

# CSR ESG

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## Setting the Sail

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Sulochana Cotton Spinning Mills Limited has established itself as one of the leading providers of Cotton Melange Yarn and Polyester Fiber in India. Polycycle is one of the subsidiaries that finds its roots from this parent company.

The amazing entrepreneurship legacy of Sulochana spans seven decades of dedication, concentration, and invention, moving the organisation ahead in its never-ending quest for greatness.



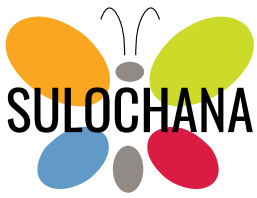
## The roots remain the same

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Sulochana Spinning Mills was founded in 1990 as a private limited business. It has gained a reputation by specialising in the production of cotton yarn, with a particular emphasis on mélange yarn (a blend of cotton yarn and polyester staple fibre, a product with a specialised market. The Spinning sector began with 6,000 spindles and has since grown to 1.25 lakh spindles across three locations.







## Credence & Culture

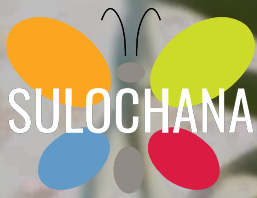
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Sulochana's aim is to focus on creating sustainable goods with strong values while protecting the environment's diversity.

The primary goal of this ETI Compliance and CSR report is to increase the transparency of firms' operations. Our CSR and sustainability report is intended to assist our organisation in better engaging with relevant parties. Investors and stakeholders can gain a better understanding of the firm by informing them about its numerous certifications, projects undertaken, and CSR initiatives done on the ground.

We believe in quality and strive to provide it to our customers. Our quality has been recognised by our valued customers as well as emission certification authorities.



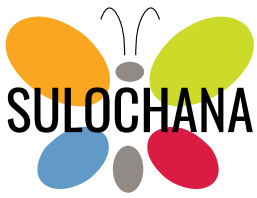


## Ethical Trading Initiative

**For workers' rights. For better business.**

The Ethical Trading Initiative (ETI) is a coalition of businesses, labour unions, and non-profit organisations. ETI works on a worldwide scale to enhance working conditions for those who produce raw materials or consumer items. Sulochana has taken steps towards applying these initiatives in the organisation and management, so as to improve the working conditions.





## ETHICAL INITIATIVES

### POSH Training by SGS

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Apart from gaining all these certifications, Sulochana strengthened its ETI compliance by recently providing all its women workers a POSH training conducted by SGS.

With this training, our women workers were able to gain insight and learn more about Sexual Harassment as a whole. At the end of the course the workers were successfully able to:

- 1) Understanding of the term 'sexual harassment'.
- 2) Easily able to identify any uncomfortable situation.
- 3) Know all the legal provisions for their protection.
- 4) Protect themselves by security guards and safety workers.
- 5) Gain insight into emotional trauma.



## **Freedom to Association and Rights to Collective Bargaining**

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Since there are no trade unions, the Management has mechanisms in place to facilitate the election of employees' representatives. They allow workers to freely elect their own representatives. The job of the representative is to act as a liaison between the employees and the upper management. With Freedom Association and the Right to Collective Bargaining being followed, committee representatives are never subjected to discrimination, harassment, intimidation, or retribution for any reasons.

## **Workplace Wellness Initiatives**

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There are various projects that, if carried out, might qualify as an employee wellness programme. These projects address various aspects or dimensions of well-being.

Our organisation enriches employees' health and well being through a holistic approach. Sulochana always prioritises its employees first and has taken various initiatives for the same in compliance with the Ethical Trading Initiatives.

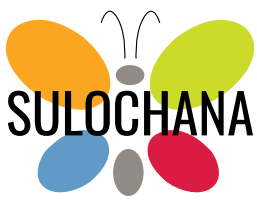
## **BSR HERproject Certification**

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As a part of Sulochana's Ethical Trading Initiatives, the organisation is also a proud recipient of the BSR (Business for Social Responsibility) HERproject Certification.

This project is a joint endeavour aimed at empowering low - income women who work in global supply networks. HERproject is demonstrating the advantages of investing in women's health in global supply chains through health awareness and behaviour modification.





## Certifications

Sulochana has received numerous certifications while keeping in mind ETI and its mission. It has received the following list of certificates:







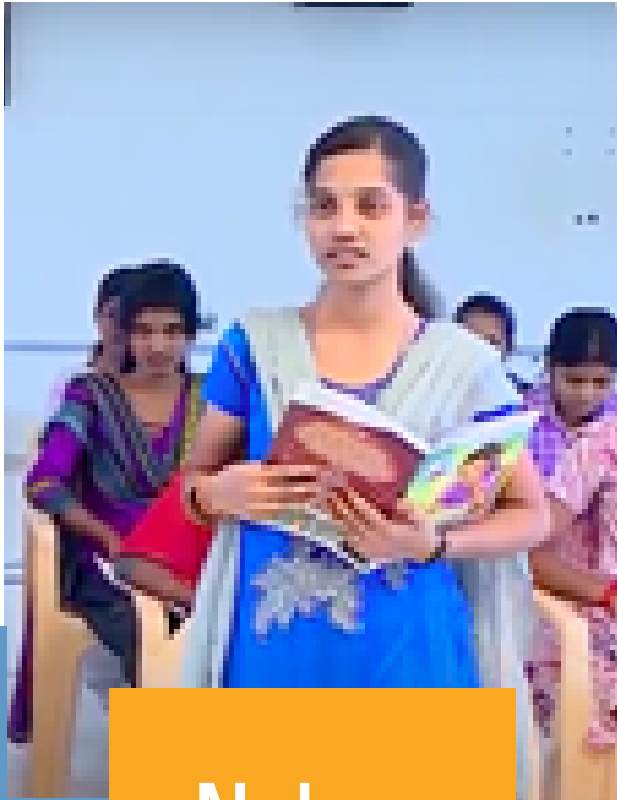
## Strict Policy On Child Labor

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We Sulochana not engaging Child Workers in our group of companies for any of the activities. The personnel and other interested parties are communicated on the policies and written procedures for remediation and adequate financial and other support of children found to be working.

As per our policy our minimum employee age is 16 Years. Between 16 to 18 we are obtaining Adolescent Certificate to Inspectorate Of Factories Approved Doctor and maintaining the Certificate at HR department.





## Nalam Program



The Nalam Program was our step towards educating our female workers. Our employees were reached through a peer education program wherein they were sensitised on various topics.

Our approach to health and education promotion is peer education, in which community members are assisted to promote health-enhancing change among their peers. We sought for peer education to teach or share health knowledge, beliefs, and behaviour, as well as educate people who may have comparable social backgrounds or life experiences.

Rather than health professionals educating members of the public, the premise behind the Nalam Program was that regular people are better placed to encourage healthy behaviour in one another.

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## Empowering our Employees Economically and Mentally

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Sulochana invests in recreational activities for its hard working employees.



- ✓ On-site accommodation
- ✓ Sprawling playground
- ✓ Home theater facilities
- ✓ Air conditioned sleeping rooms
- ✓ Getaway trips
- ✓ Library
- ✓ Mobile recharge facilities
- ✓ Accommodation facilities for friends and families



## CSR Activities

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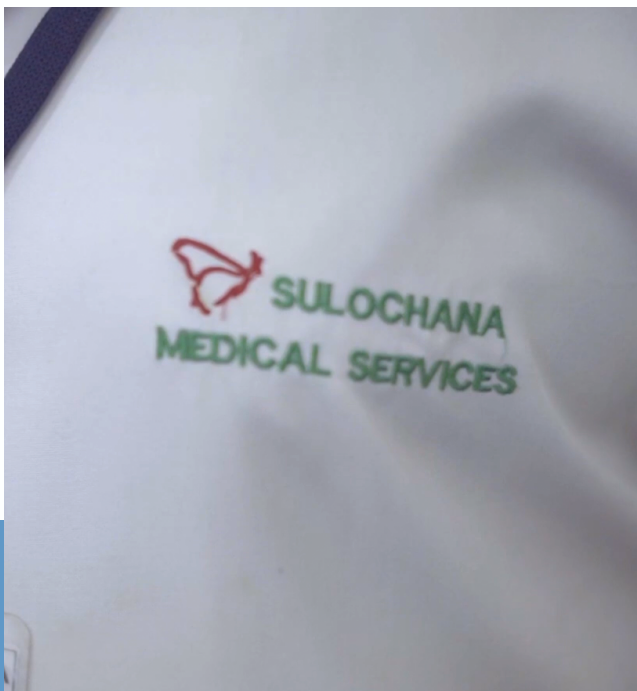
Corporate social responsibility (CSR) refers to initiatives implemented by firms as part of corporate governance to guarantee that the company's activities are ethical and useful to society. Being socially responsible, Sulochana engages in activities that ensure environmental sustainability, involvement in animal welfare, conservation of natural resources and all other activities that contribute to the social good.



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**Rather than selling the medicines at the MRP, we provide enough discounts.**

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We also provide the facilities of a clinical laboratory so that workers and the public don't have to travel large distances just to get routine procedures done and avail diagnostic services.

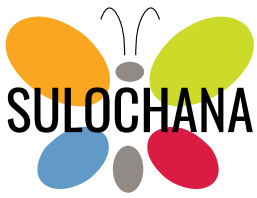
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**Life - saving medicines and drugs are sold to both the employees and the general public at cost effective prices.**

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## Environment

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Sulochana and its workers have immense respect for Mother Earth and all her bounties. All of us constantly strive to make this planet a better place to live. Sulochana also believes and follows the motto of sustainability, traceability and transparency. Keeping in mind the same, to preserve the green earth, we have nearly planted 27,000 trees. This was done to preserve the Earth's greenery and keep it intact.

Organic manure is also a staple at Sulochana. We use organic manure that is obtained from the vermiculture system. The vermiculture system creates organic manure by recycling cow and human waste. This organic manure in turn is used to grow healthy, leafy and clean organic vegetables in the garden on the premises.



## ESG

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Environmental, Social, and Governance (ESG) criteria are a set of operational requirements used by socially concerned vendors and investors to analyse possible investments. Environmental criteria take into account how a corporation behaves as a steward of the environment.

Social criteria look at how the company maintains connections with its workers, suppliers, consumers, and the communities in which it works. Governance is concerned with the leadership of a corporation, executive remuneration, audits, internal controls, and shareholder rights.







## Environmental Criteria

The criteria may also be used to assess any environmental hazards that a firm may face and how those risks are managed.

Sulochana complies with the environmental criteria and is very conscious about the environment. Our main activity is concerned with using recycled PET Bottles so that speaks a lot for itself.

- ✓ Reduced landfills
- ✓ Reduced emissions of CO<sub>2</sub>
- ✓ Reduced consumption of water



## Social Criteria

Sulochana adheres to these social standards and criteria.

After getting the BSR HERproject Certification Sulochana greatly improved the health and safety of the workers. Moreover, the entire recruitment process for workers is very transparent and free from any bias and discrimination.

### Recruitment process

- 1) Qualifications & Work Experience
- 2) No Age below 16 employed
- 3) Authority Interview
- 4) Appointment Order
- 5) Proper Fitness and Health.





## Resignation process for employees

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During resignation, employees must keep in mind:

- 1) If any of our employees wishes to quit the company, they must provide the management one month's notice.
- 2) Any permanent worker's employment may be terminated for any justifiable reason with one month's notice, according to the provisions of the legislation applicable to the institution.
- 3) The cause for service termination must be documented in writing and notified to the worker at the time of termination.
- 4) The working person's resignation will not be effective unless and until the management accepts it, and such acceptance will be notified to the worker.



## Salary and payment of wages

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When it comes to salary and payment of wages, the money is transferred to the bank accounts of the employees. The monthly wages can be withdrawn with the help of an ATM facility which is made available on campus to the workers.

## Safety Training steps

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Another important social criteria is the health and safety of workers on site. Sulochana undertakes various risk mitigation steps to be in accordance with these standards.



Regular safety measure training helps girls mitigate the risks and leave the working area in care of an emergency. Safety fire and evacuation drills that teach workers how to use the emergency red fire button and break the glass, followed by the use of fire extinguishers have also been conducted.



## Governance Criteria

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Sulochana keeps in mind all these criteria and does a thorough background check before employing a worker in the organisation. In addition to this they also refrain from any political donations or under the table activities of sorts. For the workers, they have various community welfare measures for fair representation, so that all their valid grievances and problems can be taken up and resolved.

## Community welfare measures

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Sulochana undertakes various community measures in the form of committee meetings and suggestion box ideas. Usually in these committee meetings, workers showing leadership skills are appointed as representative heads.

Sulochana helps in creating an eco-conscious planet and saving it by recycling one PET bottle at a time!





## Animals and wildlife

The services of 6 veterinary doctors are made available to the general public. These doctors provide medical facilities and treatments in case some stray animal or pet owners bring in animals that need treatment and check ups.

There is also an ongoing program of stray dog sterilization taken up by Sulochana. It has already been completed for 13,000 dogs in all.

We also provides proper homes and rescue shelters for nearly 600 dogs.

Our organisation also maintains a cow refuge for around 150 cattles. These cattles have been saved and rescued from the brutal practices of slaughterhouses

We provide nest boxes, bird feeds and water baths, in order to give them a comfortable home at our premises. Built water tanks to provide a source of water for endangered spotted deers at Thekkalur.

## Motive behind getting HERproject

Sulochana's motive behind obtaining this certification was to increase the awareness and knowledge of health amongst its female workers through the creation of sustainable workplace programs.



## Health benefits received

The health advantages of enhancing feminine hygiene resulted in better company performance via reduced sick time and absenteeism, higher productivity, and reduced maintenance time and costs.





**Planted 27,000  
Trees**

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**1.25 Lakh  
Spindles**

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**Stray Dog  
Sterilization for  
around 13,000**

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**Maintains  
Cow refuge  
for around  
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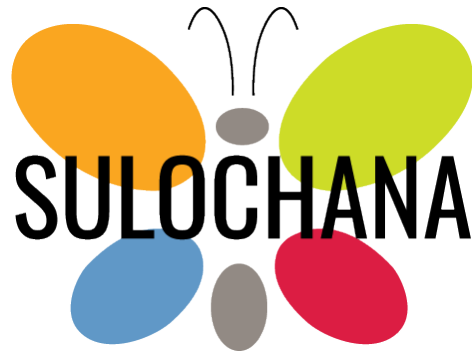
**Reduced  
Landfills**

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**Reduced  
emissions of  
CO<sub>2</sub>**

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**Reduced  
consumption  
of water**



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