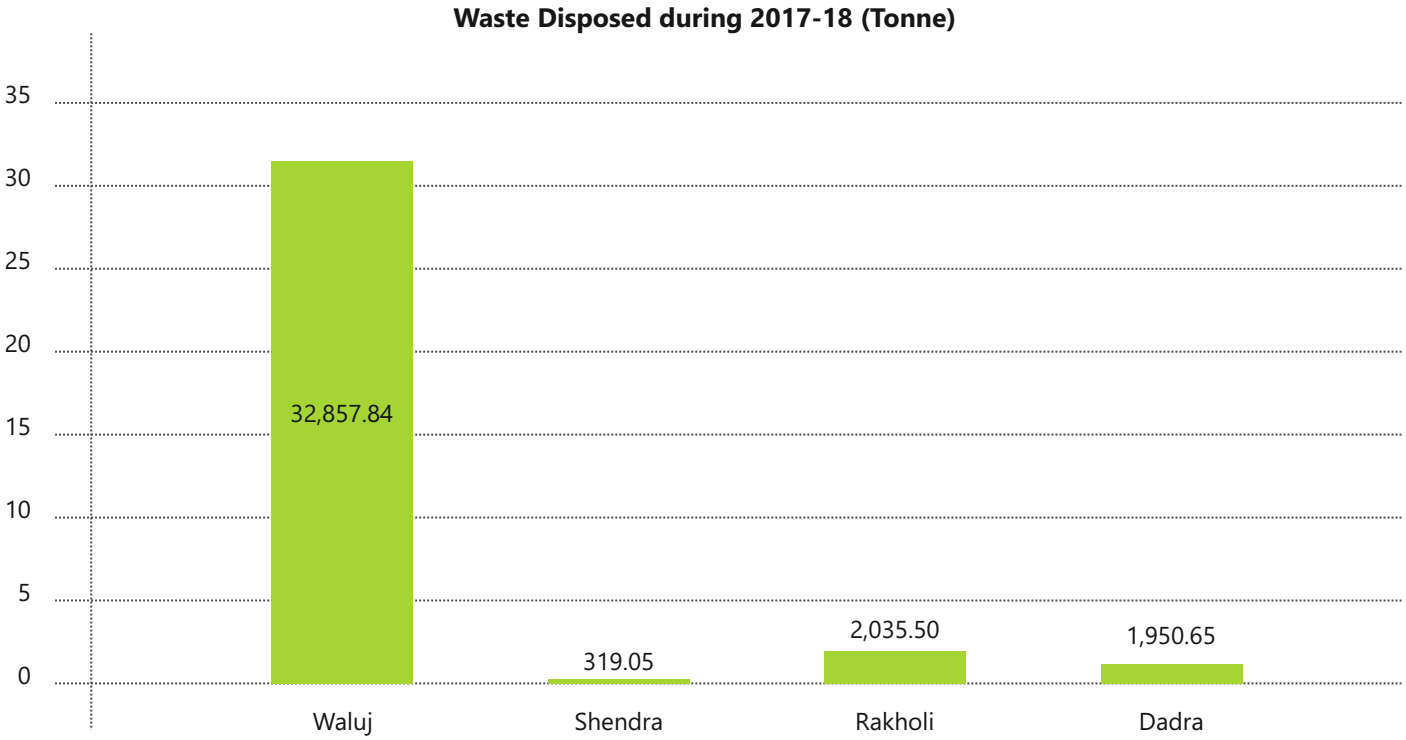


Total waste break-up by type (2017-18)



Secured Storage $SiCl_4$ Sludge at Waluj

Hazardous Waste Storage Area at Dadra



Case Study: Near Zero Waste to Landfill

We aim to achieve the Zero Waste to Landfill certification for all our Indian manufacturing facilities by 2020. Thus, we benchmark our waste management practices against globally-recognised standards. We have engaged Intertek, a multinational inspection, product testing and certification company for this.

The certification process began with on-site assessments of our Waluj manufacturing unit in conjunction with a team of subject experts. Auditors from Intertek verified documentation such as records of waste generation, periodic reconciliation and documents from waste recyclers. Evidence was collected and records were reviewed to authenticate how effective our waste management systems and processes as well as our diversion rates are. The auditors even visited our waste buyers and recyclers to trace how our waste is subsequently used. Post-audit, an independent Intertek team conducted a technical review and issued the certificate validating our waste diversion from landfill claim.

By-products from our manufacturing processes which can be reused in other industries have also been identified in our endeavor to promote a circular economy.

CERTIFICATE OF VERIFICATION

This is to verify that:

Sterlite Technologies Limited

Main Site: Waghdara Road, Dadra, Dadra and Nagar Haveli, India

has been assessed and verified by Intertek for their

Near Zero Waste to Landfill

Near to Zero Waste to Landfill diversion rate exceeding 95% is applicable to the Manufacturing of Optical Fibre and Data Cables.

Verification Number: ZWL-2018-12

Verification Initial Date: 31 October 2018

Verification Issue Date: 31 October 2018

Expiry Date: 30 October 2021

Intertek

Calin Moldovean
President
Intertek Testing Services NA, Inc.
900 Chelmsford Street
Lowell, MA, USA 01851
USA

This certificate of verification will be prepared for the sole and exclusive use of Sterlite Technologies Limited, in accordance with the terms of our engagement. Intertek does not assume any responsibility and liability to any other parties with respect to this certificate of verification. Intertek's conclusions are based upon information made available to Intertek, and Intertek cannot guarantee the accuracy or correctness of this information. Therefore, Intertek cannot be held liable by any party for decisions made, or not made, based upon review of this certificate. Validity may be confirmed via email at certificate.validation@intertek.com. The certificate remains the property of Intertek, to whom it must be returned upon request.

CERTIFICATE OF VERIFICATION

This is to verify that:

Sterlite Technologies Limited

Main Site: E1, E2, E3 & Gut No 14 Waluj,
Aurangabad, Maharashtra, 431136, India

has been assessed and verified by Intertek for their

Near Zero Waste to Landfill

Near Zero Waste to Landfill diversion rate exceeding 95% is applicable to the Manufacturing of glass and optical Fibre.

Verification Number: ZWL-2018-08

Verification Initial Date: 02 May 2018

Verification Issue Date: 02 May 2018

Expiry Date: 01 May 2021

Intertek

Calin Moldovean
President
Intertek Testing Services NA, Inc.
900 Chelmsford Street
Lowell, MA, USA 01851
USA

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VERIFIED ZERO WASTE TO LANDFILL

Intertek does hereby certify that an independent assessment has been conducted on behalf of

STERLITE TECHNOLOGIES LIMITED, RAKHOLI

Certificate Number: ZWL-2019-01
Certificate issued: 8 February 2019

Initial Verification Date: 11 January 2019
Certificate valid until: 8 February 2022

Applicant Address: **Survey No. 68/1, Rakholi Village, Madhuban Dam Road, Silvassa – 396230 Union Territory of Dadra & Nagar Haveli, India**

Product Category: **Telecommunications Equipment**

Conformance Criteria: **Zero Waste to Landfill diversion rate exceeding 99% is applicable to the Manufacturing Optical Fibre Cable**

Issuing Office Name & Address: **Intertek Testing Services NA, Inc.**
4700 Broadmoor Ave SE, Suite 200
Kentwood, MI 49512 USA
Ph: +1-616-656-7401

Brian Kneibel
Certification Manager
8 February 2019

This Certificate is for the exclusive use of Intertek's client and is provided pursuant to the agreement between Intertek and its Client. Intertek's responsibility and liability are limited to the terms and conditions of the agreement. Intertek assumes no liability to any party, other than to the Client in accordance with the agreement, for any loss, expense or damage occasioned by the use of this Certificate. Only the Client is authorized to permit copying or distribution of this Certificate. Any use of the Intertek name or one of its marks for the sale or advertisement of the tested material, product or service must first be approved in writing by Intertek. The observations and test/inspection results referenced in this Certificate are relevant only to the sample tested/inspected. This Certificate by itself does not imply that the material, product, or service is or has ever been under an Intertek certification program.

Intertek Testing Services NA, Inc. November 2018

Our Waste Management Strategy Involves:

Reduce Waste Generation at Source

All our units are committed to reduce waste generated at source. Rigorous tracking of waste generated is done to monitor trends and take corrective actions wherever required.

Segregation, Classification and Categorisation

Waste is segregated to avoid contamination and ensure that recyclability of waste is not compromised.

Priority Given to Reuse and Recycle Waste

The recycling and reuse potential of waste is prioritised over diverting it to landfill and incineration. Further, the reuse of packaging items such as pallets, corrugated boxes and spools are also encouraged.

Ensuring Legal Compliance

Waste management rules in India have become stringent over the past couple of years. We ensure our practices comply with the revised rules. Verification of the waste handling approach of recyclers we partner with is one of the ways we ensure that they are operating as per the law.

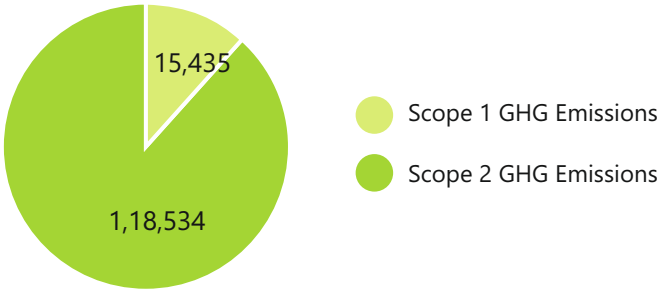
Waste Segregation at Source through Separate Bins at Rakholi

Greenhouse Gas Management

Greenhouse gas emission is the result of activities such as burning fuel, generation of electricity and use of certain refrigerants. These greenhouse gases contribute to the rising global temperature and are responsible for climate change which impacts us all. We consider greenhouse gas management as a significant sustainability topic and have ensured several interventions to mitigate the adverse environmental impact of our business activities.

We are actively exploring opportunities to minimise our carbon footprint by rigorously tracking our emissions performance as well as extending the scope of our inventory to include scope 3 GHG emissions apart from the scope 1 and 2 emissions which we track currently. Some of the notable interventions in this direction include maintaining high power factor during electricity use, encouraging the use of daylight by fitting transparent RFP sheets on shop-floor roofs and adopting non-conventional and renewable sources of energy wherever possible.

Scope 1 & 2 GHG emissions in tCO_2 (2017-18)



Greenbelt Development at Waluj

Rethinking **Product Packaging**

UN SDGs Impacted

While there are continuous efforts to reduce the environmental impact of our products by adopting sustainable manufacturing practices and eco-friendly materials, we are also cognizant of the adverse effects of packaging materials on the environment.

Our focus is on reducing overall packaging content, adopting recyclable materials and reusing the packaging material multiple times before discarding. Our efforts to reduce packaging in our products have helped us eliminate packaging altogether in some cases. For example, we dispatch cables for last-mile connectivity in length of 500 meters coils. This has completely eliminated the use of drums. The new method not only reduces the weight, but allows for ease in transportation and use, since the coil can be carried easily over the shoulder.

Packaging material accounts for a sizeable fraction of the total resource consumption for our products. In addition, a lot of this packaging has traditionally been wood which is used for making pallets, drums, cases and so on. Wood being a natural resource has little reuse potential. We have thus tried to replace packaging material such as wood and have been successful in replacing it in packaging with plastic and metal substitutes such as those in pallets and drums respectively. Plastic pallets can be used significantly more thus reducing the need for fresh pallets. Similarly, metal drums have a longer life span, can withstand damage and can be reused multiple times.

Elimination of Packaging by Coiling Last-mile Cables

Case Study: Goal towards Zero Scrap

At the manufacturing plant in Dadra and Nagar Haveli, wooden pallets are used as part of the packaging for copper cables. These are made from pine and jungle wood. We require 1200 wooden pallets per month. The opportunity to use wooden scrap to create these pallets was identified. As a result, the demand for fresh wood has reduced. This is both cost-effective and prevents reduces excess requirement for wood. The requirement for vehicles used in scrap disposal has also reduced.

This system was initiated at the plant in September 2017. The objective of this exercise was to ensure zero scrap leaves the manufacturing facility in the years to come. This approach is estimated to save approximately 480 trees annually.

Refurbished Pallets

Building A Sustainable **Supply Chain**

Sustainability is not limited to just manufacturing activities carried out by an organisation. The upstream and downstream value chain also plays a profound role in determining the degree of sustainability of an organisation's operations. We thus critically evaluate opportunities to adopt sustainable practices even outside our manufacturing facilities as well as work with our supply chain partners to implement the same.

At Sterlite Tech, all functions work in close coordination to ensure that we not only strive for manufacturing excellence, but also manufacture world-class products.

Chemical Management

Manufacturing of optical fibres and cables require use of several chemicals such as resins, inks, coatings, jelly along with polymers such as polyethylene, nylon and polyester among others. Since our products are sold across the globe, they need to meet stringent requirements such as Restriction of Hazardous Substances (RoHS) and Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) regulations. These regulations either limit or prohibit the presence of certain hazardous chemicals in products. Responsible for sourcing these chemicals from suppliers all over the world, we have established robust procurement policies to ensure full compliance from our suppliers on these regulations. Some of the checks which form part of the procurement process include taking a declaration from suppliers and collecting documentation on various lab tests.

Leveraging Reverse Logistics

We operate a highly integrated business converting silicon metal first into glass, then to fibre and eventually into cables. Our manufacturing units in Aurangabad produce optical fibres while those in Silvassa use these fibres to manufacture optical fibre cables. Recognising the volume of transportation that takes place between these two locations for optical fibres, we have taken the benefit of reverse supply chain opportunities by maximising the reuse of spools and cardboard boxes.

Empty spools and boxes are carried back to Aurangabad from Silvassa and reused multiple times, after which, those are recycled. We have even been able to increase the rate the boxes are reused by imparting training to employees for handling these packaging items with care. This has led to further extension of their life helping us substitute fresh packaging.

Recycling of Packaging Boxes Used for Shipping Fibre from Aurangabad to Silvassa

Enhancing Local Procurement

We have always favoured and aimed to increase procurement of raw materials from local suppliers within close proximity of our manufacturing facilities as it accords several tangible and intangible benefits. However, owing to the nature of our products, stringent regulations and specific customer requirements, our choice of suppliers is presently limited. This also poses a risk to our supplies and we have thus started partnering with suppliers based near our manufacturing facilities to develop materials of similar quality, thereby creating alternative sourcing as well as reducing the procurement distance. Through concerted efforts, we have successfully localised several suppliers over the years and are poised to improve our sourcing even further.

Partnering for Continued Improvement

In order to build a robust supply chain, we have identified and are investing in developing promising vendors by partnering with them for continued improvement. Our vendor selection criteria gives due importance to environmental and societal performance aspects and we regularly monitor our vendors. This helps us ensure our suppliers are also operating as per the principles of the UN Global Compact Network which Sterlite Tech abides by. Therefore, we have recently included a clause on sustainability in our supplier contracts.

We also recognise the importance of partnering with vendors in the vicinity of our operations and sharing the benefits of economic value creation by Sterlite Tech with them. It goes without saying that having a strong and mature vendor base closer to manufacturing facility accords obvious financial benefits while also contributing the economic development of the region. Hence, as part of our responsible corporate citizenship commitment, all non-critical materials such as packaging, machine spares and job work among others is procured from local vendors. We collaborate with these vendors to improve their skills and ensure that they meet the quality requirements. This has led to a win-win partnership with such vendors and has brought prosperity to the region we operate in.

As part of our capacity building programs, we have engaged and developed local partners in Silvassa to produce and supply high-quality FRP and wood drums. At Waluj and Shendra, we have a partner audit program which gives vendors useful inputs on improvement in quality, capability and other parameters.

Manufacturing Excellence

We have a dedicated team responsible for manufacturing excellence. For copper cables procurement, they work closely with the procurement management team to identify vendors supplying cables which are more resistant to breakage. This not only results in significant process waste reduction and better finished products, but also helps conserve resources.

Spooled Optical Fibre Cables at Rakholi

Optical Fibre Manufacturing Facility at Waluj

Product **Responsibility**

Being a customer-centric organisation, delivering products and solutions which not only meet but exceed client expectation has always been a priority for us at Sterlite Tech. This has even been established through a robust Quality, Environment Health and Safety (QEHS) policy which aims at enhancing customer satisfaction through proactive engagement to understand changing requirements. The policy also lays down our commitment to continually improve quality parameters, reduce total cost of the product, maximise recycling and reduce waste, discharge and emission as well as prevent or minimise impact on people, thus creating further value for our customers.

Research & Development

Our R&D efforts, while focused on creating products that cater to ever-evolving customer requirements also gives due consideration to environmental impacts at every stage - raw material extraction, manufacturing, use and eventual end-of-life. By adopting various approaches such as material substitution, innovative design and light weighting among others; we have incorporated life cycle thinking into our products right at the development phase. This has helped us improve the sustainability credentials of the products manufactured, such as reducing our carbon footprint, among others. Our products hence facilitate a sustainable and connected future.

Some of Our New Products:

MobiLite & MultiLite - *Future proof solution for fibre backhaul* – A unique one-step deployments solution for underground deployment for fibre backhaul and FTTx. It is a future and green network, enables faster deployment and 2X network building.

Olympus Lite Cable - *Withstands extremely high temperatures and fire conditions* - Designed for maximum safety, reliability and durability for applications such as hazardous or heavy construction zones, including heavy traffic area, wind farm developments, pipelines, oil and gas fields, heavy industrial sites and other harsh environments. Mainly used for metro rail or railway networks.

Work Safe Lightweight Overhead Cable - *For aerial installations* - This fibre drop cable meets the breaking load requirement of 1350-1800 N in the interests of safety for overhead applications and is compatible for aerial installations of up to 70 meters.

Indicium Lite Cable - *For outdoor Home (FTTx) deployment* - Suitable for outdoor Fibre To The Home deployment in less densely populated areas. This solution helps in efficient deployment with zero fibre cuts.

Micro Bullet Series - upto 288F - *For access, metro and FTTx networks. Improved duct fibre fill and right way of utilisation.* Re-engineered buffer tube material for optimum cable packing efficiency. For enhanced 192F micro cable there is 9% reduction in cable size and 10% reduction in cable weight from conventional cable.

Quality Meeting Strictest Requirements

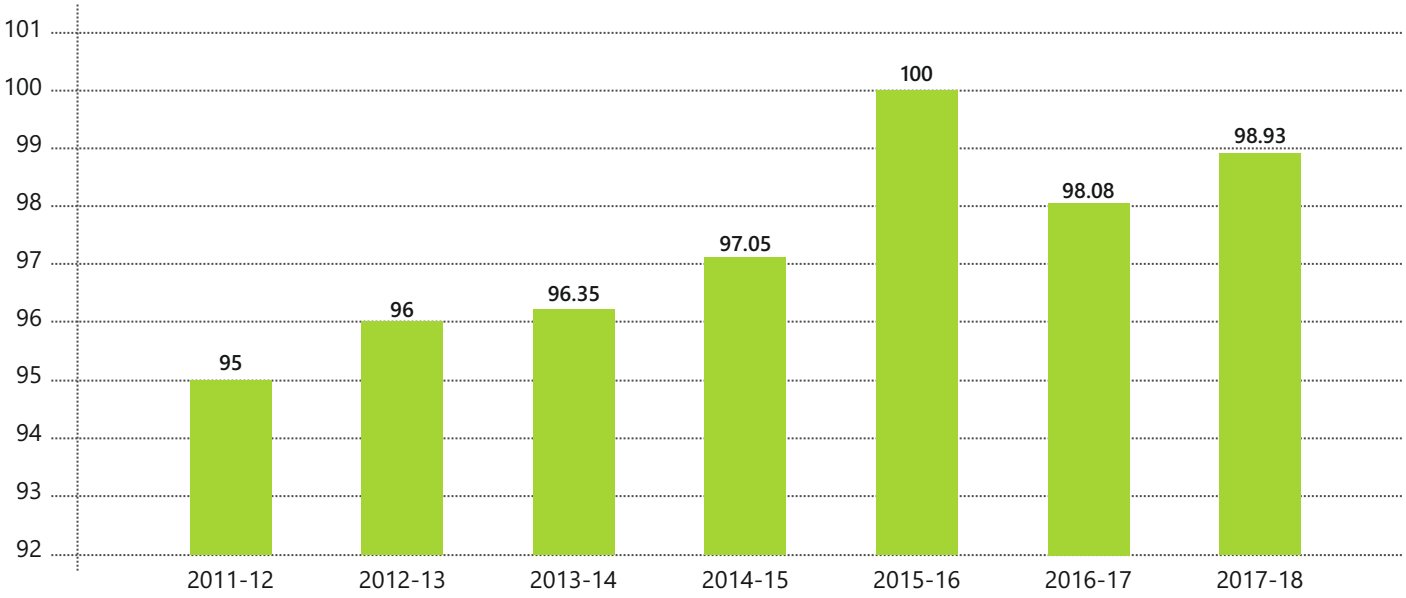
We have a rigorous, integrated system of quality checks, physical inspections, analytical controls, world-class manufacturing practices and comprehensive traceability procedures which we implement at all our production and distribution facilities. Sterlite Tech's Optical Fiber Cable Quality Assurance Laboratory is the first in India to be accredited by **NABL ISO/IEC 17025: 2005**. In addition to our in-house quality control tools and procedures, our operations comply with the highest European Union (EU) and worldwide safety regulations established by global authorities like:

ISO | British Standards (BSEN) | EIA/TIA | CEI-IEC | ITU | GR 20 CORE | OHSAS | CPR

Customer Satisfaction

Our customers are our prime stakeholders. We continuously engage with them to ensure that grievances are proactively addressed and sustainable solutions developed to prevent their recurrence. Apart from dedicated account managers for each customer, we have a quality assurance team that conducts regular customer satisfaction surveys and has defined time-lines for addressing complaints related to product quality, delivery, documentation and so on. This not only facilitates a sustained relationship with customers, but helps with understanding their perception of our manufacturing and operating processes which allows us to take corrective steps or offer clarifications, as the case may be.

Sterlite Tech's CSAT Index



Case Study: Key Account Management (KAM)

Customer service is an important function of business operation and customer obsession requires a complete mind-set shift in the way we think about our customer relationships. True customer obsession involves turning our customers into long-term partners who believe in, advocate for, and keep coming back to us.

Deep customer engagement is one of our enablers for executing our overall business strategy. Thus, it is very important that we have clarity and focus on who we are qualifying as partners and cementing a long-term relationship with them. This approach ensures that we concentrate our attention across the entire value chain of Sterlite Tech's association with these customers. We have hence devised a scorecard approach to arrive at who our KAM customers would be.

A KAM (as defined by Sterlite Tech) is key or principal customer for Sterlite Tech where we will spend highest proportion of our time on building a long-term relationship where we become their trusted technology partner and capture their mind share in terms of top recall and being their preferred partner.

Optical Fibre Manufacturing Facility at Waluj









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ZERO
IDENCE

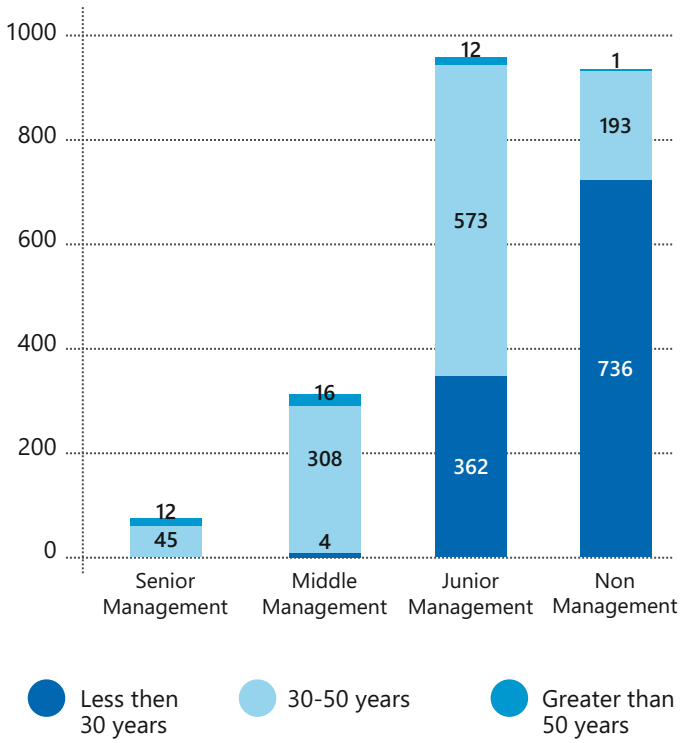
Enabling Growth & Development

Human Resource **Management**

We at Sterlite Tech believe that employees are our most valuable assets. Fostering an energetic work-culture conducive to all-round growth has always been our commitment. We have gone beyond enacting progressive policies and engage with employees on a regular basis for feedback, helping them grow as well as ensuring their well-being. Commitments we have made towards contributing to a rewarding career for our employees include:

- Providing and maintaining absolute transparency and equality during all stages of recruitment and employment discouraging discrimination in any form.
- Promoting employee well-being by helping them achieve work-life balance and providing necessary facilities to them including those with special needs.
- Assisting employees to grow professionally and ensuring the availability of continual training and skill upgradation opportunities.
- Enabling a safe workplace free from all sorts of harassment and providing all means and measures to ensure access to grievance redressal mechanisms.

Employees breakup by age (2017-18)



Employee by category (2017-18)	Female	Male
Senior management	2	55
Middle management	25	303
Junior management	137	810
Non-management	166	764
Off-roll employees (includes contract manpower)	97	2261

Fostering an Inclusive and Motivating Work Culture

UN SDGs Impacted

The happiness quotient of an employee is determined by the work environment in an organisation. At Sterlite Tech, we strive to ensure that our transformation enablers (employees) are assured this along with all-round growth. Through initiatives such as maternity and paternity leave, coaching, mentoring, customised staffing models for offices, manufacturing and project locations among others, we endeavour to inspire, nurture and promote our talent to deliver high-quality performance by instilling a balanced work-life culture. Equal importance is given to employees working at remote locations and their special needs. Provision of ready-to-eat food packs, hardship allowance and additional safety benefits are some of the measures taken to ensure employees are able to deliver their best under challenging conditions.

Department-wide offsite meetings are an annual feature and include management and non-management team members. Function strategies are formulated at these meets and they aim to increase employee participation and satisfaction by providing them with a platform to interact with management and have their voices heard.

Case Study: Internal Job Rotation

New opportunities bring challenges and avenues for growth. Sterlite Tech thus practices a policy of Internal Job Rotation. The policy provides employees with a chance to explore new areas of business within the organisation. This allows Sterlite Tech to groom talent internally, while creating a prospect for the employees' personal development. Based on these, selected candidates are offered a position in another department within the organisation. This may be inter-functional or intra-functional in nature. Functions included under this policy include administration, human resources, marketing, supply chain management, finance, security and strategy among others.

Case Study: Employee Engagement

An organisation is only as good as the people who are part of it. Sterlite Tech's achievements are testament to its employees' commitment and it is this drive that propels us towards our goal of 10X growth.

The key themes for employee engagement at Sterlite Tech include employee satisfaction, professional development and growth. Town-hall meetings, periodic training and induction workshops are arranged to keep employees informed of the business' progress, areas of improvement and skills they require.

Initiatives like the Joy of Giving donation drives and blood donation camps, among others, give employees an opportunity to get involved in creating shared value. This year also saw the inauguration of the iDelete campaign, aligned with the Prime Minister's *Swachh Bharat Abhiyan*. The campaign offers a platform for employees to commit towards 'deleting' causes of waste from their lives. Over 170 pledges have been documented so far.

Football Tournament at Silvassa

Joy of Giving Week Donations Gathered by the Employees

Blood Donation Drive at Sterlite Tech

Employees Take Part in a Road Safety Awareness Drive

Learning and Skill Development

UN SDGs Impacted

To stay updated with an ever-evolving industry, skill and learning development is a necessity. The telecom industry is entering into the next phase of growth with the government's focus increasing on deploying optical fibre network infrastructure across the country. Skills and knowledge are the driving forces of economic growth and social development for any country. Up-skilling with speed across the country is thus vital. During the year 2017-18, employees received an average of 28 man-hours of skill enhancement training.

Case Study: Sterlite Tech Academy

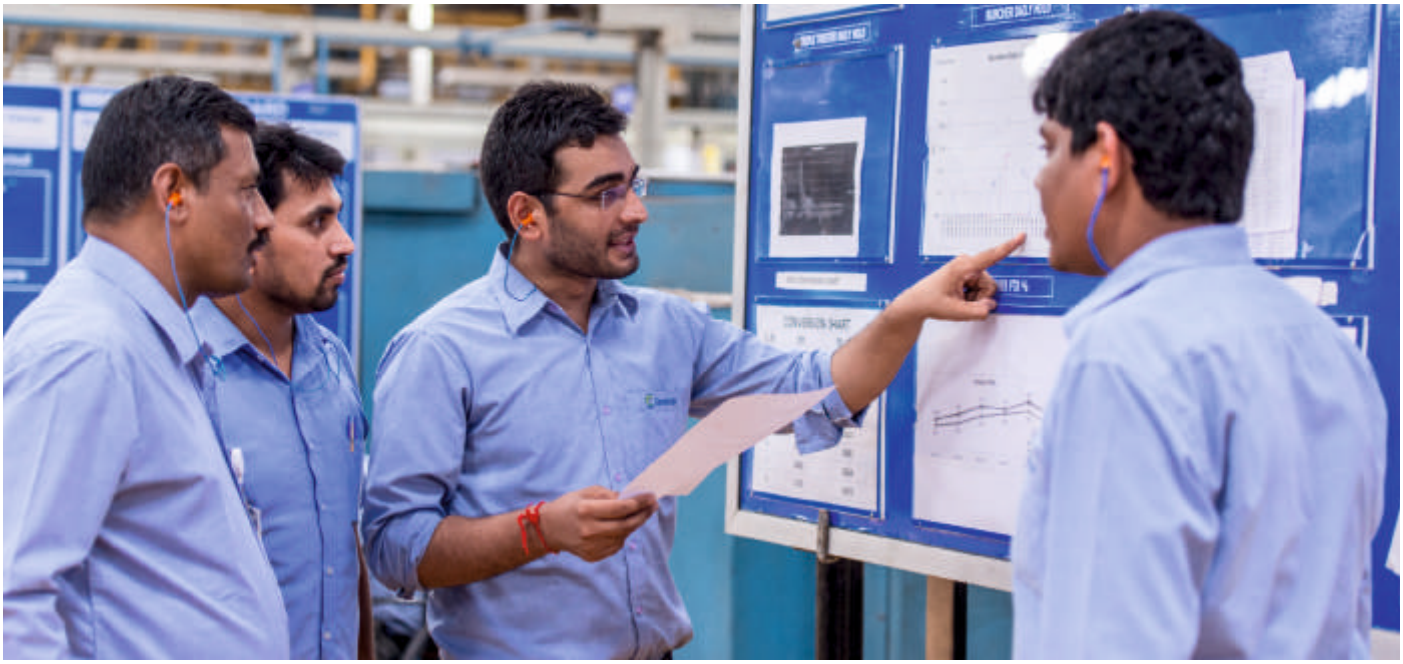
The Sterlite Tech Academy aims to enhance skills and create a well-trained talent pool. The Academy comprises of some of the best minds in the country, allowing for productive and quality output. It is our aspiration to set the benchmark in the industry for others to follow.

The Academy's mission is to aid the nation in managing the challenges faced in planning, deploying and maintaining all aspects of fibre networks, and catering to the need for expert skill development in this domain. This will help improve the reliability and longevity of the network we build and manage – thus delivering unprecedented service to the nation.

The course modules have been designed keeping in mind the market needs. They are imparted through classroom sessions and extensive hands-on training. Global practices that best fit Indian scenarios have been given due consideration in this process. For identifying the courses and designing the modules, there have been multiple deliberations with telecom players, our vendors and partners, internal stakeholders and project delivery teams. These aid us in understanding precise challenges and what is needed to solve them.

To foster reliability and maintain quality in the foundation we lay to serve 'Digital India', more focus has been given to hands-on training. This is followed by assessments and certification. The Academy offers certification programs catering to Outside Plant Cabling (OSP) and Fiber to the Home (FTTH). These are scheduled in the order of the deployment: network design, installation, and network audit.

The Academy has already covered 50% of the internal population responsible for designing, building and managing smarter networks. In the coming years, we aim to cover 100% of the internal target audience and create an army of fibre experts in the country.



Ensuring a Safe and Healthy Workplace

UN SDGs Impacted

The Approach

Ensuring a safe and healthy workplace is paramount at Sterlite Tech. We have various systems and processes in place that provide our employees with a safe environment where they can do their jobs without any fear of injury or adverse effect on their health. Health and safety systems are implemented at the policy level and with requisite infrastructure, including:

Programmes:

- Emergency response plan
- Work permit systems to evaluate risk in non-routine activities
- Job safety analysis to overcome risk in routine jobs
- Hazard Identification and Risk Assessment (HIRA) & Hazard And Operability Study (HAZOP)
- Inspections and audits
- Potential emergency scenarios and control measures

Infrastructure:

- Fire emergency mitigation systems
- Emergency controls for hydrogen and chlorine leakage

Safety

Our approach to ensuring all-round preparedness for the unlikely event of an emergency involves a combined effort across three fronts:

- Our technical foundation and compliance ensures that the groundwork for the systems is strong.
- The leadership and management systems oversee the execution of these policies.
- And finally, routine knowledge and behaviour transfer ensure continued awareness .

Legal and statutory requirements are monitored and periodically updated to ensure compliance. To calibrate them with global benchmarks, we actively participate in audits and awards. Regular training and mock drills on compliance are conducted for employees. These ensure that teams are aware of the safety policies and mechanisms. These monthly sessions are conducted by external experts and are documented for future reference.

Safety Highlights

Standard Design Codes

- Dedicated organisational structure for EHS management
- Hazard identification, risk assessment and compliance management systems
- Emergency preparedness procedures

Automatic Safety Systems

- Continuous real-time smoke, fire and gas leakage detection systems
- Automatic safety interlocked with hazard control systems
- Automatic fire suppression systems

Emergency Backup

- Fire hydrant water supply for four hours (standby pumps)
- Specialised control equipment (SCBA set, chlorine kit, oscillating monitors)
- Emergency gas scrubbers

Employee Health & Well-being

Days like International Yoga Day and World Health Day, among others, are celebrated to enhance employee health and well-being. In FY 2017-18, we had over 600 employees participate in yoga sessions organised across locations. Annual health check-ups for employees at all locations are also conducted. In addition to this, several sessions on women health-care, dental check-ups, and eye check-up camps among other such initiatives are conducted. Tie-ups with external fitness chains are also facilitated to help employees stay fit and healthy.

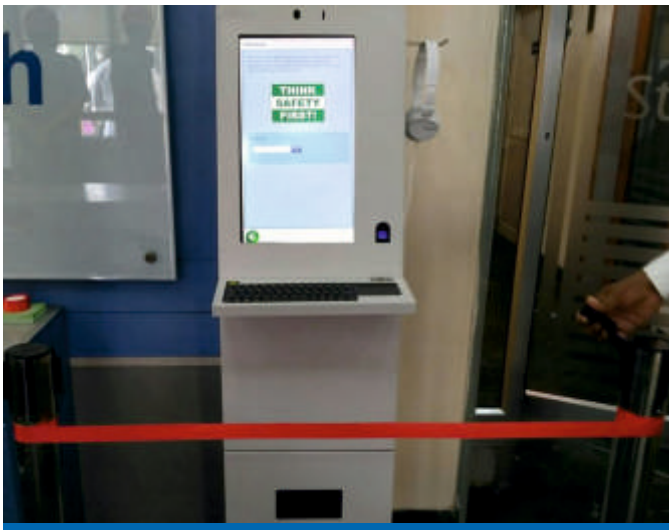
Optical Fibre Manufacturing Facility at Waluj

Health & Safety Road Map 2020

Sterlite Tech aims to achieve zero incidents by 2020 through continuous engagement with internal and external stakeholders. This endeavour aims to drive a proactive culture based on performance and growth while promoting the well-being of future generations.

The strategy employed to make this aim a reality include interlinked mechanisms, such as risk-based safety and health programmes, management and knowledge transfer systems involving everyone on site to create a sustainable business.

Occupational Health & Safety Statistics (2017-18)	Total Man Hours Worked (Hours)	HSE Training- Man Hours	First Aid Cases	Reportable Incidents	LTIFR (Per Million Man Hours Worked)
Waluj	33,73,448	3,969	29	1	0.30
Shendra	8,72,850	1,861	13	0	0
Rakholi	15,24,366	3,010	6	0	0
Dadra	15,44,400	3,992	10	0	0



Safety Training Kiosk

Fire Extinguisher Demonstration During a Mock Drill

Mock Drill at Shendra Office

Hand Safety Campaign

Upholding Human Rights and Ethical Behaviour

UN SDGs Impacted

Conducting business in a transparent and ethical manner is the foundation on which we operate at Sterlite Tech. This is not just evident from our reporting mechanisms, but also from the implementation and redressal systems we have. Policies on Human Rights, Code of Conduct and the Whistleblower govern Sterlite Tech, its subsidiaries and partners that form our external value chain through annual undertakings signed by every party. They ensure that all business operations are conducted in an ethical manner, while ensuring we adhere to the labour laws of regions we operate in.

Human Rights

We believe that every individual is entitled to adequate safety, health and working standards that allow them to fully-utilise growth and development opportunities available to them at the workplace. The organisation is guided by the United Nations Universal Declaration of Human Rights and the International Labour Organisation issued Declaration on Fundamental Principles and Rights at Work. Our policy on Human Rights draws from these and we endeavour to ensure that every person within the company and our value chain is guaranteed liberty, equality and security.

Our human rights policy is based on the principles of:

- Adherence to labour standards
- Ensuring health and safety for employees
- Recognition of freedom of association
- Zero tolerance for child and forced labour
- Promoting diversity and equal opportunities
- Ensuring absolute non-discrimination
- Respecting and preserving the culture and heritage of local communities

We follow a stringent Whistleblower Policy for the protection of whistleblowers that raise concerns pertaining to any violations against the organisation's policies. This policy applies to internal stakeholders like employees and management as well as our partners. It assures the safety of whistleblowers by guaranteeing that no person raising a concern would risk losing their job. Mistakes committed in good faith are not held against any individual under this policy. Harassment or victimisation of whistleblowers is not tolerated by the company. The identity of the complainant is also kept anonymous, unless it is required to be revealed by law. All complaints are addressed to the Director of Management Assurance, who is independent of the operating management and business.

Code of Business Conduct and Ethics

The Sterlite Tech Code of Business Conduct and Ethics categorises responsibilities across the company, right from directors to employees at all levels. In addition to all employees and consultants, the code is applicable to suppliers as well. The document details the company's policies on compliance with the law, general standards of safety, conflict of interest, accounting and payment practices among others.

We ensure that the Code is not just laid down, but known to stakeholders. Regular training and workshops are conducted to ensure awareness of the Code. In FY 2017-18, we conducted 40 workshops covering over 1,000 employees. An internal newsletter, 'The Ethical Times', helps familiarise employees with the action to be taken during incidents that may occur during the regular course of work that could put them in various ethical dilemmas.

Human Rights and Safety Pledge at Silvassa

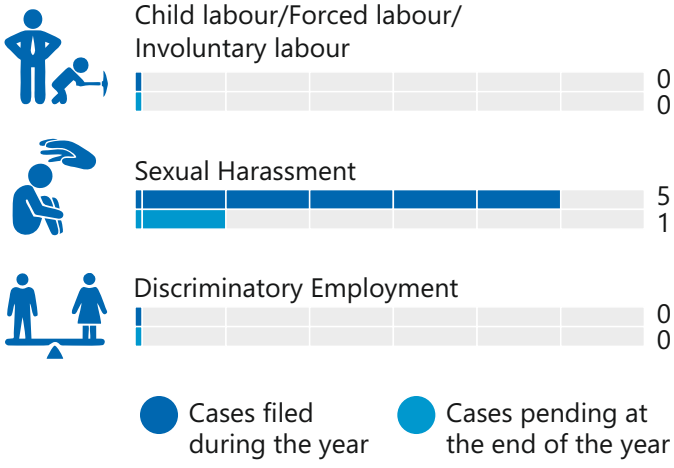
Prevention of Sexual Harassment

UN SDGs Impacted

The well-being and safety of stakeholders is of extreme importance to us at Sterlite Tech. We are committed to ensuring a secure and productive work environment where all are treated with dignity, courtesy and respect. The Prevention of Sexual Harassment policy ensures compliance at the workplace as per the Prevention, Prohibition and Redressal Act, 2013.

A POSH (Prevention of Sexual Harassment) Committee has been constituted comprising a woman employee who heads it, along with three to five other members. To prevent any internal pressure, an external member familiar with similar social issues is also a part of the committee. Any employee who believes that a word or action of anyone associated with the company constitutes as unwelcome harassment can approach the committee. All complaints are confidential and investigated promptly. A report is then submitted to the Audit Committee of the Board of Directors of the company. These details are also reported under the Business Responsibility Report, a part of our Annual Report. It is shared with the concerned government department and includes the number of complaints received and actions taken by the committee to resolve them. This aspect also forms a part of the Code of Conduct workshops conducted across the company, thereby ensuring all employees are fully aware of their rights and the procedure to air their grievances.

2017-18



Workshop on Code of Conduct and Prevention of Sexual Harassment

Transforming **Everyday Living**

The community forms an integral part of our approach to Create Shared Value. We thus strive to transform everyday living by delivering smarter networks not just through our products and services, but also through our community initiatives.

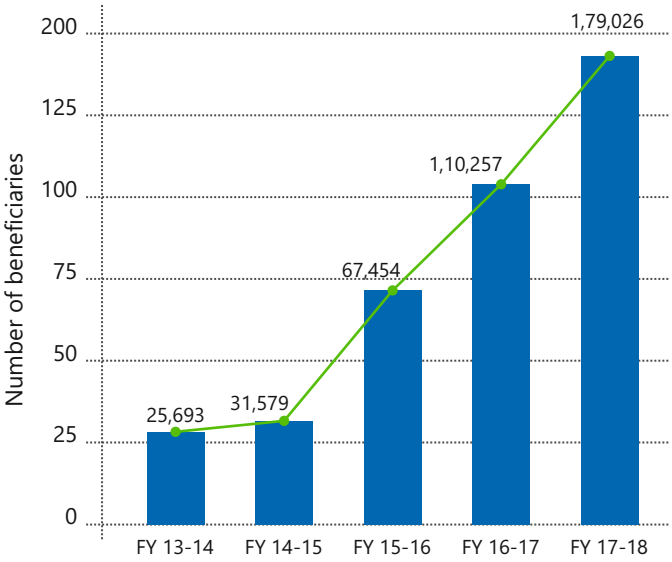
All of our Corporate Social Responsibility (CSR) efforts are aligned with the United Nations' Sustainable Development Goals (SDGs) and Sterlite Tech's corporate values. They are planned to ensure holistic development of communities surrounding our operations by leveraging the company's core capabilities to facilitate the development process.

The Sterlite Tech Foundation (STF) was set up in 2016 to help the company reinforce this approach of 'transformation'. The foundation provides the necessary expertise for implementation of these initiatives in terms of streamlined processes, strategic partnerships and robust monitoring systems. Further, guidance from the STF Board and Sterlite Tech leadership, as well as employee and community involvement ensure impact-focussed initiatives.

Sterlite Tech has touched the lives of over 611,000 individuals through its CSR and sustainability initiatives till date and 179,026 individuals in FY 2017-18 alone.

The four pillars of the organisation's CSR and sustainability vision include Community, People, Environment and Conduct. These formed the basis for Sterlite Tech's focus areas for 2017:

- Education
- Women Empowerment
- Health
- Environment



Women Empowerment

The Jeewan Jyoti Women Empowerment Institute has already touched the lives of 931 women and those around them.

The Institute was set up in Ambavane, Maharastra, in 2014. Although the region is just 50 kms away from Pune, it is underdeveloped in terms of health, education and infrastructure. Patriarchal societies are still prevalent and women are not permitted equal learning opportunities and professional development. The institute aims to address these issues by providing the women in the region with not just vocational training, but also equip them with essential life-enhancing skills and sustainable income opportunities. Soft skills training, spoken English, self-defense, health and nutrition hence form a mandatory part of the vocational course curriculum.

Every course is certified by the Maharashtra State Board for Vocational Education (MSBVEE). Personal counselling and a socio-psycho analysis is done for each and every student to understand their strengths and areas of improvement. It also helps the institute understand the kind of help each student requires to excel.

UN SDGs Impacted

All activities are directed towards making these women confident and empowering them with skills that will help them earn a livelihood. Their ability to contribute to their family income or assist neighbours with regard to their health are gradually changing the perspective their communities have about working women. Today, families in this region are aware of the benefits of educating their daughters, as are the women of their rights.

7,220
lives impacted through Women Empowerment initiatives

813
women certified by MSBVEE and the Jeewan Jyoti Institute

93
villages reached

The Jeewan Jyoti Women Empowerment Institution


Students Pledging to Continue their Studies


Nursing Practical Class


Tailoring Theory Class

Education

UN SDGs Impacted

Quality education is essential for the masses to enable a progressive nation. However, due to location and financial constraints, students from lower income families that need quality education the most, do not receive it.

Most of the government and municipal schools have classes in vernacular mediums which restricts these students' prospects for further studies once they finish secondary school. The Sterlite School Tech – Virtual Classroom initiative was established to bring about a change in the education landscape of the country.

By leveraging the Virtual Classroom infrastructure at Municipal Corporation of Greater Mumbai (MCGM) schools, a curriculum specific for these students was designed to teach them to read, write and speak in English. Even the school teachers and principals are given training in English pronunciation, phonetics and other vocabulary enhancing methods. This is essential for them to support and facilitate the VC session. Till date, 1,440 teachers and principals have been trained.

The program intends to improve English-reading accuracy, fluency and comprehension among MCGM school students. An expert in the subject delivers specially curated lessons at our central studio. Every lesson is transmitted live to the classrooms and the children watch the broadcast on screens installed in their classrooms. The VC technology used enables two-way communication, allowing the children to interact with their teachers in real-time.

Another important aspect of the program is the continuous monitoring and evaluation of the session. A team including a pedagogy expert, observes every session conducted. Evidence of changes in student interest and learning levels are noted. The team then provides real-time feedback to the pedagogy experts to influence lesson planning and delivery. Regular assessments are also conducted for the students to understand their learning progress, reading capability and fluency in the language.

Samiksha Deepak Sakpal
Student, Virtual Classroom School

The Virtual Classroom sessions have helped me learn how to pronounce words correctly and read English. I used to pronounce simple letters like 'A' and 'K' wrongly, but now I know how they need to be pronounced. We have also learned sight and CVC words, all thanks to the virtual classroom sessions.

2,54,066 students impacted

480 municipal schools reached

1,440+ teachers trained

A Student Holding a Study Card During a Virtual Classroom Session


The Virtual Classroom Infrastructure

Healthcare

UN SDGs Impacted

At Sterlite Tech, 'health and well-being' is not just a focus area for our employees. It is an important aspect included in every one of our CSR initiatives as well. We endeavour to provide access to preventive and curative solutions, especially to communities where even primary healthcare is unavailable. We also look at how we can leverage our core competencies to improve the health and well-being of the people in the communities we operate in.

Access to healthcare is a basic human right. However, several villages even today do not have easy access to healthcare due to geographical and financial limitations. Therefore, we initiated the Mobile Medical Unit in Silvassa to bring this right to tribal communities in the region. The initiative is run in association with the Indian Red Cross and covers 24 villages. The MMU van along with a a qualified doctor and nurse visits these villages on a weekly basis. Basic ailments are treated and medicines are distributed free of cost. To prevent the onset of illnesses, the villagers are also educated on better health practices, as well as made aware of symptoms that need to be reported on priority to avoid an outbreak. The initiative has gone on to ensure a 34% decrease in overall incidents of illness in the regions under its care.

Additionally, Sterlite Tech has enabled Wi-Fi internet connectivity on the Lifeline Express train, managed by Impact India Foundation (IIF). Doctors on-board are now able to communicate with specialists, evaluate test results and access other such necessities in real-time. This has gone a long way in improving the delivery of tele-medicine to underprivileged communities. Several women referred to IIF by the Regional Cancer Centre have benefited from this, as diagnosis is now much quicker since reports and findings can easily be sent and received from specialists.

We are even working with Unltd. India to support start-ups in the social sector. Maatritva is one such start-up we supported in 2017-2018 through Unltd. India. By using technology to identify high-risk pregnancies, the project aims to significantly reduce child mortality and provide women from low income families with quality pre and post-natal care. In its pilot stage, the project has partnered with the Nashik District Administration and already has 28,880 women registered for assessment.

Rafiq

Village – Sindoni, Sidnipada
Mobile Medical Unit Patient

The MMU provides the community with treatment once a week and is always on time. It has provided a lot of relief for the people here. The entire community is happy with the medical aid given.

2,82,149 lives impacted

24 villages covered

34% decrease in incidence of illnesses

Check-ups Being Done During the MMU Visit

Patients Collecting Medicines from the MMU

Environment

UN SDGs Impacted

We at Sterlite Tech are conscious of the impact we have on the environment; be it through our manufacturing operations, the water-intensive nature of particular processes as well as corporate and employee behaviour. We have thus endeavoured to proactively address environmental concerns pertaining to air, water and land degradation. We collectively work with the communities we operate in to ensure cleaner, greener surroundings for all.

To address the issue of water scarcity in Aurangabad, Sterlite Tech initiated Project Jaldoot. The project does not look to reduce water shortage, but prevent drought conditions altogether in villages through water literacy and community ownership. Villagers now use water judiciously which has helped reduce wastage during domestic use as well as for irrigation. Community ownership has also ensured proper maintenance of dams by the villagers. The socio-economic conditions of farmers has improved as a result of these interventions.

The project has made quite a difference in the surrounding communities. However, to become water positive, we have to reduce the amount of fresh water we consume. Hence, we have setup an Effluent Treatment Plant and Multi-purpose Effective Evaporator to ensure Zero Water Discharge from the manufacturing unit by recycling waste water for reuse.

We have deployed Sustainability Champions in our Aurangabad manufacturing unit. This team actively participates in keeping the company and the locality green and healthy by developing environmentally-conscious products and promoting product and waste recycling. A two-kilometre radius on either side of the MIDC road outside our Waluj plant, which was earlier used as a dumping ground, has now been converted into a Green Belt. Sterlite Tech employees participated in the initiative by planting trees. A multi-layer plantation method was used which enabled us to plant over 5,000 trees in this limited area. By ensuring a 95% survival rate, we have set a benchmark in Aurangabad.

7,85,000+
cubic metres of fresh water replenished in surrounding communities

16,000+
villagers now have access to clean drinking water

2,400+
farmers benefitted

CSR Achievements

Material topic	Target	2016-17	2017-18
Local communities	Impacting 1 million lives by 2020	0.43 million	0.611 million

Project Jaldoot

The Greenbelt at Waluj

List of Abbreviations

Abbreviation	Description
ASSOCHAM	Associated Chambers of Commerce and Industry of India
BSS	Business Support System
CFL	Compact Fluorescent Lamp
COAI	Cellular Operators Association of India
CSAT	Customer Satisfaction
CSR	Corporate Social Responsibility
ETP	Effluent Treatment Plant
FICCI	Federation of Indian Chambers of Commerce and Industry
FTTH	Fiber To The Home
FY	Financial Year
GHG	Greenhouse Gas
GJ	Giga Joule
GRI	Global Reporting Initiative
HDPE	High Density Polyethylene
ISO	International Organization for Standardization
ITU	International Telecommunication Union
JV	Joint Venture
KAM	Key Account Management
kl	kilo liter
LED	Light Emitting Diode
LTIFR	Lost Time Injury Frequency Rate
MCGM	Municipal Corporation of Greater Mumbai
MEE	Multiple Effect Evaporator
MIDC	Maharashtra Industrial Development Corporation
MMU	Mobile Medical Unit
MWh	Megawatt hour
NABL	National Accreditation Board for Testing and Calibration Laboratories
OF	Optical Fiber
OFC	Optical Fiber Cable
OHSAS	Occupational Health and Safety Assessment Series
OSS	Operations Support System
PVC	Polyvinyl Chloride
SCADA	Supervisory Control And Data Acquisition
SCB	Specialty Cable Business
SCBA	Self-Contained Breathing Apparatus
SDGs	Sustainable Development Goals
SiCl4	Silicon Tetrachloride
SiO2	Silica
STP	Sewage Treatment Plant
T	Tonne
TIA	Telecommunication Industry Association
UN	United Nations

United Nations Global Compact Index

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Sterlite Tech

Sustainability Report 2018

Interlinked Transformation for Development

Sterlite Tech, Godrej Millenium 9, Koregaon Road, Pune - 411 001

+91-20-30514000 sterlite.csr@sterlite.com