



SUSTAINABILITY REPORT

2017-2018

ZERO
HUNGER



RESPONSIBLE
CONSUMPTION
AND PRODUCTION



INDUSTRY, INNOVATION
AND INFRASTRUCTURE



QUALITY
EDUCATION



AFFORDABLE AND
CLEAN ENERGY



Our Vision

To be a world-class organisation by enhancing value for customers and other stakeholders, by caring for employees to inspire their engagement as a motivated team in an open and learning environment, by setting new performance standards and by focusing on total quality control, innovation and responsive care towards the environment.

Our Mission

Manufacturing and supplying crop protection and specialty chemicals world-wide by providing solutions to optimize farm productivity for the farmer through innovative and cost-effective products to provide the customer with better value for money.

About UPL

2nd

Largest Post-Patent
Agro Chemical
company Globally

130+

Number of countries
in which the company
sells its products

35

Number of
manufacturing
facilities

7,435

Professionals
working from
58 nationalities

Values

Change the game

- Challenge status-quo and current ways of working
- Anticipate the future and be adaptive to change
- New thinking to develop innovative solutions for customers
- Lowest cost manufacturing/ efficiency across the globe.

Passion for excellence

- Setting and expecting high standards in everything people do
- Striving for the best product quality, challenging the benchmarks
- Maximizing productivity through efficient processes
- Being responsive to customer needs and expectations

Nurture the environment

- Ensuring high standards of compliance and safety
- Following sustainable environmental practices

Energising Employees

- Providing a stimulating environment to help employees learn and grow
- Promoting teamwork and collaborative working
- Focusing on competency development and career growth
- Respecting people and show concern for them

25+

Acquisitions in more than two decades

241

Number of patents awarded to the company

6,181

Number of product registrations across countries

ENVIRONMENT



CO₂ emissions per tonne of production reduced by

30%



Waste disposal per tonne of production reduced by

25%



Water consumption per tonne of production reduced by

20%



Waste water discharge per tonne of production reduced by

38%

From baseline year 2015-16

Launched



Helps in water saving upto 20% and enhance the efficient use of nutrients

UPL is granted to use FTSE4 good logo



FTSE4Good

UPL is a proud member of



wbcscd

World Business Council for Sustainable Development (WBCSD)

25

SUSTAINABILITY RELATED AWARDS

received by UPL in 2017-18

1st

Among CHEMICAL COMPANY in world implemented OH radical technology FOR WASTE WATER TREATMENT in our Colombia plant



We achieved ZERO LIQUID DISCHARGE

in 60% operating plants globally

Working with farmers in 130+ countries to help them feed the World sustainably

SOCIAL

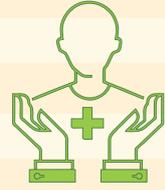


6.85%

Spent of average net profit on CSR

2nd *

most generous company of India in 2017-18 in terms of CSR spend as a percentage of average net profit.



30%

Drop in incidents at the workplace

* Source: BloombergQuint's Calculations

ECONOMIC

1st

Agrochemical Company to be part of Bellwether Index Nifty50



Marketing Presence In

130+ Countries

Through **88** Subsidiaries

2nd

Global ranking as a post-patent crop protection chemicals company



Net profit increased by **17%**



7% growth in revenue

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85

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About the Report

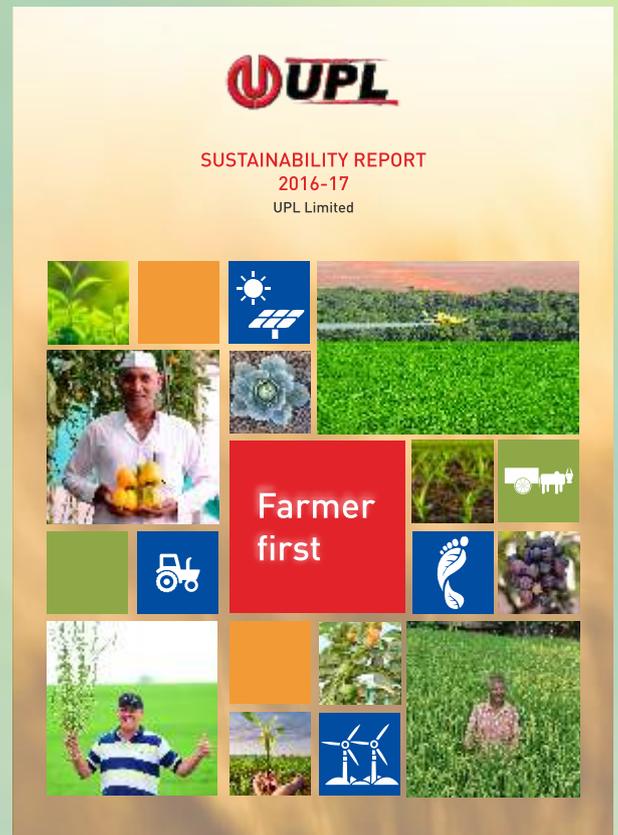
As one of India's leading agro companies we at UPL Limited encourage a culture of integrity, transparency and accountability in all our business practices and activities. We take stock of our performance and strive to better it further. As we uphold highest standards of integrity and transparency our ethics and values form the very bedrock of our relationship with stakeholders and enable us to foster long-term partnerships.

Compliance with global guidelines

This report has been prepared in conformance to the GRI Standards 'In Accordance' – Comprehensive option. Wherever estimates are made, the assumptions and methodologies have been specified.

Reporting period and cycle

This is our second annual sustainability report and it discloses information pertaining to our sustainability performance for the period 1st April 2017 to 31st March 2018. The last report was published for the financial year 2016-17. There have been no restatements of information presented in the previous reports.



1st Sustainability Report FY 2016-17



Report boundary and scope

This disclosure pertains to operations that fall in the direct control of our organisation. Subsidiaries, joint ventures and associate companies where we have no operational control are excluded. The report discloses the performance of our headquarters located at Mumbai and global manufacturing and formulation plants. Entities included in the Company's consolidated statements are mentioned in our Annual Report 2017-18.

Stakeholder engagement

We actively engage with our key internal and external stakeholders seeking their views, concerns, insights and feedback for meaningful impact of our interventions. Interactions with the functional heads brought to light the major risks and opportunities for UPL. Material issues that affect our economic, environment, social performance were also highlighted through these dialogues and were taken into account in the disclosures provided.

Suggestions and feedback:

We look forward to your comments, insights and feedback to improve our positive impact. Please send your views to:

Dr. Mritunjay Chaubey

Global Vice-President - Environment & Sustainability

UPL Limited, UPL House, 610 B/2, Bandra Village, Off Western Express Highway, Bandra (East),
Mumbai 400 051.

Phone: +22 71528840

Email: mritunjay.chaubey@uniphos.com



Message From The Chairman

Dear shareholders,

I have great pleasure in presenting UPL's second Sustainability Report corresponding to the financial year 2017-18. This year marks 49 years of our successful business operations and I wish to recapitulate that we continue to stand by our motive of 'Doing things better'. This is a part of our practice and what we stand by and live by. The journey from a phosphorus based industrial chemical company to the fastest growing Agro Company has been extraordinary. It is through the encouragement and support of our stakeholders that UPL has grown over the past nearly five decades into such a large organization.



R.D. Shroff
Chairman, UPL Limited

Sustainability at UPL

At UPL Limited, Sustainability is driven by smarter innovation and profitable growth. We believe that a business can be profitable by adopting sustainable practices ensuring harmony with the society and environment. We are constantly working to reduce our environmental footprint and find innovative product solutions that benefit the society. We are committed to health & safety and environment protection beyond the legal compliances. Our organisation has decided to reduce environmental footprint by 30% till 2020 from FY 2015-16 across the four focus areas: water consumption, carbon emissions, waste generation and waste water generation. At UPL, we ensure to decrease our environmental footprint and work more responsibly towards a better future.

Product Innovation

At UPL, our engagement in research & development is primarily to offer new, innovative and effective products. We constantly engage and widen our market approach, with a focus on increasing profitability and to alleviate risks from businesses. This is how we help improve food security for the world. UPL has continued to invest significantly in research and development. The Company invests 2.2% of its revenues on research; we are a research-driven Company and our focus is on how our products can be better suited to diverse customer needs throughout the world. This research driven focus has helped widen our brand portfolio and strengthened our understanding of how effectively to plug market gaps. Our research and development efforts are focused on inventing rather than innovating.

For instance, our R&D team worked on one of the fungicides, which was primarily used on fruits and vegetables, and innovated a label extension for treatment against fungal disease on row crops. The market for this fungicide expanded significantly, particularly in Latin America. We have further invested in backward integration and ensured that key raw materials needed for this fungicide are manufactured in-house, reducing dependency on third-party suppliers to a large extent and leading to greater cost and supply chain efficiencies. These efforts made by UPL makes us one of the largest and most cost efficient players in this product.

Also, as we launched a new product in northern American markets, we had set up pilot plants and increased production in record time at lower costs compared to the market. The bottom line is that at UPL, we don't compete with the market; we compete with ourselves - and that has made all the difference.



Risks

There is a growing danger that the acute food shortages will become a reality in many parts of the world. The growth of global population by 2050 will require the world to produce at least 70% more food. When one factors the plugging of prevailing and prospective gaps, the purpose of why UPL is in business continues to be relevant. These scenarios may seem alarming, there are concerns of limited arable lands, peaked out yields and climate change which are impacting agricultural productivity. There is a vast shift in dietary consumptions in emerging economies. More people are consuming dairy and poultry products, thus increasing the demand for fodder. This is already placing an increasing productivity load on arable land which is causing the world to lose a substantial crop quantity in pre-harvest and post-harvest losses owing to pest attacks. In India, ~15-25% of the potential crop output is lost on this count.

Our Approach

The Company's focus continues to be around the pre-harvest and post-harvest spaces that helps in protecting a sumptuous crop yield and enhances farmers income. The Company's wide products range covers the entire crop cycle, protecting farm viability. The Company extended its business model beyond core products to solutions, providing customers allied services (crop protection chemicals spraying, price trends and ancillary products supply). Our innovative products help in conservation of ground water which is of paramount importance in drought conditions. For timely product launches, we have made significant investments in strengthening expertise. We have come forth as one of the largest players in the post-patent space and as an effective cost leader.

Business Growth

Going ahead, UPL intends to leverage a five-pronged strategy to grow its business: UPL's sustained R&D investment will empower it to alter formulations and launch new products capable of overcoming pest resistance more effectively.

UPL's revenue from branded products increased from 25% of overall sales in FY2014 to 87% in FY2018. The Company will strengthen its branding, generating significant shares in branded sales in the geographies of its presence, especially Latin America and North America.

UPL filed 378 patents (58 patents granted) over FY2014-18. The revenue from innovative products in three years increased from 5% of revenues in FY2015 to 19% in FY2018. Going ahead, UPL will leverage its in-depth knowledge of registration requirements to enter new markets and introduce new products, strengthening revenues.

UPL aims to make the most of the impending opportunity in the generics space, as a number of products (~USD 3 billion) are going off-patent over CY2017-20. Despite the dominance of existing MNCs in Latin America, Europe and North America, UPL has been able to make significant inroads in these markets on the back of its distinctive products and robust distribution network, an initiative that will be sustained.

The Company will continue to improve profits by optimising product mix, rationalising costs and enhancing operational efficiency.

Future Outlook

The global crop protection chemicals sector passed through two consecutive years of contraction and one year of flat growth. This scenario is steadily improving with crop protection chemical inventories declining and realisations stabilising. UPL's range of products and deep distribution bandwidth should address a growing demand for cost-effective generic crop protection chemicals. In the last five decades, the Company invested proactively and the foreseeable future now appears more exciting than ever.



Saved INR **65** crore
in operating costs

Strengthened gross
margins by
30 bps to 41.3%

Markets and Strategies

In spite of slowing market demand, our performance was above the market average. The Company reported an exceptional growth of 7% during the reporting period. The Indian market grew slower than expected due to a number of reasons: the lingering impact of demonetisation affected off take; the 2017 monsoon was less than adequate; GST implementation led to destocking in the first quarter and slowed business during the first half of the year. The availability of raw materials also increased challenges. As a result of stricter environment control regulations, the material imports from China saw decline. Undertaking proactive measures, we invested in building additional capacity and strengthening resource security. Our value chain and manufacturing predictability have been strengthened due to resource security.

Our key markets of North America and Latin America performed favourably during the year under review. One of our key products, Glufosinate performed admirably in the US. Mancozeb another key UPL product, reported attractive off take in the global market. As we prepare ourselves for future endeavours, UPL continues to strengthen registration, patent filing and market widening exercises. During the year under review, we filed 169 patents and registered 247 new products across markets. We also successfully launched 101 products during the year under review.

Operations Efficiency

During the year, UPL strengthened its functional efficiencies. We managed to save INR 65 crore in operating costs and strengthened gross margins by 30 bps to 41.3%. During FY 2017-18, the Company strengthened its Balance Sheet to address prospective growth by mobilising USD300 million through 10-year bonds from the European and Asian markets. Additionally, a large part of our existing debt was reconstituted with the target to reduce interest costs and increase tenure, strengthening our cash flows.

Reported an
exceptional
market growth of

7%

Message From Vice Chairman

Dear Readers,

In our journey as a sustainable organization, we have come a long way. This report has been presented as a means for disclosure of UPL's triple bottom line initiatives. We believe that growth does not only pertain to the economic domain but also to the environmental and social domains. Our aim is to reduce environmental footprint with simultaneous monitoring. Driven by excellence, various initiatives have been launched to strengthen our systems and processes, create stakeholder value and improve relations with our customers. We are happy to publish the data on our environmental and social performance with our stakeholders.

Contributing to Communities

UPL is dedicated to its role for the upliftment of society and creating shared value. Our Corporate Social Responsibility (CSR) policy defines the guidelines for implementation and monitoring of our CSR activities. Our CSR projects range from improvement of education and ensuring requisite healthcare facilities for the development of the communities at large. The long term view towards the development of rural areas, has been the focus of our activities. Our core CSR values of Care, Excellence and Sustainability provides impulsion to meet the vision of the company. More than 3 lakh people have been benefitted from our CSR programmes for which we spent a total of INR 20.36 crore.

Social and Environmental Outlines

We place paramount importance to health and safety and continue to strive for becoming a safer company. We understand the impacts of our operations and processes and have invested in processes and practices to enhance operational safety. We have taken adequate measures to provide better employee health standards. As a commitment to Safety Vision 2018, the company would continue to work towards its safety mechanisms. To achieve our goal of zero accidents, we have also made investments in state of the art manufacturing facilities.



Sandra Shroff
Vice Chairman, UPL Limited

Committed to the Environment Management System (EMS) and the OHSAS, we continuously engage with all stakeholders to increase awareness on safety across our plants which aid in achieving operational excellence.

Reinstating our allegiance to the chemical industry's Responsible Care™ initiative, we have set out the basic principles for the initiative in our Global Environmental Footprint Reduction Plan. UPL is also a member of the WBCSD which reflects our commitment towards sustainability and creating sustainable agriculture. We have ISO 9001:2015 certification for Quality Management Systems, ISO 14001:2015 certification for Environmental Management System and OHSAS 18001:2007 certification for Occupational Health & Safety.

To lower our emissions and effluents, we have made substantial investments in various systems which reflects our concern for the environment. A dedicated Green Cell has been established which addresses environmental issues across all the manufacturing plants. We also have achieved Zero liquid discharge at 60% of our operating sites globally by the installation of state of the art effluent treatment & recycling plants. We are also determined to reduce our environmental footprint 30% by 2020.

Talent Management

People are the wealth of the organisation and our principle focus is on recruiting and retaining the best skill from the available talent pool. We possess some of the best engineers and agronomists and have also employed professionals from the local geographies to enhance our global business. These teams work on optimizing product quality and reducing costs. Several benefits and facilities are extended to our employees as a part of our HR policy. Training programs relevant for each sector are imparted to majority of our employees on a regular basis.

Reporting on the SDGs

Sustainable Development Goals (SDGs) are a collection of 17 global goals set by the United Nations General Assembly in 2015. The SDGs cover social and economic development issues including poverty, hunger, health, education, global warming, gender equality, water, sanitation, energy, urbanization, environment and social justice. We would continue our efforts on aligning ourselves to these goals and realizing our motto of "Sustainability to All". We have joined hands with a forum of 'Global Citizen' that works towards achieving these goals.

This report provides insights on our efforts to achieve each sustainability milestone. Strict norms are followed across the organization and we ensure the highest level of regulatory compliance. To measure the progress of our activities, we have voluntarily set targets to meet our sustainability objectives. We have emerged as one of the top five generic crop chemical produces as a result of combining many capabilities. It motivates us to work better as an organization and showing higher responsibility towards the people, planet and profit.





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Organization Structure

Introduction

While we are known as one of the world's most competitive total crop solutions company, we are driven by our mission of emerging as a premier global provider of total crop solutions designed to secure the world's long-term food supply.

Our key drivers are efficient logistics, be it our hub-and-spoke distribution model, or our robust network of distributors that enables us to seamlessly distribute products and circumvent logistic bottlenecks. We have adopted a highly integrated approach such that key products also serve as raw materials for the synthesis of other products. This enables achieving qualitative consistency and cost-competitiveness. With a keen focus

on research and development, we have launched more than 100 products in the reporting period. We have a market presence in 130+ countries across six continents, in the fast-growing agro markets of Brazil, India, Mexico, China, Australia, the US, Argentina, France and South Africa, among others.

Market Presence
in **130+** countries

6
Continents

Ituverava, Brazil



Mourenx, France



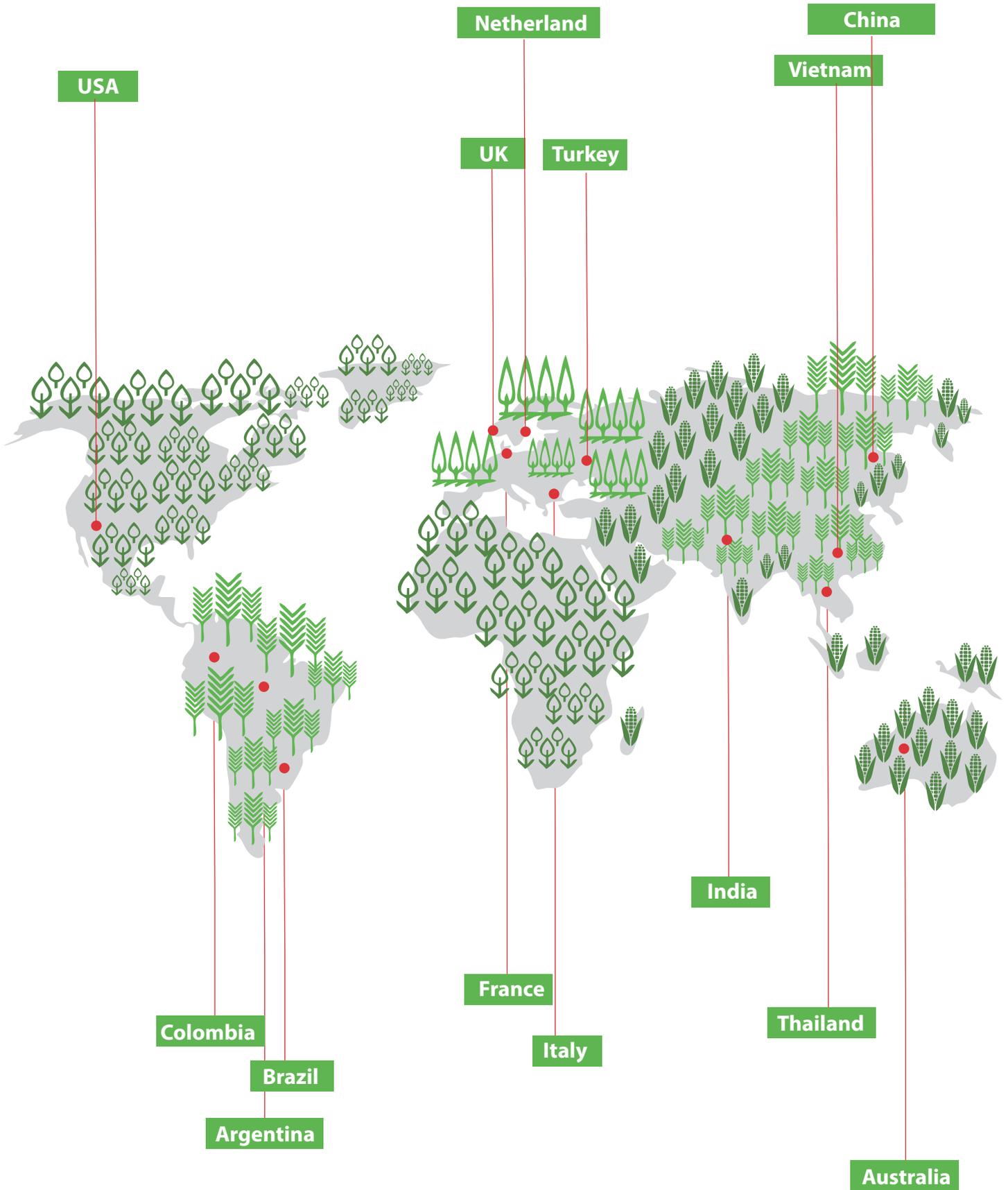
Cerexagri, Netherland



Barranquilla, Colombia



Our Global Footprint



Key Highlights



+7%
Growth in revenue in spite of sectoral downturn



7%
Increase in gross margins

87%
Revenue from branded products



9%
Increase in EBIDTA margin

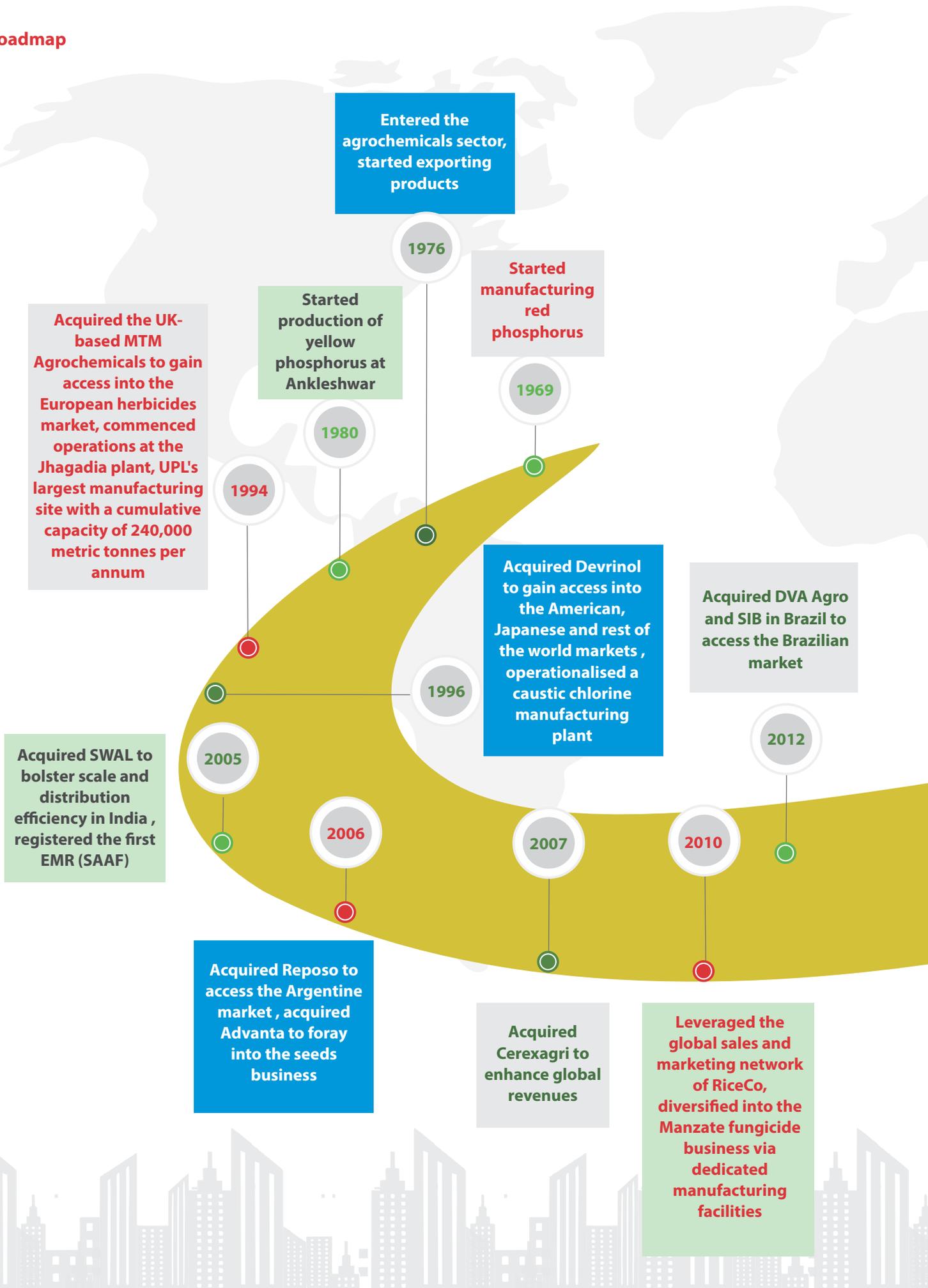


6181
Product registrations across countries



241
Patents awarded To Company

Roadmap





Product Portfolio

UPL's portfolio is designed meticulously with an overarching aim of being a one-stop destination to meet all the needs of farmers, and increase farm profitability. Our portfolio of total crop solution

products are applicable for the various stages of farming- from seeds to post-harvest solutions. Our integrated solutions are classified as:

Seeds

With over 60 years of experience of combining plant genetics and advanced technology, Advanta Seeds provides farmers with high quality seeds. Advanta's unique, superior and proprietary germplasm combined with technology and bioscience capability gives the company leadership position in sorghum (grain and forage) sub-tropical and tropical corn, sunflower, canola, rice and vegetables. Advanta Seeds deploys the leading crop technologies for added value traits, biotech and high quality oil and yield traits, diseases, pest and herbicide resistance and drought and salinity tolerance. Advanta Seeds strongly believes in engaging with and building long-lasting relationships with local farmers.



Crop Protection

We are committed to improving crop resilience through our product offerings, and are among leading global producers and exporters of crop protection products. We assist the agricultural sector mitigate pre-harvest and harvest risks by complementing their methods through our blend of herbicides- insecticides- fungicides- fumigants and fumigation technologies. Superior product quality and sustainable growth performance showcase our expertise in crop protection.



Adjacent Technologies

At UPL, we provide solutions to improve the primary and secondary issues affecting the farm sector. One of UPL's technology innovations- Biopesticide- the biological equivalent to chemical pesticides, which are eco-friendly. Another offering, called bio activators and adjuvants agricultural spray adjuvants enhance the effectiveness of pesticides and other agents that control or eliminate unwanted pests. Our adjuvant called 'U-Met', available globally, improves crop protection product effectiveness. We also deliver superior mineral and non-mineral nutrients to the plant in the most technologically efficient manner. To improve soil capacity and productivity, we have introduced a number of products that help in moisture retention and release, nutrient release, soil biotic habitat promotion and enhanced degradation resistance. Over time, these have become very popular across soil types, environment factors, crops grown etc. Zeba – a starch-based polymer – which, when applied to the soil, helps retain soil moisture and nutrients in the crop rhizosphere, released only following plant demand. The product enhances soil porosity and bio degrades easily, enhancing soil health. Another focus area is vector control, which is strengthened by our strategic alliance with Clarke – USA. We strive to address community needs through research and customized programmes.



Post-Harvest Solutions

We offer comprehensive post-harvest solutions across the grain, fruit, and vegetable sectors to enhance marketability and farmer incomes. Our Phosphine fumigation method for pest control has been acknowledged as the most effective in the world. UPL's QuickPhos™, coupled with its principal ingredient Aluminium Phosphide, is a solid potent fumigant. MagnaPhos™ active ingredient comprises Magnesium Phosphide with the palate of its ammonia-free formulation and fast-gas release being its most popular presentations. The QuickPHlo-R™ system is ideal in state-of-the-art application technologies and is under patent in most countries. DECCO (DECay COntrol) for fruits and vegetables is an effective post-harvest system trusted by farmers and packers across the world for decades. All ingredients used in DECCO manufacturing are approved as food-grade by the F.D.A, EU and P.F.A in India.



Biological and Biopesticides

Our agricultural biologicals is a diverse group of products derived from naturally occurring microorganisms, plant extracts, or other organic matter. As the need for solutions high on efficacy as well as environment friendliness becomes imperative, UPL is partnering with some of the leading companies in the space to provide a powerful range of crop protection biological.





Seed and seed treatment

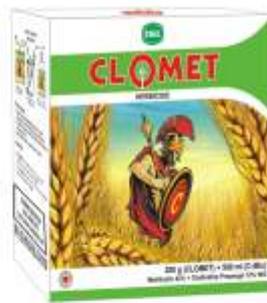
Crop protection

Storage solutions

Post-harvest

	Seeds	Herbicides	Insecticides	Fungicides	Fumigants and storage	Specialty post-harvest product
Key products	Sorghum, Corn, Canola, Sunflower Vegetables	Propanil, Metribuzin, Glufosinate, Pendimethalin, S-Metolachlor, Asulam	Acephate, Imidacloprid, Bifenazate, Flonicamid, Bifenthrin	Mancozeb, Copper, Sulphur	Aluminium Phosphide, Magnesium Phosphide	Natural coatings CIPC
Key brands	Advanta, Alta, Pacific, Golden, Nutrisun	Stam, Devrinol Tricor, Fascinate, Lifeline, Satellite, Lagaam, Saathi, Moccasin, Eros Gold, Asulox	Lancer Gold, Ulala, Phoskill, Batus Gold, Banter, Sperto, Perito	Manzate, Vondozeb, Microthial, Unizeb Gold, Glory, BB20, TBCS40, Saaf, Elixir, Triziman, Tridium	Weevilcide, Quickphos	Oorja

Products



Corporate Governance

Introduction

Our strong Corporate Governance framework enables us to conduct all our business practices and operations with a commitment to ethics, transparency and integrity. The governance mechanisms emboldens the leadership of the Board and management to steer the organization in the direction of its vision. It acts as a facilitator to encourage and motivate our people building trust and fostering a collaborative environment with our stakeholders. The robust checks and balances ensure that the Directors have control and oversight responsibilities.

The Board of Directors

Governance systems take into account essential elements like Board effectiveness, structure, diversity, experience and expertise as well as management ownership. Keeping in mind these critical factors the Board at UPL consists of 12 Directors with 2 female Directors and 6 Independent Directors. Board diversity allows evaluation of problems from a broader perspective and take into account the best interests of all stakeholders. We have a market presence in 130+ countries across six continents, in the fast-growing agro markets of Brazil, India, Mexico, China, Australia, the US, Argentina, France and South Africa, among others.



Mr. R.D. Shroff

Executive Chairman & Managing Director, Promoter Director



Mrs. S.R. Shroff

Promoter Director



Mr. J.R. Shroff

Global CEO of the Group, Promoter Director



Mr. V.R. Shroff

Executive Director, Promoter Director



Mr. A.C. Ashar

Director Finance



Mr. Kalyan Banerjee

Whole-time Director



Mr. Pradeep Goyal

Independent Director



Mrs. Reena Ramachandran

Independent Director



Mr. Pradip Madhavji

Independent and Non-Executive Director*



Mr. Vinod Sethi

Independent Director



Mr. Hardeep Singh

Additional Director, Independent and Non-Executive Director



Mr. Vasant Gandhi

Additional Director, Independent and Non-Executive Director

*(Resigned w.e.f. 27th April, 2018)

The Board at UPL
consists of

12

Directors
with

2

female Directors

6

Independent
Directors

Together, the Board deliberates upon matters of material importance and collaborates to set the tone at UPL upholding our standards of best-in class governance practices. Their versatility in experience and in-depth understanding of the industry guides the management to work towards our vision, mission, values, strategies, policies and targets pertaining to the ESG parameters. These are communicated very strongly and thus percolate at every level of control in our operations. The Board of Directors are meant to represent stakeholders and are an integral component of corporate governance. It is therefore important that the board members selected have the right mix of experience and skills and are adequately independent which enables them to act in the best interests of all stakeholders and the business at large. The dynamic industrial scenario is closely monitored and the Board keeps itself abreast with eminent risks, constantly evolving regulatory environment, business continuity and potential opportunities. The members of the Board are essentially experts in the fields of chemistry, social upliftment, agri-inputs, finance, economics, food policy, metallurgy, petroleum, cement industry etc. They bring to the table their valuable insights in a myriad of realms, enriching discussions and expediting decision making.

Conflict of Interest and Appointment of Board

We stringently monitor conflict of interest and during the reporting year, there were no material transactions with Directors or their relatives having potential conflict with the interests of the Company at large. In accordance with the provisions of section 152 of the Companies Act, 2013, and Articles of Association of the Company, Mr. Jaidev Rajnikant Shroff (DIN: 00191050) and Mrs. Sandra Rajnikant Shroff (DIN: 00189012), Directors of the Company, retire by rotation at the forthcoming Annual General Meeting of the Company and being eligible, offer themselves for re-appointment. The information of Directors seeking appointment/ reappointment as required pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements Regulations, 2015), is provided in the notice covering the Annual General Meeting of the Company. All the independent directors have given declaration that they meet the criteria of independence laid down under section 149 (6) of the Companies Act, 2013 and Regulation 16(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Management Committees

The management committees at UPL facilitate decision making at UPL under the guidance of the Board members. These committees provide expertise and strategic know-how in carrying out the functions while also ensuring there is an independent oversight of controls and risk management. The Chairman of each committee reports to the Board of Directors with matters discussed at committee meetings.

Audit Committee

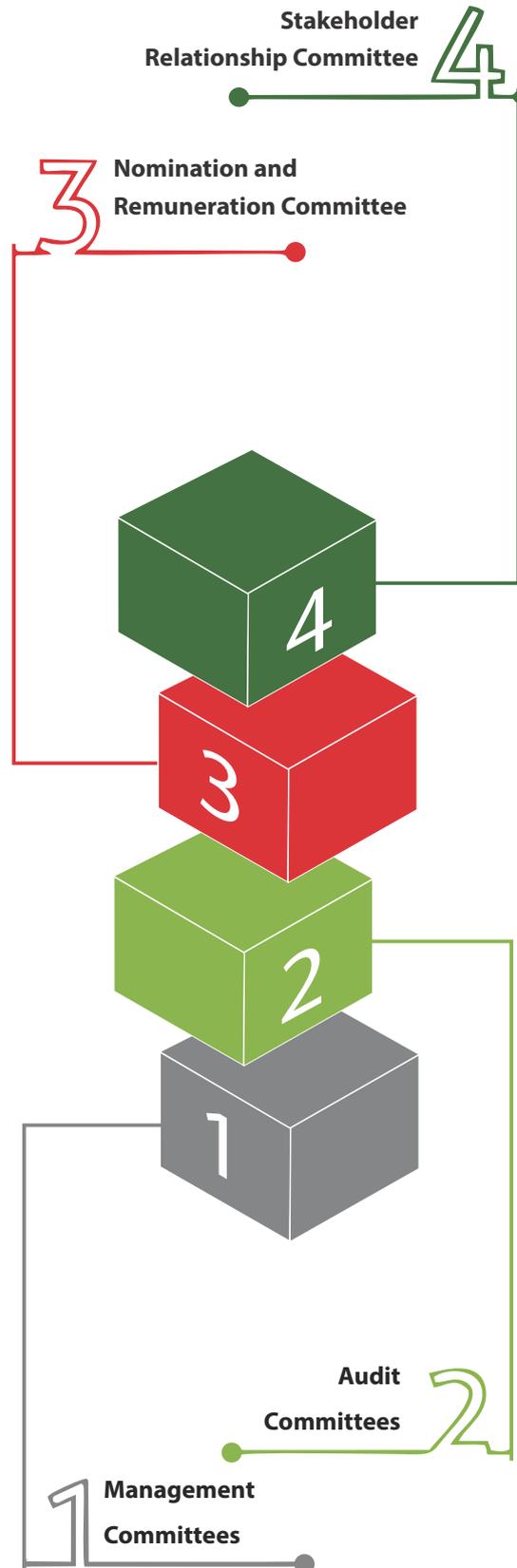
The audit committee is responsible for overseeing UPL's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible. It makes recommendation for appointment and looks at remuneration and terms of appointment of auditors of the Company. It approves payment to statutory auditors for any other services rendered by the statutory auditor. Once the auditors report on the financials the Audit Committee reviews the annual financial statements and the auditor's report to the management before submission to the board for approval.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee is in charge of the formulation of the criteria for determining qualifications, positive attributes and independence of a Director. It recommends to the Board a policy, relating to the remuneration of the Directors, key managerial personnel and other employees. The formulation of criteria for evaluation of the Independent Directors and the Board of Directors is decided by this Committee. It devises a policy on diversity of Board of Directors and identifies qualified candidates for Directorship, who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. Decision on extension or continuation of the terms of appointment of Independent Directors, on the basis of report of performance evaluation of Independent Directors is taken by this Committee.

Stakeholder Relationship Committee

The Board has constituted a Stakeholders Relationship Committee, comprising two Independent and Non-Executive Directors to look into the redressal of grievances of security holders including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends.



Board Performance Evaluation

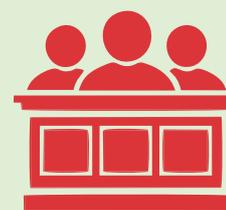
The Board performance is evaluated as per the provisions of the Companies Act, 2013 and Regulations 17 (10) and 25(4)(a) of the Listing Regulations. The evaluation process for performance of the Board, various committees and directors is carried out and each director is required to answer a questionnaire and provide a feedback on the overall functioning of the Board and the committees. The questionnaire covers various parameters such as composition, execution of specific duties, quality and timeliness of flow of information, discussions and deliberations of different items of agenda, independence of judgments, etc. The directors are also asked to provide their suggestions for areas of improvement to ensure higher degree of engagement with the management.

Remuneration Process

The Board is on the recommendation of the Nomination and Remuneration Committee framed and adopted the Policy for selection and appointment of directors, senior management and their remuneration. The Board recognizes that the various Committees of the Board have very important role to play to ensure highest standards of corporate governance. The Chairman of the Board and other Executive Directors form broad policies and ensure their implementation in the best interests of the Company. The criteria for selection of directors and senior management are mainly qualifications, experience, integrity, independence of the directors, etc. The remuneration to Non-executive Directors consists of sitting fees for attending Board/Committee meetings, commission and other reimbursements. As per the approval given by the members, the said commission shall not exceed 1% of the net profits of the Company. All the Non-executive, Non-Promoter Directors are paid commission on uniform basis. The Independent directors are not entitled to any stock options under the Stock Option Scheme of the Company.

The remuneration to the Managing Director and other Executive Directors consist of monthly salary, allowances, perquisites, commission and other retirement benefits. The remuneration payable to them is subject to the approval of the members of the Company. The overall managerial remuneration payable to them shall not exceed 10% of the net profits of the Company. In respect of senior management, the remuneration is based on the performance, company's performance, targets achieved, industry benchmark and compensation trends in the industry. Their remuneration consists of monthly salary, bonus, perquisites, KPIs and other retirement benefits.

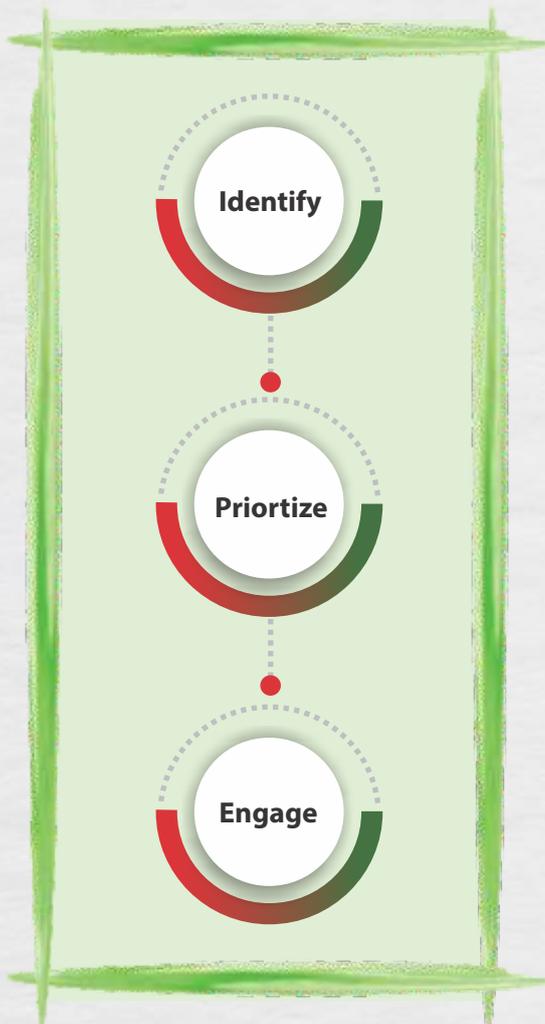
Various Committees of the Board ensure highest standards of corporate governance.



The Chairman of the Board and other Executive Directors form board policies and ensure their implementation in the best interests of the Company.

Connecting With Stakeholders

Stakeholder Identification Process



Introduction

At UPL, stakeholder engagement is an ongoing process between the company and its key stakeholders. This strategic communication helps us in strengthening the performance across our diverse business areas. We connect with our varied stakeholder groups globally through multiple communication channels with an aim to understand stakeholder concerns and attempt to bridge the gaps identified. To get a transparent and honest perspective we arrange formal as well as informal interaction with stakeholders.

Our Approach

At UPL, we connect with stakeholders which are identified through a vigorous process of stakeholder identification, prioritization and communication. We have been organizing focus group discussions in all our operating locations and offices on regular basis to engage with these prioritized stakeholder groups. We set up suitable modes of engagement based on the convenience of both the organization and the respective stakeholder group. Our engagement process initiates with prioritizing stakeholders based on the extent of their influence on our business functions and also our dependence on them. Our stakeholder consultation

process provides a platform for stakeholders to communicate their concerns and share.

During the reporting year, we extended our scope of interaction from internal stakeholders in India to both internal and external stakeholders globally. The internal stakeholder group comprised of Board of Directors, senior management and a mixed representation of middle and junior management. The external stakeholders on the other hand was represented by suppliers, distributors, community members, academia experts and customers.



STAKEHOLDER GROUP	MODE OF ENGAGEMENT	FREQUENCY OF ENGAGEMENT	KEY CONCERNS
Employees 	<ul style="list-style-type: none"> Annual performance evaluation mechanism Grievance redressal mechanisms Employee satisfaction surveys Leadership talks Newsletters, safety communications, etc. 	<ul style="list-style-type: none"> Ongoing Monthly Quarterly Annually 	<ul style="list-style-type: none"> Frequent HR interactions Infrastructure development Policy reviews Skilled workforce External trainings Work life balance
Customers 	<ul style="list-style-type: none"> Marketing activities Brochures and notifications Satisfaction surveys Complaint mechanisms 	Ongoing	<ul style="list-style-type: none"> Subsidized products for farmers Demonstration and information on usage of product
Suppliers 	<ul style="list-style-type: none"> Supplier meets Training programs Events and activities Workshops 	Annually	<ul style="list-style-type: none"> More frequent interaction Establishing long term association
Regulatory bodies 	<ul style="list-style-type: none"> Meetings Official communications 	Regular basis	Compliance to regulations
Investors /Shareholders 	<ul style="list-style-type: none"> Annual report Investor meets Annual general meetings 	<ul style="list-style-type: none"> Annually Need based Ongoing 	<ul style="list-style-type: none"> Business growth and strategy Governance practices
Local community 	<ul style="list-style-type: none"> Visits Meetings Need assessments Impact assessments CSR teams/Volunteers 	<ul style="list-style-type: none"> Annually Quarterly On-going basis 	<ul style="list-style-type: none"> Health and sanitation camps Educational infrastructure Promote more Self Selp Groups (SHG)

Introduction to Materiality

Materiality assessment is the backbone of sustainability reporting. It helps an organization to identify key material issues that matter to both their business as well as stakeholders. This not only promotes a closer alliance between business strategy, performance management and reporting but also serves as a tool for organizations to ensure their long – term objectives are given importance. Briefly, materiality assessments helps in:

- Establishing a dialogue with stakeholders.
- Creating an alignment between the stakeholder needs and the business priorities.
- Providing a clear mandate for organization's strategic focus.
- Providing the impetus needed to drive internal buy-in for sustainability agenda

Materiality at UPL

During the previous year (FY 2016-17), UPL conducted the materiality assessment taking into consideration the inputs from its key internal stakeholders. This year we extended the scope of our assessment and included the key external stakeholders as well to enhance the output of the materiality exercise. The approach used for this exercise was guided by the Global Reporting Initiatives (GRI) standards, sustainability reporting framework. The material issues were assessed for their significance based on the following four parameters;

- The scale to which the issues are aligned with organization's goals and purpose.
- The potential impact on UPL's services, or on sourcing and customers.
- The level of influence UPL has on the issue.
- The significant impact on UPL's key stakeholders.

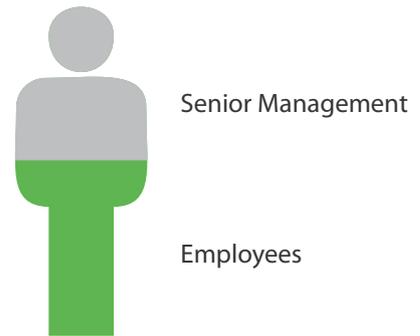
Identification of Material Issues for UPL

A combination of internal and external factors were used to determine material topics for UPL. This was supported by a detailed secondary research of peer reports, sector specific guidelines by GRI, issues reported by UPL in their previous sustainability report and the Company's overall mission and objectives. This exercise helped us to prepare a cumbersome list of material issues which was specific for UPL.

The material issues were further scrutinized for its level of importance by taking inputs from the key internal and external stakeholders. The external stakeholders who participated in this exercise were prioritized collectively by the management at UPL.

Our Key Stakeholders Groups

Internal groups



External groups

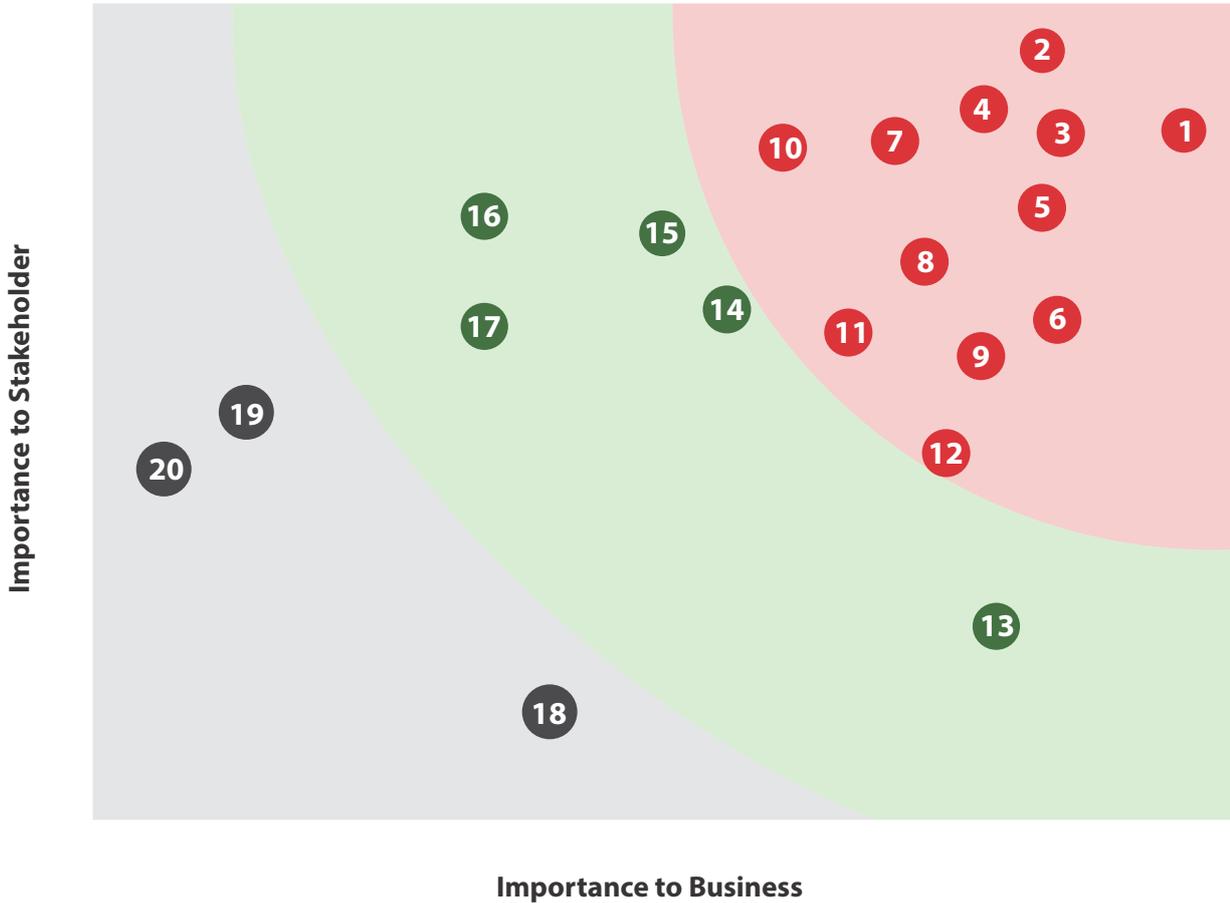


Interaction and assessment

Interactions with the stakeholder groups located in India was performed on a one to one basis. Each stakeholder group brought their own perspective which helped UPL in obtaining a broad view of its material issues across the economic, environmental and social bottom lines. We also interacted with our overseas employees through video conferencing. To integrate the business strategy with the key material issues, we collected feedback from the senior management. Collective inputs on the materiality assessment were collected in form of surveys from all the stakeholders to further arrive at the final list of focus areas.

Materiality Matrix

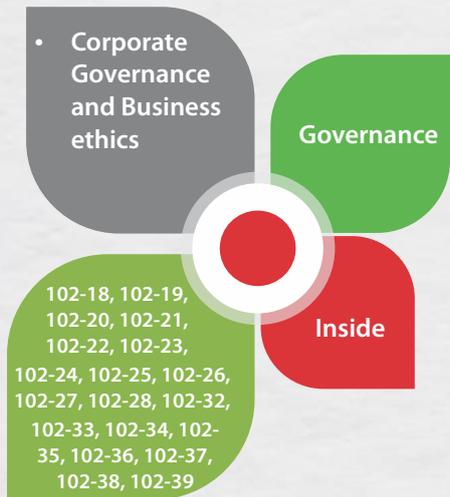
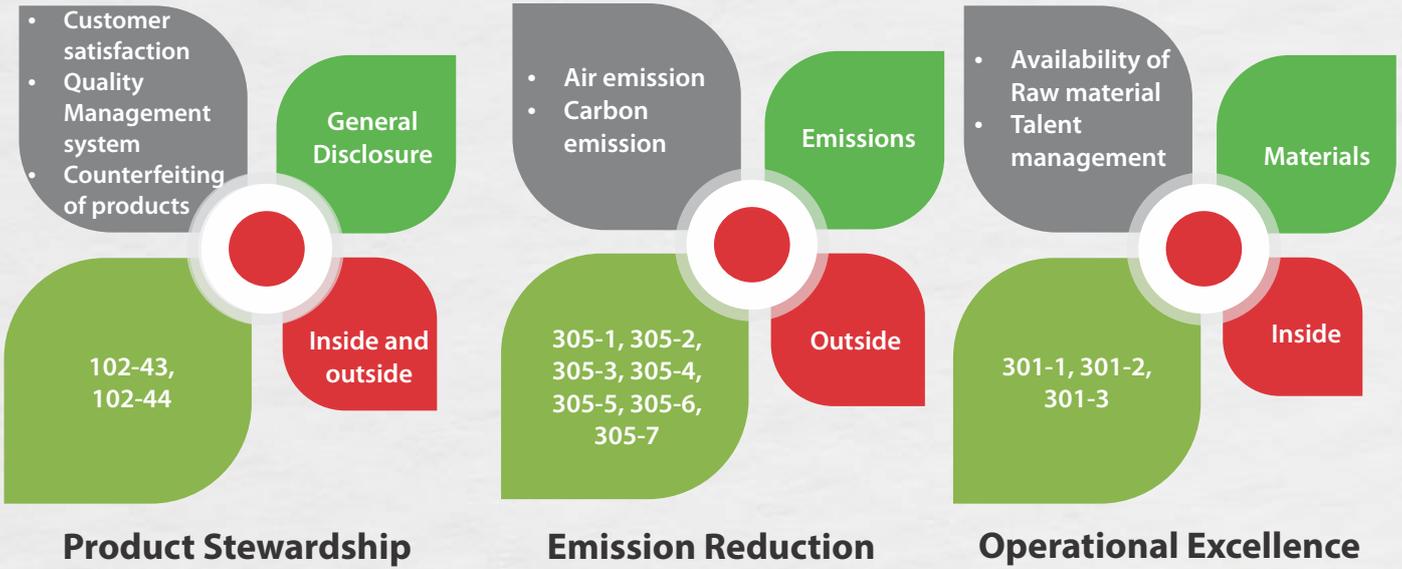
The key material issues identified and prioritized based on the assessment conducted are given below:



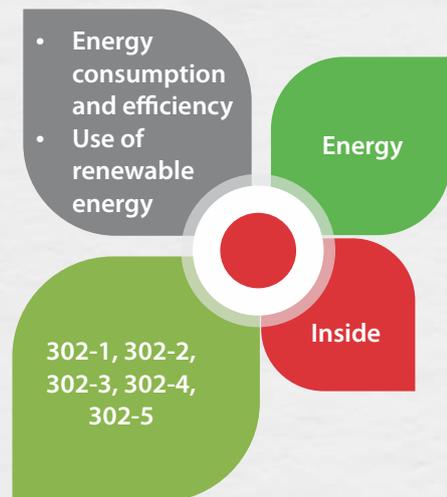
- 1. Product Stewardship
- 2. Supply Chain Management
- 3. Occupational Health & Safety
- 4. Operational Excellence
- 5. Corporate Governance and Business Ethics
- 6. Waste Management
- 7. Emission Reduction
- 8. Competitive Behavior
- 9. Emergency Preparedness
- 10. Human Rights Issues Across Value Chain

- 11. Water Management
- 12. Energy Consumption and Efficiency
- 13. Spill Management
- 14. Employee Retention
- 15. Community Development
- 16. Diversity at Workplace
- 17. Biodiversity
- 18. Financial Assistance Received from Governments
- 19. Procurement Practices
- 20. Local Employment

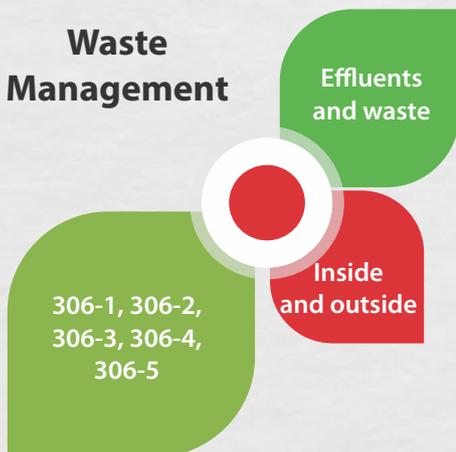
From the broad list of material issues, those that were identified as highly important were:



Corporate Governance and Business ethics



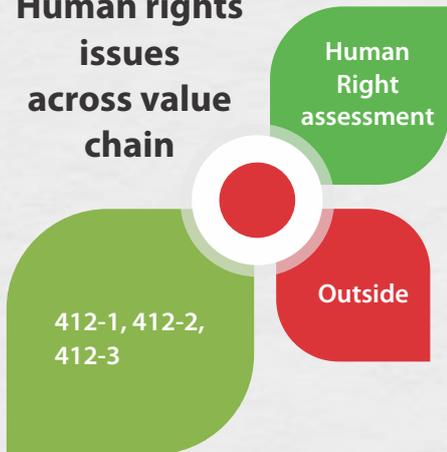
Energy Management



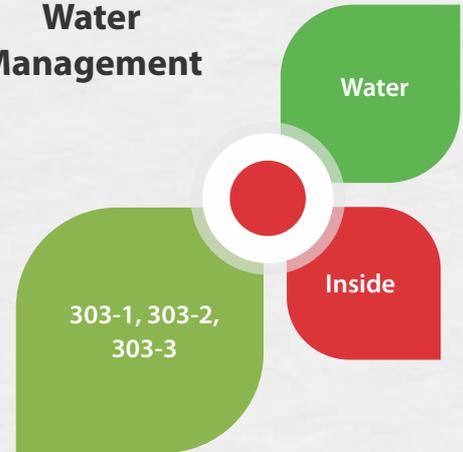
Occupational Health & Safety

MULTIPLE TOPICS LINKED GRI ASPECT GRI INDICATOR IMPACT

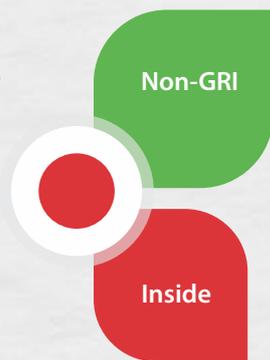
Human rights issues across value chain



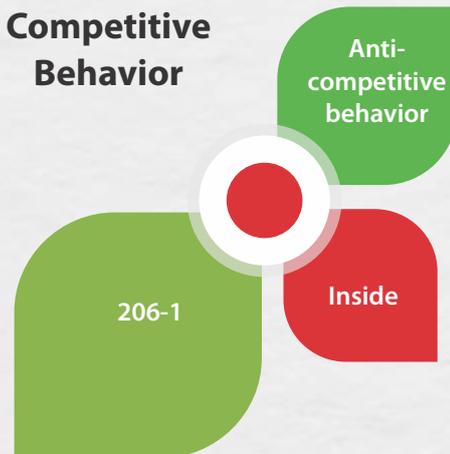
Water Management



Emergency Preparedness



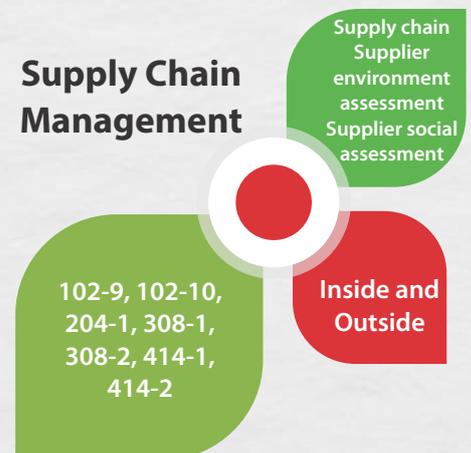
Competitive Behavior



Community Development



Supply Chain Management



MULTIPLE TOPICS LINKED

GRI ASPECT

GRI INDICATOR

IMPACT

Awards and Accolades

Environmental



Adavanta Seeds DMCC was awarded **“Recognition Award-First place in Water Treatment & Management Category for Zeba Technology”** by Gulf Sustainability and CSR Award 2018



Awarded Excellence award for **Best sustainable water management Company of the Year 2018.**

Unit 2 was awarded **“Gujarat Cleaner Production Award”** for the year 2015-16 Certificate of appreciation by Government of Gujarat, Forest & Environment Dept.



Vietnam Plant was awarded the Gold award for **“Brands for Environment”** FY2018- Top 10 Environment Friendly Factory in the Country by Vietnam Association of Environmental Economics.



Vietnam Plant was awarded the Gold award for **“Friendly Green Factory”** FY2018- Top 20 Green and Clean Factory in the Country by Vietnam Association of Environmental Economics

Unit 2 was awarded **“Challengers Awards- Large Business, Process Sector”** by Frost & Sullivan India Pvt. Ltd



CSR

- UPL India was awarded the “Best Community Programme Award-Gold Award” at the Global CSR Summit and Summit 2018
- UPL India was awarded the “India CSR Innovative Project of the year (large Impact)- UPL Social Forestry” at CSR community initiative Awards 2017-18
- UPL India was awarded for Most Promising Programme Award 2018- Award in the category of Life of land (For UPL Vasudha Programme)

Safety

- Unit 5 was awarded “Certificate of Honour” by Gujarat Safety Council
- Unit 1 was awarded “Certificate of Appreciation” by Gujarat Safety Council
- Unit 2 was awarded Golden Peacock occupational Health & safety Awards-2018 by Golden Peacock Awards Secretariat, Institute of Directors
- Unit 5 was awarded Bronze Awards in OSHAS HSE Excellence Awards-2018, HSE Excellence Awards

Sustainability

Vietnam Plant was awarded the Gold award for **“Sustainable Development”** FY 2018- Top 20 Factory for Sustainable Development, innovation and systems in the Country by Vietnam Association of Environmental Economics





Environmental and Product stewardship

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Environmental Performance

Introduction

At UPL, sustainability is embedded in our long term business strategy as we continue to add value for our environment towards the journey of inclusive growth. We incorporate sustainability in our decision making process and have defined clear responsibilities within the organization.

Prime focus on
reducing environmental
footprint of our
operating plants
by operational
excellency &
technological
innovations

Through constant dialogue with stakeholders, internal analysis coupled with our extensive experience, we are continuously refining our understanding of significant topics and trends as well as potential opportunities and risks across the value chain. We understand that in today's world we need to adapt ourselves in line with changing natural and business environment. Being a water intensive industry, we have to continuously innovate and evolve in order to counter the challenge of changing weather pattern and water scarcity. We strive to develop products that not only serve our business purpose but also help our customers save water thereby ensuring a sustainable future.

UPL has been consistently undertaking initiatives to eliminate emissions, reduce effluent discharge and ensure safe waste disposal. We

have deployed dedicated green cells across all units, and invested in process intensification to reduce chemical oxygen demand at the source. We have been able to reduce emission across our operations by changing energy mix, implementing energy efficient equipment and effective monitoring mechanism. In line with our goal of becoming sustainability leader in our industry we have prepared a Sustainable Development Plan which is testimony of our commitment for continual improvement, smarter innovation and efficient resource utilisation. Looking back at the efforts we have undertaken to create a meaningful positive environmental impact motivates us to explore even more possibilities to continually improve.

SUSTAINABILITY
UPL

Corporate
Environment Team

Energy Management and Carbon Emissions

Global warming and its impact on climate pose an enormous challenge to the world and as a responsible organization we are committed to work towards lowering our emissions through implementation of energy conservation measures. We have designed and implemented various initiatives including waste heat recovery, use of energy efficient technology with an objective to reduce carbon emission. We have primarily

focused on changing our energy mix and reducing specific energy consumption in order to optimize available energy sources. We have also assigned a dedicated budget to implement energy efficiency technologies and projects which collectively have the potential to substantially cut down our energy consumption. In order to increase our renewable energy portfolio, we have signed green power purchase agreement of 4.2 MWh for wind energy.



SDG 7:
Affordable and clean energy

Our continuous endeavor to increase share of renewable energy in overall energy mix through innovation and investment in improving energy efficiency across our operations are in line with SDG- 7 : Affordable and clean energy.

Initiatives for energy conservation in FY 2017-18

Highlights



Target

30%

reduction in specific CO₂ emissions in our manufacturing plants by 2020 from baseline FY 2015-16

Performance

30%

Reduction from baseline in CO₂ emissions per tonne of production in the Company's manufacturing plants In 2017-18

TYPE OF ENERGY	INITIATIVE	ENERGY SAVED	EMISSION REDUCTION
 Heating /cooling /Steam	<ul style="list-style-type: none"> Waste heat recovery from incinerator. Preheat combustion air through heat pipe in Antracol Screw Air Compressor in place of Reciprocating along with Heat Recovery Air preheating of Spray Dryer (SPD) by flue gases using Heat Pipe MNZ SPD air preheating with condensate Heat Recovery from GF-3000 to Power Plant DM Water Flash steam recovery by use of thermo compressor Steam Quality Improvement by Pressure Reduction And De-Super Heating Station (PRDS) in GF-3000 	36.3 Lacs Kcal/Hr	34729 tCO ₂ /annum
 Fuel	<ul style="list-style-type: none"> Fuel substitution/ ratio improvement and Induction cooling in place of NG cooling 	10.8 lacs Kcal/Hr	9707 tCO ₂ /annum
 Electricity	<ul style="list-style-type: none"> Online condenser cleaning systems for chiller Back pressure turbine for power generation in Acephate plant LED lighting in place of High Pressure Mercury Vapour (HPMV) Lamp - Ph 2 	2.5 MWHR	18810 tCO ₂ /annum
	<ul style="list-style-type: none"> Power saving in NH3 by installing evaporative condenser Dry Vacuum pump for Acephate plant Evaporative condenser for 140TR chiller at Acephate plant Evaporative condenser for MNZ and Antracol chiller Screw in place of root blower for ETP - New Bioreactor 	2.3 MWHR	17305 tCO ₂ /annum

Case study: Mancozeb plant and Caustic Chlorine plant

Installation of Evaporative condensers to bring down the condensing temperature of refrigerant at Mancozeb plant & Caustic Chlorine plant to reduce compressor power consumption



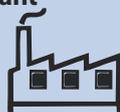
Cooling water was pumped through circulation pump to cool refrigerant in surface condenser at condensing temperature of 40° C, which was resulting into significant power consumption in the compressors.

Surface condenser was replaced with evaporative condenser to bring down the condensing temperature. In evaporative condenser refrigerant vapour to be condensed is circulated through a condensing coil, which is continually wetted on the outside by a recirculating water system and air is pulled over the coil, causing a small portion of the recirculating water to evaporate which in turn removes heat from the vapour in the coil, causing it to condense.

Outcome

This has resulted in reduction of condensate temperature to 36° C leading to significant reduction in power consumption as shown below. The overall cost saving achieved is Rs. 41.3 million.

Power Consumption(KW)

	Before	After	
 Mancozeb Plant	467	280	Compressor
	64	22	CW Pump
Savings (KW) 229			
 Caustic Chlorine Plant	436	214	
	Savings (KW) 222		
 GF 3000 Plant	284	169	
	Savings (KW) 115		

Case study: GF3000 plant

Waste heat recovery at GF 3000 condensate to preheat boiler feed water



Earlier waste heat recovered from hot condensate and flash steam at GF-3000 plant was pumped to cooling tower at 100° C which used increase cooling tower load. Now, the waste is used to preheat DM water from power plant. In first Plate Heat Exchanger (PHE) DM water is heated through hot contaminate and then through flash steam in other PHE. Thereafter, it is mixed with pure condensate from VAM and sent to GF-3000 condensate tank 02, to the De-aerator of power plant.

Outcome

This has resulted in following benefits:

Saving in Coal at Power Plant

1620 TPA

Saving in Steam at Power Plant de-aerator

10032 TPA

Carbon emission reduction

4567 tCO₂

Cost saving

Rs. 13.5 million

Case study: CS2 & Acephate plants**Power norm reduction in CS2 & Acephate plants by installing back pressure turbine in place of PRV stations**

In PRV stations kinetic energy of steam used to get wasted while reducing pressure from 23 barg to 4 barg. Whereas, the same pressure-reducing function can be performed by a backpressure steam turbine while converting steam energy into electrical energy.

All three existing pressure reduction stations were bypassed by installing 180kw backpressure turbine that produces energy while reducing steam pressure at the same time. The energy produced can then be directly connected to an electrical distribution panel board.

Outcome

This has resulted in following benefits:

Saving in power consumption at CS2

180 KWh

Saving in power consumption at Acephate

165 KWh

Cost saving

Rs. 16.6 million

Case study: CS2 plant

Flash steam recovery at CS2 plant by closed loop flash jet pump system



Due to inadequacy of existing steam operated pressure pump, flash steam from higher pressure condensate was getting released to atmosphere. In order to recover the flash steam, closed loop flash jet pump has been installed at CS2 plant wherein recovered flash steam is being rerouted to deaerator make up water preheating to reduce live steam consumption in deaerator.

Outcome

This has resulted in following benefits:

Saving in steam
2230 TPA

Saving in water at cooling tower
2230 TPA

Cost saving
Rs. 4.5 million

Carbon emissions (All units in tCO₂)

Total Direct Emission	758738.22
Total Indirect Emission	135807
Total GHG Emission	894545.23

Energy Performance parameters (All Units in GJ)

Coal	3789483.28
Natural Gas	908003.87
Fuel Oil	4513101.93
Total Direct Energy Consumption	9210589.07
Total Indirect Energy Consumption	674736.13

Air emission parameters (All units in Metric Tonnes)

SO _x	348
No _x	125



**SDG 13:
Climate Action**

At UPL, we are continuously working towards reducing GHG emission across our operations through various climate change mitigation measures e.g improvement in energy efficiency, deployment of new technology and process modifications in line with SDG 13- Climate Action. We have a Sustainable Development Plan as well for effective climate change related planning and management.

Water Management

The Earth's water resources are unequally distributed and are threatened by increasing pollution and overuse. Hence, it is imperative for us to reduce water consumption not only during the production stage but across the entire value chain. We regularly monitor our water consumption and decide action plan as we continue to emphasise on improving productivity and plant utilisation to reduce

specific consumption of water. In order to minimise our water footprint we reuse as much water as possible in our processes, through initiatives like rainwater-harvesting and waste-water treatment. We are compliant with all local and national laws related to effluent discharge. We have undertaken various other initiatives across our manufacturing plants with an aim to decrease abstracted water demand in our operating plants.



**SDG 06:
Clean Water and Sanitation**

Our water conservation initiatives are aimed towards reducing water requirement in our operations and reducing discharge of waste water by innovation recycling technologies. This way we are also fulfilling our commitment to SDG Goal 6 - Clean water and sanitation as we continue to increase water use efficiency and ensure sustainable withdrawals across our operations.

Water conservation initiatives in FY 2017-18

- We achieved Zero Liquid Discharge at Tarapur Unit10.
- Enhanced the RO water utilization by 57% in last two years at Jhagadia Unit 5.
- Utilized the water from hot water bath in drum detoxification in Ankleshwar Unit 3.
- Reduced water consumption in Clomazone and Devrinol production in Ankleshwar Unit 2.
- Reduced water consumption in Aluminium Phosphide and Red Phosphorus production in Vapi Unit 0.
- Implemented metering, monitoring & targeting (MMT) to ensure the efficient performance of system.

Highlights



Target	Performance
30%	20%
<ul style="list-style-type: none"> • Reduction in specific water consumption in our manufacturing plants by 2020 from baseline year FY 2015-16 • Reduction in specific wastewater discharge in our manufacturing plants by 2020 from baseline year FY 2015-16 	<p>Reduction from baseline in water consumption per tonne of production in the Company's manufacturing plants in 2017-18</p> <p>38%</p> <p>Reduction from baseline in wastewater discharge per tonne of production in the Company's manufacturing plants in 2017-18</p>

Water performance parameters (All units in KL)

3,141,294.36	382,129.84	1,614,206.05	12.16%
Total water consumption	Water reused & recycled	Total waste water discharged	% recycled and reused

water withdrawal sources : Municipal water and Ground water

Volute Sludge Dewatering Press

Last year we installed Volute dewatering press at Jhagadia Unit- 5 as pilot study. After achieving satisfactory results, we have implemented the technology this year at Unit- 5 Jhagadia and Unit- 10 Tarapur. Volute is sludge dewatering equipment which can be operated on continuous basis instead of batch process like filter press. It is more energy efficient and less noise generating than any other continuous dewatering equipment like centrifuge, belt filter press, and screw press. It also helps us reduce manual operation and man power in sludge handling. Through this technology, we are able to get 30-35 % dry solid as dewatered sludge. We have also installed similar equipment at our new ETP at Tarapur plant Unit-10 with capacity of 1m³/hr sludge handling capacity. The technology has enabled us in efficient management of sludge generated from our waste water treatment plant with reduced manpower.



Scaleban

SCALEBAN™ is a patented, mechanical, static and non-chemical water treatment equipment provided by Scaleban Equipment Private Ltd. It can utilise effluents like RO reject water and ETP treated water as make up water in cooling towers in place of fresh water / soft water. Its art of design technology prevent scaling in heat exchange during usage of high TDS water or treated effluent. Last year we piloted the Scaleban technology at Unit-1 and this year we have implemented it at operational level .During piloting, we found that we can utilise the treated effluent as feed water and recirculate it till we get TDS around 100000 ppm without impacting the cooling efficiency and scaling of heat exchanger pipes in cooling towers. This will save around 400 KL/Day make up water in cooling towers, besides reducing RO energy consumption and overall effluent discharge and treatment cost. We plan to implement this technology at Unit-5 in FY 2018-19.

New Zero Liquid Discharge ETP at Tarapur Unit-10



During FY 2017-18, we constructed new 120 KLD ETP at Unit-10 in Tarapur MIDC, Maharashtra. This is a Zero Liquid Discharge (ZLD) ETP designed using modular concept which comprises of advanced waste water treatment technology like Volute Dewater press, MBBR, DAF, UF and RO followed by MEE. We used Bolted glass fused tank as MBBR reactor for the first time in this ETP to reduce time and cost. Also, due to its modular design we were able to construct the ETP within 630 square meter area excluding MEE plant. Currently, we have fully functional ETP at Unit- 10 which is our third ZLD technical pesticide manufacturing facility after Unit- 2 (Ankleshwar) and Unit- 4 (Halol).

Forward osmosis

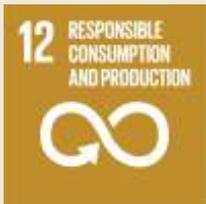


Forward osmosis (FO) is an emerging effluent treatment technology in Zero Liquid Discharge scheme which we piloted at Unit-5 (Jhagadia) on treated effluent. In traditional Reverse osmosis (RO) plant requires high reverse osmotic pressure on membrane which leads to more energy consumption to get higher recovery rate and reject concentrate. This in turn increase energy consumption in Multi effect evaporator to concentrate the effluent. FO requires less energy as it acts similar to natural osmosis process using Draw solution generating less osmotic pressure than RO. During pilot phase, we fed treated effluent from ETP and achieved around 70-75 % recovery rate in permeate and around 15-20% concentrate in reject.

Waste Management

We are committed towards reducing waste in our daily operations as we aim to continue making our operations more efficient. As a responsible corporate, we aspire to nullify our waste to landfill, closing the end-of-life loop and finding value in the waste material generated. We have invested in technologies to extract value from waste and create new products, thereby reducing our waste footprint. Effluents generated are treated to meet the most stringent

regulatory requirements and processed with innovative technology to recycle thereby achieving zero liquid discharge in most of our manufacturing units. In order to minimize the volume of packaging waste, we are working towards using smart packaging. We have undertaken conscious efforts to use resources as efficiently as possible and simultaneously work towards reducing emissions and waste generated.



SDG 12: Responsible Consumption And Production

We have continuously worked on maximum resource utilization and reduction of waste disposal to landfill and we will continue to reduce waste generation through prevention, reduction, recycling and reuse in line with SDG 12- Responsible Consumption and Production patterns.

Waste reduction initiatives in FY 2017-18:

- Unit- 01 Ankleshwar has done waste reduction by producing saleable grade sodium sulphate, earlier wet salt of approx. 12 MT / day was being sent to Treatment Storage Disposal Facility (TSDF) site- Bharuch Enviro Infrastructure Limited (BEIL), Ankleshwar.
- UPL Unit-01, Ankleshwar was using 50 MT/day of Lime in Ammonia recovery plant. This was handled in 50 Kg bags and lime dusting was a problem. The unit has implemented " Lime Bulker" and closed transportation and handling. This eliminated lime dusting and loss of lime. Housekeeping in and around plant was improved.
- Unit- 01 Ankleshwar has done reduction of DCP sludge (Di Calcium Phosphate sludge) which was earlier sent to landfill as this is now sold to end-users as by-product which reduces solid waste quantity going to TSDF site- BEIL, Ankleshwar.
- Converted the process waste of Pendimethalin and Glufosinate plant into sellable by-products in Jhagadia Unit 5.
- Reduced specific waste disposal by increasing the yield of PMP and UPH production in Vapi Unit 0.
- Implemented the practices of 4R (reduce, recycle, reuse, reprocess) concept in Hazardous waste management

Highlights



Target

30%

Reduction in specific waste disposal in our manufacturing plants by 2020 from baseline year FY 2015-16

Performance

25%

Reduction from baseline in waste disposal per tonne of production in the Company's manufacturing plants In 2017-18.

Waste management parameters (All units in Metric Tonnes)



55516.853

Hazardous waste



20478.882

Non-Hazardous waste

Case study: Green Canteen & Meeting Room at Jhagadia



The Canteen and Meeting building at Jhagadia was designed as a green building project. The material used to construct this building is recycled material. The waste water generated in canteen building is fed into the biogas plant. The output water that comes out from the biogas plant is fed into the treatment unit (Polishing Unit) where water treatment is done and the treated water is used for landscaping, mopping & cleaning. Since the amount of treated water available is greater than the re-use requirements in the building and irrigation, the remaining treated water is diverted to underground tank from where it is taken to the 3 Cooling towers of the Plant (which have a combined requirement of 1,80,000 liters.). The sludge of solid waste shall be transferred to biogas system to generate biogas and will be treated as organic fertilizer after the usage.



Spill Management

We ensure that adequate control procedure is in place to prevent spills during the operational activities. We have developed a spill clean-up procedure for our manufacturing locations which aim to minimise impact on ecosystems leading to exigencies. There have not been any significant spills at our facilities during FY 2017-18.



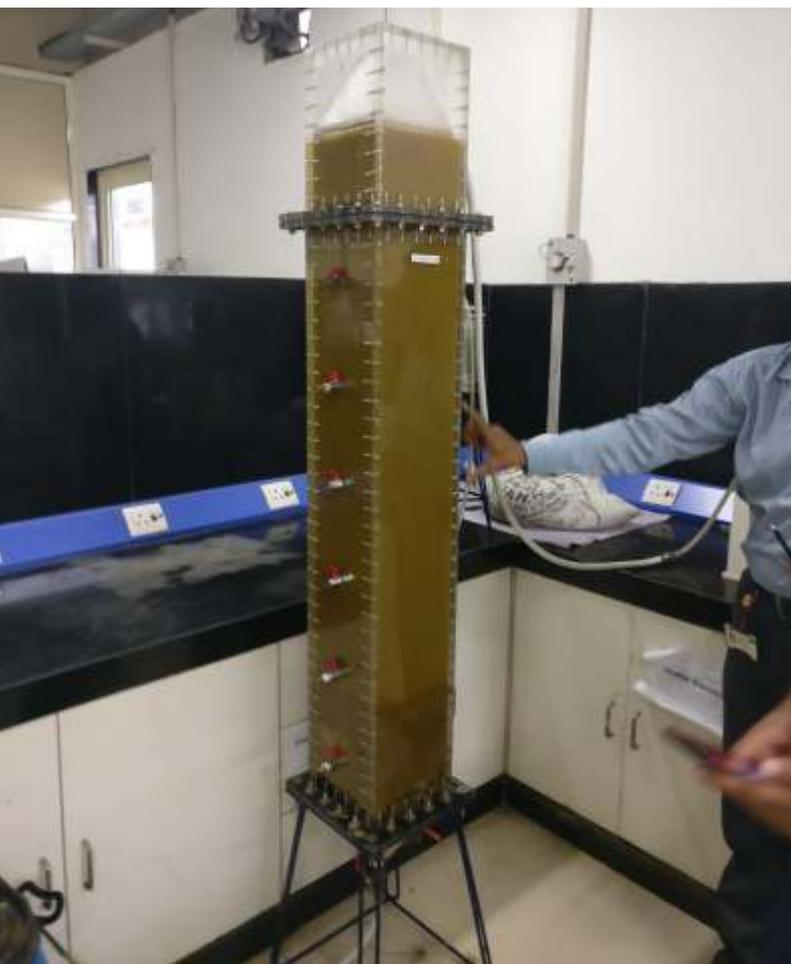
Environmental Governance

At UPL, we understand that our core business activities comprising of development, production, processing and transportation of chemicals demands a responsible approach. In line with one of our core values "Nurturing the Environment" we systematically address risks with a very high standard of compliance and sustainable eco-friendly practices. We expect our employees and contractors to know the risks of working with our products, substances and plants and handle these responsibly. Our environmental policy addresses the need to minimise the adverse effects arising out of industrial chemical and agrochemical manufacturing process and is applicable to all our internal and external stakeholders across the value chain. We have a structured risk management framework in order to identify key risk arising out of our business operations and implement

comprehensive control mechanism to mitigate the identified risk. We are able to identify new risks as well through this framework in case of any process modification or technology upgradation.

Across all our manufacturing units we have formed a dedicated Green cell comprising of engineers and researchers headed by senior level directors to carry out research and innovate smarter solutions focusing on waste management and carbon footprint reduction.

As a responsible corporate, we consider legal compliance as one of the top priorities. We ensure that our operations comply with country specific legal requirements and are committed to go beyond the minimum standard set by regulatory bodies which will enable us to get competitive advantage in near future.



Green cell lab @ Jhagadia Unit- 5

UPL Sustainable Development Plan

At UPL Limited, we believe that Sustainability is the best opportunity for business to drive smarter innovation and profitable growth. Sustainability ensure a fair society, living within environmental limits and creating a sustainable profitable business. We are constantly working to reduce environmental footprint and find innovative product solutions that benefit the environment. Our environmental standards apply worldwide.

Our commitment to environmental protection, health and safety extends beyond the scope of legal requirements. In the case of acquisitions we examine prior to the transaction whether the applicable environmental and occupational safety regulations and fundamental employee rights are complied with at the production sites in question. We are committed to the chemical industry's Responsible Care™ initiative and have set out the basic principles of this commitment in our Global Environmental Footprint Reduction Plan. We have certified HSEQ management systems in place to control operational implementation of these principles.

The United Nations (UN) adopted the "Agenda 2030" with a total of 17 Sustainable Development Goals (SDGs) in September 2015. These goals are designed to offer solutions to overcoming global challenges such as poverty, hunger, inequality, climate change and numerous others.

Prioritized SDGs

At UPL, we are fully committed to achieve the UN Sustainable Development Goals. We have 5 goals prioritized out of 17 SDGs for our business.



Our Environment Policy

Protecting the environment is our duty towards life. At every step, we are conscious of fulfilling our responsibility in sustaining our planet. We firmly believe in, and are committed to monitoring and improving environmental performance, pollution prevention and environmental protection.

These aims will be achieved through:

- Adopt structured approach toward sustainability.
- Implement the code of practices of responsible care initiative to achieve international benchmark in pollution prevention.
- Comply with all applicable statutory and other requirement pertaining to Environmental Management system (EMS) as well as take necessary improvement to go beyond compliances.
- Follow the international environmental policies, best practices, efficient technologies to improve our environmental performance.
- Utilize the natural resources to meet the need of present without compromising the need of future generation.
- Conserve the natural resources by their responsible use and achieve reduction in our environmental footprint.
- Create culture of practicing environmental management system, procedures among employees to all level.
- Promote environmental awareness among employee & community.



Our Ambition

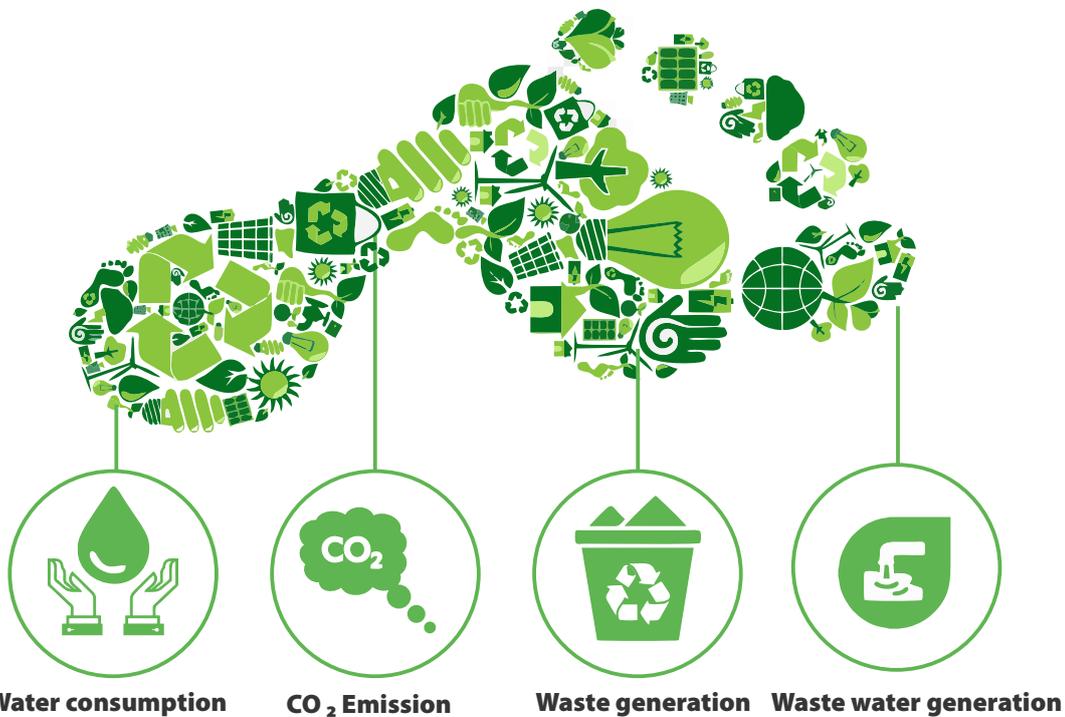
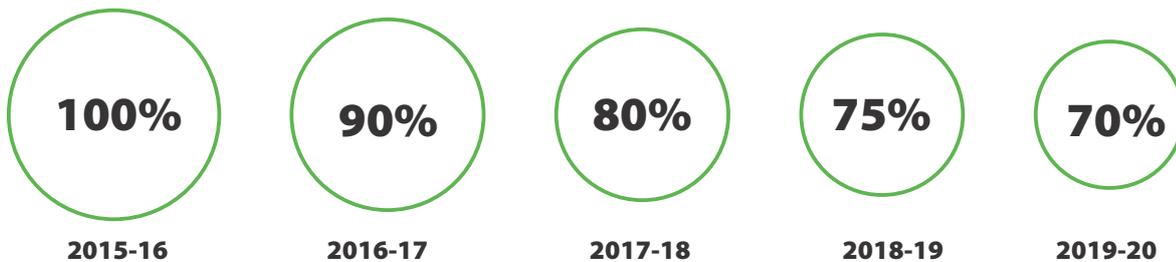
The United Nations (UN) adopted the “Agenda 2030” with a total of 17 Sustainable Development Goals (SDGs) in September 2015 to end poverty, protect the planet, and ensure prosperity for all. Our ambition is to achieve the “UN Sustainable Development Goals” to transform our world.

To align our UPL Sustainable Development Plan with UN Sustainable Development Goals, our Ambition is to reduce 30% Environmental footprint in our manufacturing plants by 2020.



UPL is having dedicated technology group of more than 50 engineers & researchers lead by Director level person, continuously working to reduce the environmental footprint of company.

30% Environment Foot Print reduction by 2020



30% reduction by 2020

Our Environmental Management Plan

To achieve our ambition, we make following plan to reduce our environmental footprint.

- Greenhouse gas emissions reduction plan
- Water reduction plan
- Waste minimization plan

1. Greenhouse Gas Emissions Reduction Plan

Greenhouse gases trap heat and make the planet warmer. Human activities are responsible for almost all of the increase in greenhouse gases in the atmosphere. Climate change due to greenhouse gas emissions will have a growing impact on our business. We have set ourselves a bold reduction target for greenhouse gas emissions. Our greenhouse gas emissions reduction plan includes following:

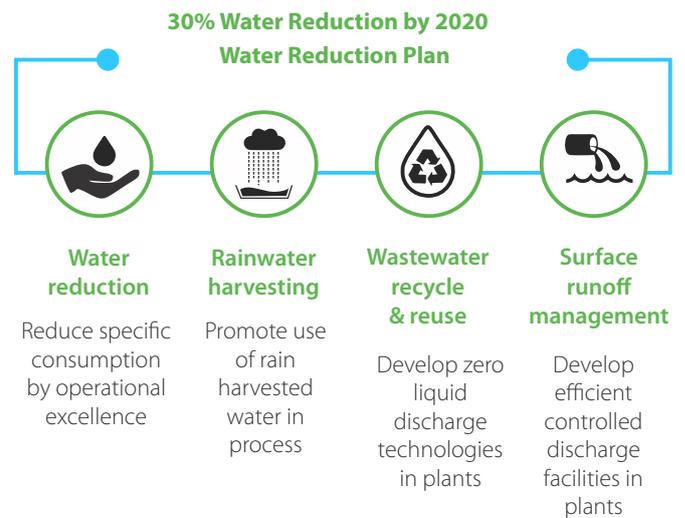
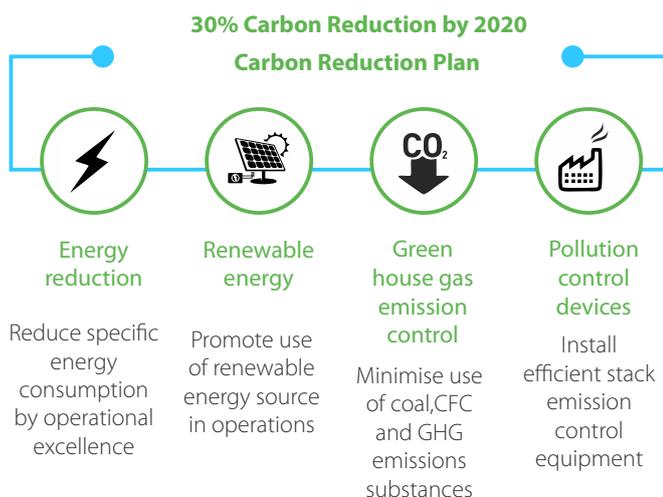
- Reduce the specific energy consumption by operational excellency.
- Use of eco-friendly fuels in utility system.
- Implementation of energy efficient equipment in manufacturing processes.
- Promote the use of renewable energy sources
- Process modification to reduce greenhouse gases during operation
- Implement metering, monitoring & targeting (MMT) to ensure the efficient performance of system.
- Using Alternating transport like rail or ship for transportation of products and goods

2. Water Reduction Plan

Sustainable industrial water management plays a vital role in achieving future water security in a world.

The optimum utilization of all natural resources is an integral part of UPL's commitment to sustainable development. Aiming to decrease abstracted water demand in our operating plants, we set water reduction target at relevant production sites and develop and install technologies that improve water use efficiency and quality. Our specific water reduction plan includes following:

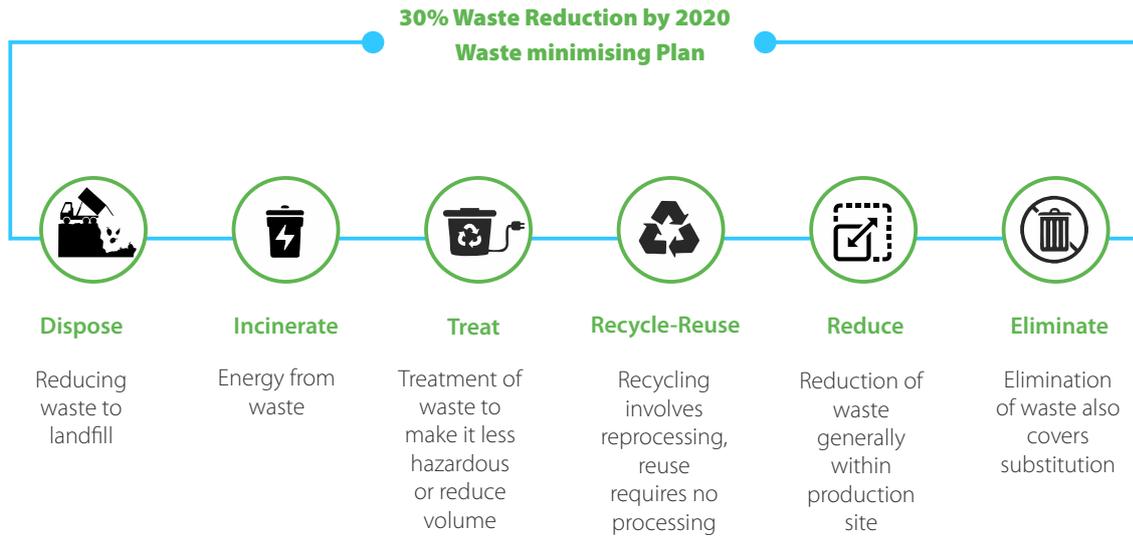
- Reduce specific water consumption by operational excellency.
- Promote the use of harvested rain water in processes.
- Develop controlled discharge facilities for effective surface runoff management.
- Implement metering, monitoring & targeting (MMT) to ensure the efficient performance of system.
- Implementation of effluent segregation practice and stream wise treatment.
- Wastewater recycling and reuse to achieve zero liquid discharge by using energy & space efficient wastewater treatment technologies.
- Periodic internal/external audits to find root cause of excess water demand.
- Recovery of valuable material (e.g. product, byproduct) from effluent stream



3. Waste Minimisation Plan

Our products get protected and transported safely due to packaging, but at the same time it can end up as waste. Our approach to sustainable packaging takes a lifecycle perspective. We will achieve our waste reduction targets through a combination of reducing, reusing, recycling and eliminating packaging materials. Our specific waste minimisation plan includes following:

- Reduction of waste from packaging process by improvement in packing material
- Redevelopment of manufacturing process to reduce landfill/ incinerable waste during operation.
- Implementation of Waste segregation practice for efficient waste management
- Reduce specific waste generation from manufacturing by redeveloping the process
- Implement the practices of 4R (reduce, recycle, reuse, reprocess) concept in Hazardous waste management
- Recovery of value added products from waste.
- Utilizing of incinerable hazardous waste for energy recovery.



Unit-3 Ankleshwar



Product Stewardship And Technological Innovations

Our growth has been driven by products that have enhanced farmer trust. These products have delivered improved effectiveness, reinforced farm viability, strengthened functional ease and evolved from a product into a friend. We are responsible for delivering products of highest standard in terms of quality and safety to the farmers.



Quality
of seed that goes
into the ground
eventually
determine the
quality that
comes out.

At UPL, we demonstrate our commitment to conduct business responsibly through active assessment of our products at every stage in their life cycles, from the sourcing of raw materials, through manufacture and use, to eventual disposal. At each stage of the value chain we address environmental and social issues through sustainable design, green chemistry, resource efficiency and responsible marketing. Our product stewardship process adds value to our products by minimizing the risk and improving quality.

accordingly we take preventive & corrective action to close such gaps. It helps us identify and adopt with changing regulatory landscape and manage complexities of ensuring quality across business functions. We continuously put effort to ensure highest product quality through valuable inputs received through different modes e.g farmer's feedback process, satisfaction surveys and other engagement mechanisms.

Quality of our offerings

Our constant endeavour is to provide solutions to optimise farm productivity for the farmers through products that are innovative, cost-effective, and of highest quality standard. Our quality management system ensures that the quality of our product is maintained consistently throughout its life cycle . We have a dedicated team focusing on quality control through periodic audits based on highest international standards. We also review our quality management system to continuously improve our product and service quality. Effective quality control also provides opportunities to identify any existing gap with respect to our products and



Valuing our Customers

We are a research-driven Company and address how products can be evolved and adapted to diverse customer needs. We extended our business model beyond core products to solutions, providing customers allied services e.g crop protection chemicals spraying, price trends and ancillary products supply. We also offer innovative products that help conserve ground water, particularly relevant in drought conditions. All these efforts over the years have resulted into increased customer confidence and made us

an automatic choice for our customers.

Customer Satisfaction Survey

We give prime importance to our customers as they are the stakeholders who use our products and they can contribute immensely in product development. For specific products we conduct post-marketing audits which not only acts as a driver to enhance customer satisfaction level but also helps us serve better by understanding the need of the customer.

Adarsh Kisan Centre

In farming, timely advice with right products and right practices is key. In response to this evident need we launched Adarsh Kisan Centre (AKC), a remote advisory contact center for farmers in India. We have such centres at various locations in India like Mumbai, Visakhapatnam and Chandigarh. Our customers can connect with us through a toll free number provided on all product packaging for any queries and complains. All the queries and complaints from customers are taken on priority and resolved. In case if a customer requires further assistance, the case is escalated to the field executive team of UPL, who visits the location and resolves the issue personally. We use our call centers to take feedback from registered farmers at AKC. The scope of survey

is broad which includes product availability, usage and market access of harvest. The survey is based on various parameters such as availability product in market, usage of the product, market access of harvest and others. These surveys are an important tool for us to identify the gaps in our systems and resolve them on priority. We also provide following additional services to farmers under this initiative:

- SMS updates on important topics are sent to registered farmers on daily basis
- Timely voice blasts pertaining to crop/ pest related issues, pest forecasting and call data trends.



Unimart

The field of agriculture is continuously changing. Staying abreast with the latest advancements is a challenge especially for the far flung or marginal farmers. Truly putting the 'Farmer First' in our actions, we address this challenge through its initiatives. One such initiative is "Unimart" which is a chain of farm advisory and solution centres in India and Africa that provides expert advice, quality products and necessary guidance to farmers. Since 2009, Unimart has been a one-stop solution center providing expert advice, quality products along with necessary guidance to



enhance farming practices. The result of this far-reaching initiative has been an attractive increase in income per acre of crop produce translating into an improved standard of living across regions.

Adarsh Farm Services

Adarsh Farm Services is one such initiative whereby we transform farming through farm mechanisation technology and services. UPL's Adarsh Farm Services offers high-tech tractor-mounted spray equipment that results in time and cost savings for farmers on one hand and minimizes crop damage on the other. As we extend this service to marginal farmers too, we are building direct relationships with farming community.



Adarsh Farm Services

- 1.2 millions acreage covered
- More than 1 million farmers serviced
- 3 states covered – Rajasthan, Punjab, Haryana
- More than 15 crops covered - kinnow, cotton, wheat, paddy, sugarcane, soybean, maize, potato, mustard etc.



More than 15,000 acres covered by the Trust++ service

Trust++

UPL's Trust++ in Latin America allows thousands of banana growers access to quality fungicides manufactured by UPL, which facilitates the permanent monitoring of Sigatoka. The platform urges banana farmers to 'know more and work better' by providing them easy access to information on contemporary technologies, markets and global developments, weather reports, online record books for stock control etc.

Innovation Approach

As we look to the future, population growth, migration and climate change will all pose additional challenges to global food security – we have to anticipate these changes and be innovative and agile in our response. If we are to ensure the world's population can access the vital nutrients they need, we need to continue drawing on local knowledge and creating innovative solutions that are accessible to farmers of all sizes. We established a reputation for being a pioneer as we were first to manufacture groundbreaking products like Zeba. We invested in reinforcing R&D capabilities coupled with focusing on off-patent molecules. We have 305 members in research and development team that continuously work on introducing innovative and differentiated products and processes. We design our manufacturing processes following principles of green chemistry. For example, the catalytic processes generating low or no wastes are preferred over chemical processes which invariably generate high wastes although the capital investment in catalytic processes could be higher.



The formulations are tested extensively for bio-efficacy at the development stage before going to the market launch. Care is taken to develop safe, easy to handle and environmentally friendly formulations keeping in the mind "The Farmer First" motto of Company. We conduct simulations of the processes to assess safety issues using advance thermal screening and hazard analysis for raw materials, reaction mixtures, intermediates and finished product to finalise the safety precautions during their use and also during reaction conditions. At UPL, we have established dedicated departments for focusing on new technology, transfer of the technology at plant level and improving process capability thereby creating an environment for driving innovation along with process excellence across our operations.

Energy Cell

UPL Energy Management Cell is committed for continual improvement in energy efficiency by establishing effective energy management programs in operations and all new projects. Energy Cell is presently focusing on identifying and implementing projects which reduce specific consumption of electrical, thermal and water resources. Following are some of the key roles of Energy Cell

- Use new technology, innovative ideas to continuously reduce the specific energy consumption.
- Generate ideas through analysis of theoretical consumption, gap analysis, temperature profiling, energy bill analysis, process heat integration through pinch, heat recovery and adoption of best technology available for the process.
- Coordinate and support Energy and Water Conservation Policy.
- Integrate energy management with business objective and provide resources to improve energy performance.
- Ensure energy efficiency while procuring significant energy consuming products & services.
- Manage utilisation of energy resources efficiently, upgrade equipment as appropriate and deploy cleaner and more efficient technology.



Maxpro

Maxpro department focuses on cost reduction and seamless transfer of technology or process to plant. Some of its key roles are as follows:

- Process Intensification for yield improvement, raw material specific consumption reduction by means of process study, establishing mass & energy balance and using DOE concept for optimisation
- Scale up Engineering for seamless transfer of Technology
- Optimisation of separation processes by ASPEN & CFD Simulation and Modeling

Maxpro+

Maxpro+ works on variability reduction of process, improving process capability and productivity which includes the following activities:

Gap analysis between Average & BOB capacity

- Idea generation through performance dialogue to debottleneck
- Implementation of ideas with unit teams
- Use statistical tools for correlation of output parameter with contributing factors & improve process capability.
- Use lean concept for productivity improvement, value stream mapping, time & motion study, layout simplification, manpower productivity, Line balancing VA & NVA activities and SMED.

Intellectual property

At UPL, we understand the importance to protect innovation by filing patents both nationally and globally. We respect Intellectual Property (IP) of others and create our own IP for the products and processes developed by the Research and Development Centres. Patents are obtained in the countries of interest and appropriate measures are taken to safeguard the IP.



During the reporting period, we filed 169 patents and registered 247 new products across markets which has further strengthened our credentials as an innovator.

Innovations during FY 2017-18

- An auxiliary chemical used in a leading herbicide formulation product started to be manufactured indigenously to ensure supply of the chemical with desired quality and reduced cost
- Twelve new pesticide formulations were commercialized for launch both in the domestic and international markets.
- Processes for five active ingredients were developed successfully at Research and Development Centres.
- One hundred formulations of various active ingredients were successfully developed in the Research and Development Centres for future introduction
- A non-agro application of Superabsorbent Polymer (SAP) was developed.

- An auxiliary chemical used in a leading herbicide formulation product started to be manufactured indigenously to ensure supply of the chemical with desired quality and reduced cost



SDG 9: Industry, Innovation and Infrastructure

Our innovation approach is testimony to our belief that technological progress is the foundation of efforts to achieve environmental objectives. Our innovative products are designed with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes thereby contributing to achieving SDG 9– Industry, Innovation and Infrastructure.

Zeba – A solution to achieve Sustainable farming

Due to changing weather pattern and unpredictable rainfall, access to water is a major challenge. Water is not evenly distributed around the globe, and our needs for water isn't the same everywhere, and hence people resort to alternate sources of water. Two billion people use aquifers as primary drinking water sources and the ground water accounts for roughly one-third of the world's water withdrawals.

As the world population increases and proportionately food demand increases, we see that the water reserves are falling in several of the world's major aquifers. As the global aquifers are becoming more depleted the need to supply water to areas where it is needed most is a pertinent issue.

A closer look into the ground water recharge rate across the world clearly shows that the ability for this vital source of water to sustain us into the future is in question, as increasing ground water stress is impacting on the ability of a region to produce a sustainable food source for its population.



Our water optimising technology, Zeba has the unique ability to hold onto large volumes of water in the agricultural and amenity applications, not just by its physical ability to absorb up to 495 times of its own weight, but also the impact it has on the soil's physical characteristics. Its aggregation is born out in many of our trials where we see the total water saving in crops to be much higher over its duration (120days) than the products absorption ability alone.

Zeba is able to achieve a reduction of 5%-20% of water used by the growers, depending on the environmental and management conditions at the time, on top of any other water conservation strategy employed. Apart from this, Zeba helps in efficient use of nutrients (NUE) and reduces their negative environmental impact e.g Nitrogen leaching through its impact on aggregation and cations exchange in the soil profile. Successfully managing water and nutrient use efficiency in this way offers the ideal environment for soil microbes to thrive.

In the following chart we can see how performance of nutrients (Nitrogen) can be optimised with appropriate water supply, but as it becomes less than optimal for either excess or deficient, then the ability of a crop to perform is reduced. This is where water becomes the biggest limiting factor to crop production and is integral to all other soil and plant processes.

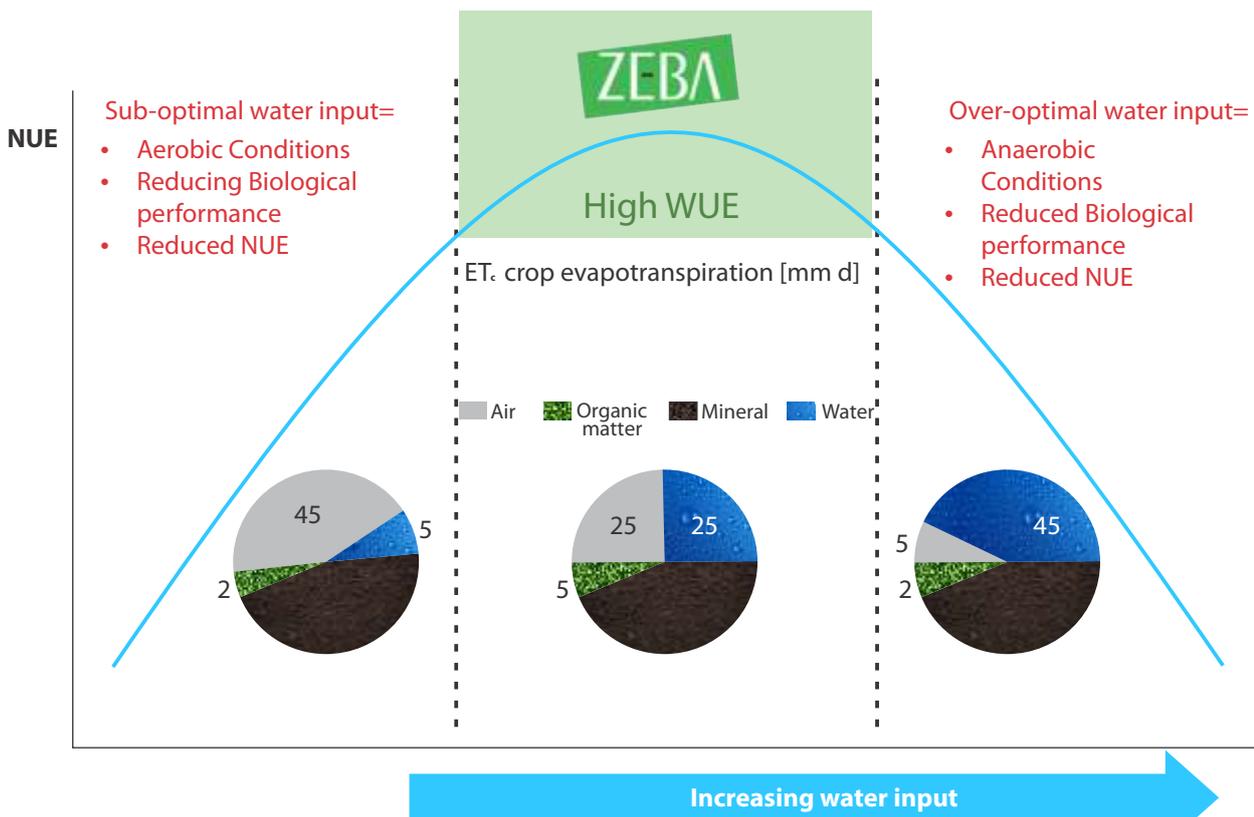
If we can regulate the water which is delivered to crops and reduce the impact of excess nutrients supplied without disturbing soil's natural functions, we can reduce the water and nutrient losses for the benefit of the crop, environment

and mankind.

It is a fact that delivering excess water above a crops usable requirements, will have potential to reduce yield and increase the negative impact on the environment. Similarly, too little water has a similar impact in crop production as the crop cannot process the nutrients one applies, again leading to loss of Nutrient Use Efficiency (NUE). This optimal position of adequate water which increases the use efficiency of nutrients applied, is where Zeba performs.

It is only the presence of a healthy crop that drives our portfolio forward and delivers a sustainable business model. The most important bio stimulant known to our industry is water which can create the environment for a healthy ecosystem to promote nutrient access to plants. Zeba through its effects on improving water and nutrient management programs, soil aggregation and microbial support can be a pivotal part of any "sustainable farm initiative" contributing to the creation of a balanced system, promoting an active, functional soil solution and rhizosphere, for the benefit of the plant, grower and the environment

Simultaneous water and nitrogen use can enhance sustainability





Social Value creation

Occupational Health and Safety..... 54

Corporate citizenship 57

Occupation Health and Safety & Emergency preparedness

Management Approach



UPL's workforce is a key asset contributing to the Company's long term growth and sustenance. We believe that a safe and healthy work environment is a basic requirement for ensuring employee wellbeing. We make continuous efforts to enhance our occupational health & safety practices to enhance the Company's overall performance. Value created through our efforts are reflected in attracting and retaining quality talent, and also in enhancing the brand of the Company as a responsible Corporate. We ensure that Environment, Health and Safety (EHS) standards at all Units are continuously ahead of legislation and benchmarked with the best international practices and standards. Our commitment to provide a safe and healthy workplace to all has been reaffirmed by several national and international awards and certifications received by various Units. In accordance to the compliance of our safety norms; UPL has Central, Departmental and Unit level safety committees composed of 317 representatives from Management, Non-Management and Contractual workforce.

Health, Safety & Environment (HSE) Policy

UPL Health, Safety and Environment (HSE) policy has been adopted by its Directors and applies to all Group employees.

The Management at UPL is committed to safeguard health & safety for all by minimizing the adverse effects arising out of industrial chemical and agrochemical manufacture as well as marketing these products from one location to another.

Necessary standards for Health, Safety and Environment Performance & Statutory Compliance shall be ensured through proactive steps during all operations including pollution control.

The company shall make arrangements for employee information, education, training and re-training related to health, safety and emergency objectives at different levels - for interested parties and the general public, whenever required.

We are committed to continuous HSE improvement through risk assessments, waste minimization and optimum resource use through:

- Resource reduction and/or
- Recovery and recycle/reuse, and/or
- Suitable treatment for any hazardous / toxic waste arising out of operations

The company shall prioritize the HSE aspect in all its decision-making, including the purchase of plant, equipment, machinery, materials and monitoring individual HSE performance in their career advancement.

Monitor the health of all employees through pre-employment and periodical medical examinations.

All unit heads review operations comprising the identification of significant environment aspects, prepare and monitor relevant HSE objectives and annual targets.

The HSE policy objectives and performance shall be reviewed periodically and communicated to all employees, people and interested parties.



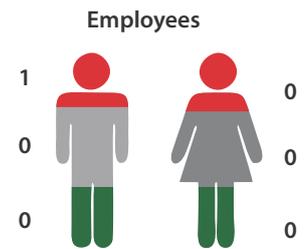
HSE Committee

Our safety culture is steered by its Safety Vision 2017. For making UPL best and safest chemical manufacturing company in world, a top driven approach is adopted. An HSE committee is established at Board level to periodically review Health, Safety & Emergency Management Systems (HSEMS) implementation.

Our activities

UPL takes safety of its employees very seriously and has taken up programmes to train our workforce

It elevates the awareness level to maintain high level of safety and brings a change in safety culture of value chain. As per the guidelines of Factories Act, 1948, safety committee has been constituted which comprises of a minimum of 50% representation from non-management workforce. We ensure to comply and adhere to all the applicable laws and strive to go beyond compliance. In accordance to the compliance of our safety norms; UPL has Central, Departmental and Unit level safety committees composed of 291 representatives from Management, Non-Management and Contractual workforce.



Basic safety process

14 Process Safety Management (PSM) elements are the basis for safety processes. Our internal team undertakes the trainings for workforce that includes:

- Daily safety talk
- Daily briefing on safety before shift starts.
- Monthly theme based safety training

Company has several other training programmes which essentially addresses the areas of safety on various activities like construction safety, chemical safety, emergency response, process safety management, electrical safety etc



Safety Audit Team

We have a separate safety audit team that takes responsibility of the safety compliance in all units. A dedicated construction safety manual is designed that continually improves safety standards and practices to achieve construction safety excellence.



Transporters Meet

We understand the risk associated with the transportation of hazardous chemicals and hence we arrange periodic transporter meet & conduct trainings for transporting crew to ensure safety during transportation.



Safety Training

Each operating shift commences with a 10-minute discussion on safety aimed at enhancing process integrity. Each project goes through HAZOP studies before commencement. All plant setting changes are first cleared by the HAZOP team before being implemented.

No employees in manufacturing functions can take charge of respective activities unless they have undergone 3 level training level 0, 1 & 2 which has a minimum duration of 23 days. This training basically is intended for safety and functional expertise including safety in operating functions

Certification



ISO Certification

Our sites are certified with 'Occupational Health and Safety Assessment Series (OHSAS 18001)' certification. We are presently engaged in adopting the Integrated Management System encompassing the requirements of ISO 9000, ISO 14001 and OHSAS 18001 across all our manufacturing facilities.

Responsible Care Committed Company



Responsible Care is a global, voluntary initiative developed autonomously by the chemical industry for the benefit of the chemical industry. This initiative runs across 52 countries accounting for nearly 90% of the global chemical production. UPL is a recognized Responsible Care company, and was awarded the use of its logo. We voluntarily adopted the practice codes of the Responsible Care (RC) initiative accepted by Indian Chemical Manufacturers' Association and implemented the ISO - 14001: 2015 (Environmental Management System), demonstrating our commitment towards continuous HSE performance improvement.

Emergency Preparedness



Organized Committees

To ensure safety for employees, we have organized committees that are dedicated for handling of emergency and welfare for employees. The initiatives directed towards the human welfare, emergency response and mutual aid are taken care by the respective committees through various activities conducted round the year. Apart from the regular CSR activities the company also creates programs for welfare and emergency preparedness

- Mutual Aid
- Emergency response team
- Environmental care for human welfare

Chemical and industrial disasters at manufacturing plants are not inevitable. At UPL, we emphasize 'zero tolerance' as an ongoing standard in disaster prevention. However, human errors, operational dimensions and the availability of relevant information during various disaster management phases have emerged as critical concern areas as well. Starting with manufacturing plants, prudent decisions comprising site selection, public participation in clearance, industrial layout planning, disaster mitigation, and on-site and off-site emergency co-ordination strengthen our comprehensive disaster management framework at the local and district levels.



Corporate Citizenship

**Doing
Things
Better**

is core to our DNA

UPL's Conscience

Three simple words, which lie at the heart of the UPL philosophy. "Doing Things Better" is all about raising the bar in global agricultural productivity. It represents an ethos statement and exemplifies UPL way of living and creating a win-win situation for all stakeholders. But naturally, this has imbibed in our CSR efforts, too!

UPL's overarching commitment is to improve areas of its presence, workplace and customer engagement. This commitment is based on the recognition that humankind is one community, where each member is responsible for the wellbeing of the other.

According to **Bloomberg report** titled "India's Most And Least Philanthropic Large Companies", **UPL Limited is the 2nd most generous company** of India in the financial year 2017-18 in terms of CSR spend as a percentage of average net profit. UPL Limited is in list of top 3 most generous company of India continuously for last 4 years.

2nd
Position

In year 2017-18
Source- BLOOMBERG

1st
Position

In year 2016-17
Source- NGO Box

3rd
Position

In year 2014-15
Source- NGO Box

UPL Ltd. The most generous company in India





Vision

We aim to be a catalyst for more equitable and inclusive society by supporting long term sustainable transformation and social integration.



Mission

- We will achieve our vision by implementing need based projects through participatory approach
- Focusing on building capacity to make the community self
- Developing partnerships

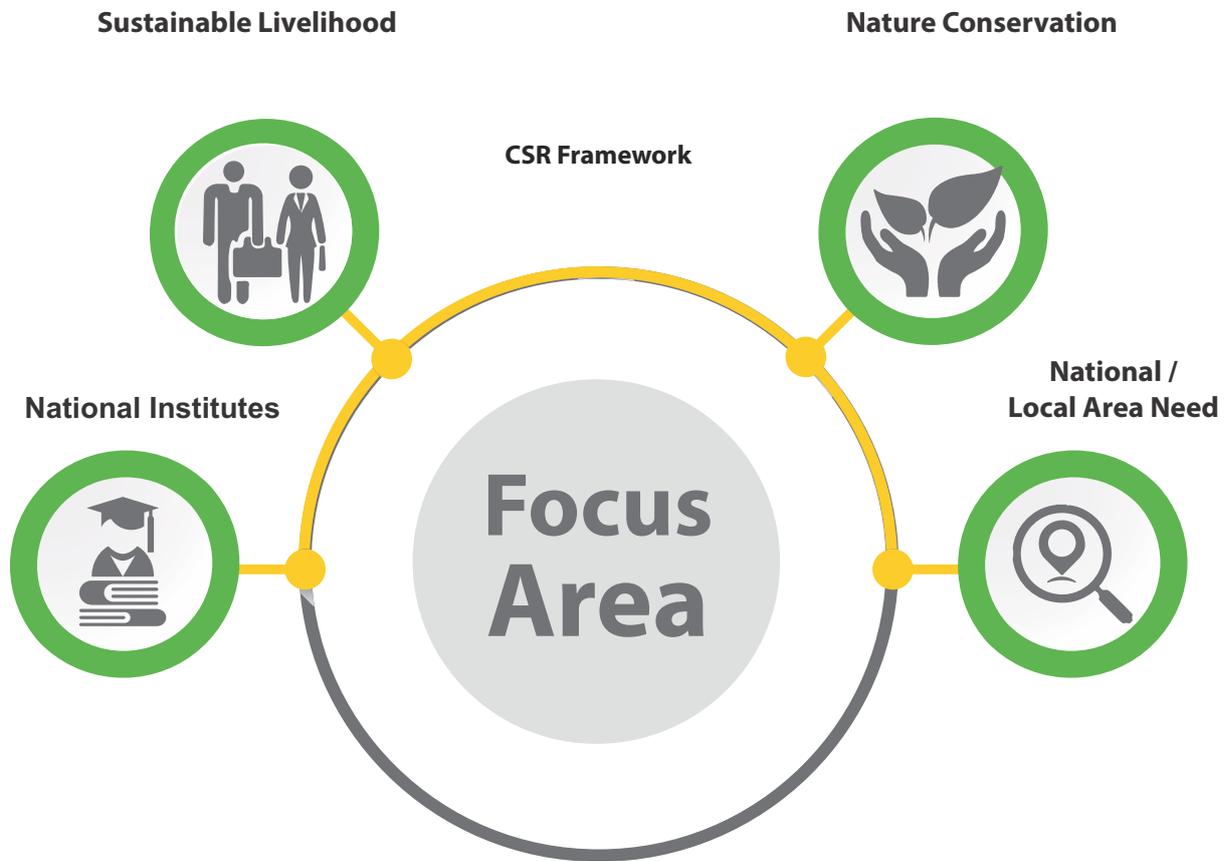


Values

- Care
- Excellence
- Sustainability



Focus Areas



CSR Process

- E**ngaging with the community to understand and prioritize their needs
- E**volving key needs of the community by assisting in the identification of prioritised needs from its wish list and select appropriate responses based on the community's strength to address the same
- E**mpowering the community through skilling that empowers them to transform their life and surroundings.
- E**nriching the community with our CSR Initiatives
- E**valuating, monitoring and improving our initiatives.

Development efforts globally



CSR Spend



CSR Governance:

We have a CSR policy that guides the organisation and aligns its activities towards focus areas. In accordance with sub-section (1) of section 135 of the Companies Act 2013, our organisation has set up a CSR committee to advise on the company's CSR policy, and monitor the CSR activities of UPL Limited. All projects are identified as per needs of community.

The Composition of the CSR Committee is as follows:



Mrs. Sandra R. Shroff
(Chairman)



Mr. Pradeep Goyal
(Independent Director)



Mr. Vikram R. Shroff
(Director)

The policy for CSR may be found on our website as follows: <http://www.uplonline.com/csrpolicy.pdf>

DEVELOPMENT EFFORTS OUTSIDE INDIA

MEXICO



"Arropando Vidas" which means Clothing Lives is a CSR initiative of UPL Mexico and is being carried out since 2015. Arropando Vidas is a winter campaign which consists of collecting blankets and winter clothes donated by employees/ collaborators of UPL Mexico. During this season, Mexico registers low temperatures. The collected blankets and winter clothes were donated on 7th Feb 2018 to 60 people from the community of Tierra Blanca, Guanajuato which is one of the most vulnerable community in Mexico. In addition to what was collected by the collaborators/ employees, UPL supported by purchasing blankets so that more people get benefited. The employees also contribute in this effort (65% of the cost of blankets is borne by the employee) and the rest by UPL Mexico. The Arropando Vidas was started in 2015 and this was the 4th consecutive year of supporting most vulnerable community in Mexico.

We have been celebrating Children day by a program called "Por el niño que llevas dentro", which translates to "For your Inner child". Every 30th April since 2015 our employees voluntarily participate in the program and distribute toys and gifts to school children. Employees also spend time with children organizing various fun filled activities in the school premises. This year the event was conducted in 2 schools- The Primary School "El Plpila" In Guanajuato and Jose Maria Luis Mora School in Colonia Santa Ursula. The teachers and the children enjoyed the program immensely.

ARGENTINA



At UPL, we are close to the community and for this reason. We offered an office in our plant and connectivity so that ANSES can manage from there a consultation center and access to its services for the town of Abbott Social Security office at plant for every neighbor (in the past they need to travel 46 kms to have access to social security office). This has immensely helped the community members.

Learning tour of our facility for the community: We received students, teachers and authorities from Abbott's Kindergarten No. 902 in our plant. In addition to knowing the facilities and learning about our company worldwide we offered a talk on recycling and environmental care. A beautiful day of games and learning for the community.

To upgrade the learning environment of the children, we donated material and laboratory equipment to schools and universities in the area.

Our "Afforestation of Access to Abbott" project is in progress.

COLOMBIA



Barranquilla Plant (today Uniphos Colombia Plant Limited) is located in the city's industrial sector, surrounded by 3 neighborhoods that have an approximate population of 8,000 inhabitants. With a clear approach established more than 15 years ago focused in prevention, the plant carries out interventions throughout the whole life cycle of its neighbors. The scope of its social responsibility programs includes a continuous and two-way dialogue with neighbors. Financial contribution to non-profit entities, support for the development of their emergency plans and the voluntary participation of employees. Care for pregnant women and infants, pedagogy and recreation to promote breastfeeding, nutrition and integral development of children, support to school going children, promotion of traditional culture, games, sports among adolescents and youths, care for seniors, commitment to sustainability.

BRAZIL



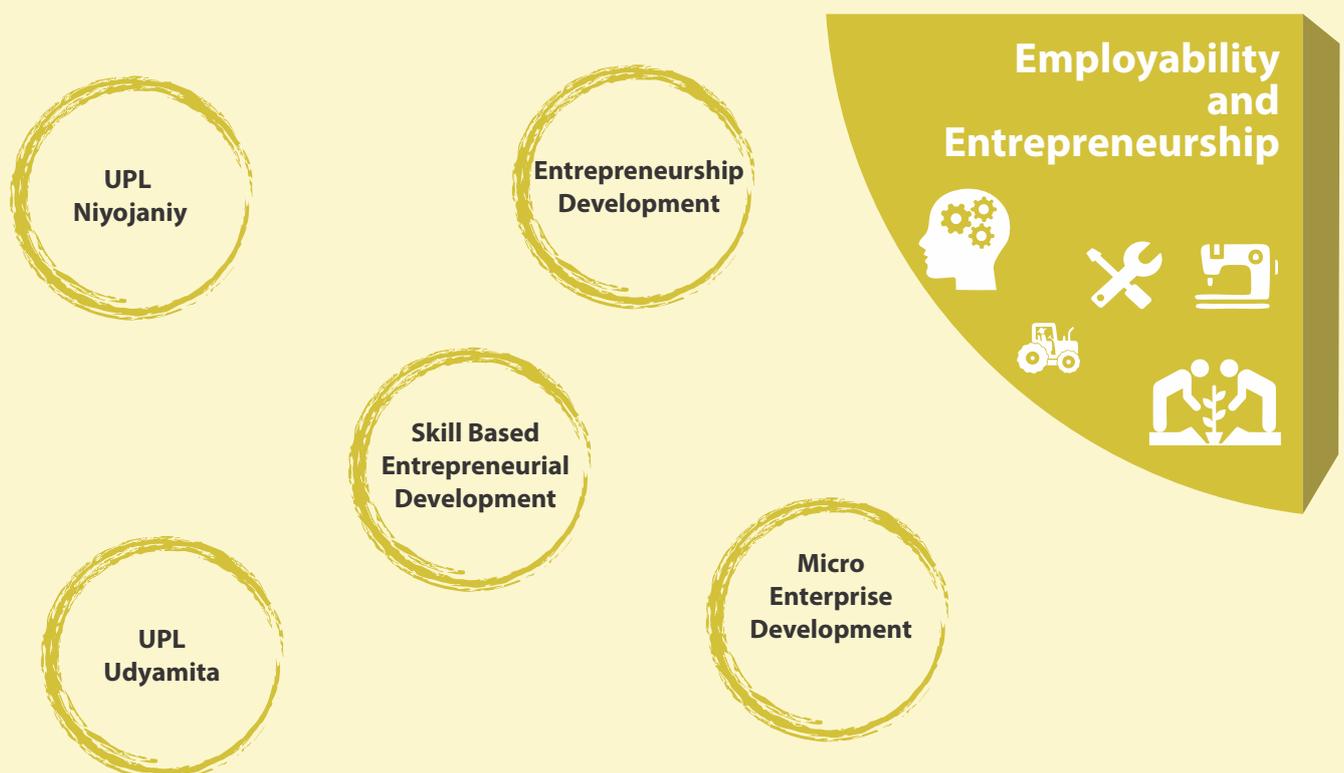
The Complimentary Education Program works with adolescents belonging to low socio - economic strata living with little or no access to health, education, cultural activities or leisure. This often leads them to child prostitution, domestic violence and idleness. We have partnered with an NGO called Association Life which promotes the social and educational development of this group so that they become creative, responsible and competent members of society.

TANZANIA



Supporting small farmers dependent on Sunflower farming for their existence. Sunflower is the second most important crop in Tanzania covering over 600,000 ha of land. It is largely cultivated by small farmers and the crop is dominated by OPVs. Working with the small farmers is a challenging task and hence, we are working with several NGOs like FIPS, Aga Khan Foundation, AMDT, SNV etc. to reach thousands of farmers. We are also working with an NGO called Technoserve, providing on field training to their farmers and oil millers and promoting sunflower hybrid. (Technoserve is an NGO in Tanzania contracted by Agricultural Market Development Trust (AMDT) to build the knowledge and capacity of the Sunflower farmers and processors to grow and process Sunflower grains as well as oil). A training programme was conducted on 14th November, 2017 by Technoserve in collaboration with Advanta & Bytrade Tanzania Limited In Dodoma (Central Tanzania).

DEVELOPMENT EFFORTS IN INDIA



UPL
VASUDHA

UPL Green
Ganesh
Workshops

Social
Forestry

UPL
Mangrove
plantation

Handprint
Count
"Positive Action
Towards
Environment
Sustainability"

UPL
Sarus
Conservation

**Environment and
Nature Conservation**

Developing
medicinal gardens
in schools

Eco Clubs

**Local and
National Needs**

The Mobile
Education Van
Ankleshwar

Educational
institutes
Promoted and
Supported by
UPL

Safety
trainings

Improving
school
infrastructure
in Kododara,
Dahej

The
Shroff S Rotary
Institute of
Chemical Technology
(SRICT)
Vataria
Ankleshwar

Global
Parli

Sandra Shroff
ROFEL
College of
Nursing
(SSRCN)

Financial
support to
build Mukti Dham
(cremation park)
at Daman
Ganga, Vapi

UPL
School
Sanitation

GIDC
Rajju Shroff
ROFEL
Institute of
Management
Studies
(GRIMS)

Advanta
supply
chain

Time
responses
to natural
disasters

Haria
L.G. Rotary
Hospital,
Vapi

Shree Sardar
Vallabh Bhai Patel
Rotary
General Hospital,
Ankleshwar

Energy
Conservation
Campaign

Vandri
Cluster
Development

UPL
Unnati

Financial
support to
Friends
of Tribals
Society

SUSTAINABLE LIVELIHOOD (UPL PRAGATI)

Agricultural Development

Use of traditional labour extensive technology & techniques on small land holdings and rain fed irrigation practices have made Indian agriculture not so profitable for farmers, leading them to poor quality of life and facing nutritional deficiencies and low immunity. UPL is implementing several initiatives to help the small and marginal farmers grow and develop.

UPL Centre For Agricultural Development

UPL started the farmer's training school in the year 2000 at Vikram Farm in Nahuli to impart hands on training and on field demonstration of latest farm technologies to the farmers. **As of March 2018, Approx 14,100 farmers have taken training at UPL Centre For Agriculture Excellence, Nahuli, VAPI.** Newer farm technologies and machinery have come into practice since then and a need was felt to construct a center which catered to the ever evolving needs of the farmers. A state of art center call " UPL Centre for agriculture Excellence" was built in 2017 and was inaugurated by Hon'ble Union Minister of State for Skill Development- Shri Rajiv Pratap Rudy. The objective of the center is to empower the farmers with knowledge and skills need to increase agriculture productivity. This is done through spreading awareness about modern scientific methods, practical demonstration of crops and farming equipment.



UPL khedutPragati @ Dang

UPL AKRSPI Livelihood Initiative

Agriculture is the primary source of income in Dang district and a majority of the farmers follow traditional methods of cultivation making it a low profitable venture. This project was initiated to improve the profitability of the Dang farmers by shifting them from traditional methods to SRI method which is a scientific way of agriculture, tried and tested in many parts of the world. The project was started in the year 2012. With SRI technology being introduced in Paddy. We have used the SRI technology in Nagali (Finger Millet) too. In its 5th year UPL AKRSPI Livelihood Initiative has reached 25 villages enrolling more than 1854 farmers



UPL BoriBaggicha

The health of the farmers and their families suffers due to lack of nutritional food. To overcome this problem, we are implementing UPL Bori Baggicha. We have helped the farmers prepare kitchen gardens. The simple methodology is demonstrated to the farmers and the required material (a plastic bag called Bori and seeds of vegetables) is supplied. The farmers are encouraged to grow vegetables like Bottle Gourd. Bitter Gourd. Cucumber etc. This technique is very simple and requires only 1 litre water per day. It costs around INR 25/- per BoriBaggicha and in return produces vegetable worth INR 500/- in a crop cycle of 3 to 4 months. This program has given immediate results and has fulfilled the nutritional requirements of the tribal families of Dang. This is also a step to supplement the nutritional requirement of the farmers.



UPL Moringa Development

The Moringa or Drumstick is considered to be a super food which has multiple benefits. It is a great source of vitamins A, C, iron, Potassium, Protein and calcium. These trees grow easily from seeds or cuttings even in difficult conditions within 8-10 months of planting. The farmers are made aware of the benefits of including Moringa in their diets. Seeds are distributed and farmers are encouraged to grow Moringa. More than 100 farmers across 9 villages in Dang district have planted Moringa and are reaping its benefits today.

Dairy development with tribal farmers

All our animal husbandry initiative are conducted with the help of village level volunteers called Pashu Mitra (friend of animals). In Dang, the focus of the animal husbandry program is on dairy development. A 3 day training was organized at the UPL Centre for Agriculture Excellence (in collaboration with KVK Ambethi), which focused on selection of milch animals, AI, fertility improvement, vaccination, mastitis, calf rearing & diseases, fodder & nutritional importance etc.

Animal health camps have been conducted in 10 villages and medication was provided for diseases and health issues.

UPL khedutPragati @ Vapi

Empowering the farmers in Vapi started in 2016. This project aims to work with the farmers in Vapi area and transform the way they have been doing farming since ages. 10 farmers groups have been formed with 208 farmers in Vapi cluster. All the initiatives are undertaken through the farmers' group. 10 field training programs were organized during the year helping the farmers see for themselves the benefits of alternate methods. 15 exposure visits to progressive farms were organized benefitting 355 farmers. We are also encouraging and supporting the farmers to plant Saru (Beefwood) in their lands. Saru is a very fast growing, tall tree that is capable of withstanding coastal winds (Vapi being a coastal area). Its timber is also useful for making huts and cottages. 25 farmers participated in this initiative and planted 40,000 Saru plants.



Animal Husbandry @ Vapi (Goatery Project with tribal families)

Training on effective goat rearing practices are organized for the tribal families in Vapi. These are small and marginal farmers whose livelihood is entirely dependent on very small land holdings. Many are landless farmers too who work as farm labor. In this scenario, Goat rearing for this group becomes an important source of supplement income. Our program focuses on ways to improve the quality and quantity of milk and improve the health of cattle thereby increasing its utility.



KhedutPragati @ Ankleshwar

All our agriculture development initiatives are driven by farmers groups, to sustain the same in the long run and get community participation at all the stages. Various training programs are conducted to equip the farmers with the latest farm technologies. They are also taken on exposure visits to progressive farms.

Promoting the use of micro irrigation to grow vegetables - we are promoting the use of micro drip irrigation in the project areas to grow vegetables. This is an efficient way to maximize the use of water and reduce wastage while giving the plants deep root watering. The use of this system keeps the vegetable plants watered at a slow rate. This is a cost effective way to irrigate the plants and around 100 small and marginal farmers have adopted this system with financial support from UPL.

Taking good care of our cattles! We are implementing the **Animal Husbandry @ Ankleshwar**. We have initiated breed improvement program through artificial insemination (AI) in Ankleshwar.



No. of villages covered	21
No. of farmers who benefitted from the program	173
No. of AI conducted	837
No. of cattles examined	458
Successful PD	277
Total caving	136

SKILL DEVELOPMENT

We have established **industrial skill training center** (Known as **UPL Niyojaniy**) for dropped out youths in the year 2014 with a vision to provide Comprehensive 6 month skills training on industry specific skills like welding, fitting, electrical etc. We have 4 centers and till date we have trained **1,074** youth and **640** have been placed in different industries.

We have also partnered with **2 ITI's** (Industrial Training Institute) under **Public Private Partnership** model (**ITI Surat- Mahila & ITI Amod**). This would enable us to share our industrial expertise and technical know-how with these institutes and help them become better.

AdarshMitra Training with AFS team on creating awareness on Farm Mechanisation. This year a total of 13 training session were conducted. 600 youths received training on farm mechanisation and 175 candidates were selected as Machine Operator (160) and (15) Officer.



SHG & ENTREPRENEURSHIP

We are working on formation and strengthening of Self Help Groups (SHG) and by promoting entrepreneurship in these groups. We have formed 88 women SHG with 1,307 women members from 34 villages under **UPL Udyamita**. The SHG's are working on various small enterprise like Garments, Agarbatti, Artificial Jewellery, Handicrafts, Jute work etc.

We are also providing **Skill Based Entrepreneurial training** to enhance individual employability among the women/youth. We follow an integrated approach which incorporates technical skills training, entrepreneurship development and life skills.

15 trainings were organized benefiting a total of 854 participants from Valsad, Bharuch and Ahwa.

We are also working on Micro Enterprise Development and Entrepreneurship Development for Tribal Youth and Women with 76 participants.



ENVIRONMENT AND NATURE CONSERVATION (UPL VASUDHA)

Decreasing in forest cover, increase in insensitivity towards nature, over exploitation of natural resources and other man made hazards to nature have disturbed the ecological balance. UPL Vasudha is our environment and nature conservation initiative to improve the quality of life of the natural habitat in the region through information dissemination, increased awareness and focused efforts to preserve and protect the same.

UPL Social Forestry

We work for afforestation and rehabilitating the degraded forest and common lands. We have been successful in getting active community participation in the project. Under the initiative, the community is encouraged to plant trees in village common lands, government wastelands and panchayat land. This would raise the plantation level in the area. The UPL team is actively working with the Gram Panchayats in Ankleshwar, Jhagadia, Dahej and Vapi clusters where the project has been implemented. Apart from tree plantation, we have also done bore wells, set up solar system and water pumps at the sites for proper growth of the plants. Regular monitoring of the social forestry sites is being conducted by the team and volunteers. We are also conducting surveys to locate new sites for further plantation. This year Dahej was selected as a new site for social forestry. Weed control exercise is being carried to ensure good growth for the trees. Micro irrigation system are installed at the sites.



As of March 2018 we have planted 39,100 trees in 80.5 acre of community land. We have provided 26,495 to community school for 60 acre plantation and work with them for survival.

Mangrove plantation was undertaken to prevent soil erosion and help reclaim land from sea. Our WAU volunteers and the community planted Mangrove in the coastal areas of Vagra block. 120000 have been planted spread across 60 acres in the region.

UPL Sarus conservation

Sarus Crane (*Grus Antigone*) is a resident species of Gujarat mostly found in Kheda, Anand and Vadodara district. This species faces extinction due to man-made constructions and activities that erode its nesting and breeding sites. Habitat loss becomes a threat to their existence. Sustainable efforts to protect and conserve the species calls for long term solutions involving the community. Awareness programs are conducted in the major breeding, foraging and roosting areas for preserving the species.

Initiatives undertaken:

- **Documentation and survey of Sarus Crane** (number and habitat)
- **Creating awareness** amongst students and farming community about Sarus Cranes, their habitat and importance. Have done **73 awareness programme** covering **5,884** students, **258** teachers & **1,500** farmers.
- Formation of **Rural Sarus Protection Groups**
- **Documentation and publication** - complete report on the conservation efforts was also prepared and the same was released by IUCN on 4th December, 2017 in New Delhi.



UPL Eco clubs

In 2012-13, UPL formed 20 Eco clubs in schools around Vapi. As of March 2018 we have formed / Activated 65 EcoClubs in community School with 5058 students. A group (10 students) of enthusiastic, environmentally concerned and socially committed students are chosen from each school as Eco Club members. These EcoClub members are involved in taking up meaningful environmental activities and project in their respective schools and vicinity. They manage the green activities such as growing trees, developing medicinal garden, cleaning-up activities such as collecting waste recycle and reuse. The Eco Club members are also actively involved in the conservation of locally threatened Flora and Fauna. Through Eco Clubs our focus is to form a cadre of environment warriors through which students can reach out and influence and engage their parents and neighbourhood communities to promote sound environment behaviour. Major activities were

- **Handprint Count** - "Positive Action towards Environment Sustainability" Handprint count was carried out in 13 schools wherein 1675 students participated and 159 students left their handprint. Students of Eco-Club were taken on a **nature trail** to herbal garden at Zandu Foundation (District-Valsad, Gujarat) where they learnt about a variety of herbal and aromatic plant species with help from the Foundation. The objective of this activity is to sensitize young minds about their action towards environment sustainability. Every action of ours has the potential to impact the environment either positively or negatively. Through this activity, the children are encouraged to assess how their actions impact nature.
- **Developing medicinal gardens** in schools. Eco Clubs developed their own medicinal gardens in schools, which would serve as an integrated learning facility for the entire school. Students from 10 schools have also initiated waste management practice in the school premises. The students prepared vermi compost for the school's garden and they also made useful things from used plastic bottles and tyres for beautification of the school campus.



- **Training of Trainers (ToT)** program organized for Eco-Club teachers - A two day workshop on ToT (training of trainers) for Eco-Club teachers was organized in partnership with GEER Foundation, Department of Social Forestry & Department of Education-Valsad, Gujarat from 27th December 2017 to 28th December 2017 at UPL Centre for Agriculture Excellence - Nahuli along with a field trip at social forestry site named "Gandeva" in Dang district of Gujarat. The purpose of the ToT was to sensitize and enhance knowledge and skills of eco-coordinators about nature conservation. Around 100 eco-coordinators from various schools of Gujarat participated in the workshop.

UPL Green Ganesha

UPL in partnership with Parisar Asha (a Trust working in the field of education research and training based in Mumbai) has been organising Green Ganesha workshops for school children in Mumbai. This is a unique workshop where school children are taught and encouraged to make their own Ganesha idols using eco-friendly material (river clay popularly known as "shadu mati" in India). Ganesha idols are in huge demand during the Ganesh Chaturthi festival. Once the festival is over, these idols are immersed in various water bodies like lakes, rivers and ocean. Since most of the idols are made of Plaster of Paris (POP). It causes great damage to the water bodies. During the workshop, we also impart knowledge to the children about the ill effects of using POP idols. Children are encouraged to use the Ganesha idols made by river clay during the festival and promote its use in their neighbourhoods. In last 3 years we have conducted workshop in 56 schools in Mumbai and have sensitized 6050 students about the ill effects of POP idols.



NATIONAL INSTITUTIONS - Institutes Promoted / Supported by UPL



Smt. Sandra Ben Shroff GnyaDham School, Vapi

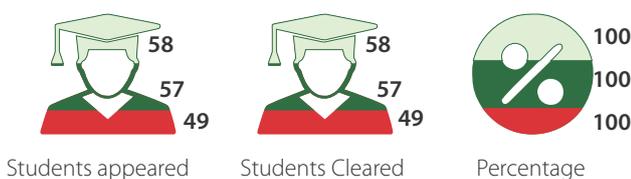
Established in year 1972, Completed 46 years of service towards providing quality education in south Gujarat. THE TOP MOST SCHOOL of area having almost 100% result (Every year) with focus on holistic development of student.

GnyanDham Eklavya Model Residential School (EMRS), Ahwa

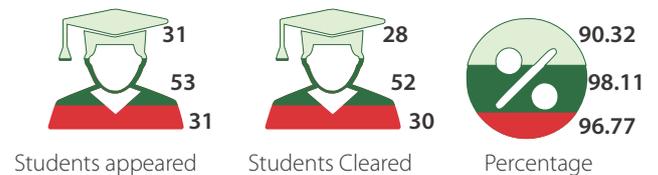
Gnyan Dham EMRS Ahwa was started by the Government (in the year 2000) for imparting education to the children belonging to the very poor tribal community. In 2011, Government requested UPL Ltd to take over management of school so as to improve education level. The Gnyandham Trust took over its management and multiple initiatives have been taken to enhance the overall learning experience of the students in this school. EMRA, Ahwa achieved the best results in SSC in the Dang District (Total 51 schools including Govt., Non- Govt., and Eklavya Schools)



The comparative result of students in the last three years for SSC



The comparative result of students in the last three years for HSC (Science)



2014-2015

2015-2016

2016-2017

Shroff S Rotary Institute of Chemical Technology (SRICT) - Vataria- Ankleshwar

Gujarat being a hub for chemical industries in India requires quality manpower to run the industries and fuel its growth. The GIDC (Gujarat Industrial Development Corporation) belt in Ankleshwar did not have a technical institute that could cater to the growing need for manpower by the industries. In this scenario, UPL decided to come forward and establish a world class institute with research and technical facilities at par with the best in the region. The institute provides world class research and learning facilities to the engineering students as well as the faculty who are engaged in active research. The laboratories are provided with latest equipment which stimulates learning. The institute regularly organizes workshops, engineering seminars, training programs etc, for the students. For the overall growth of the student's personality, the institute organizes various life skills program on a regular basis.



Sandra Shroff ROFEL College of Nursing (SSRCN)

The quality of health care in any hospital is dependent on medical professionals and the facilities available. Hospitals are always in need of good quality nurses who are not only skilled in their profession, but are also caring and passionate about their work. SSRCN aims to fill this requirement of hospitals and nursing units. The college was established in the year 2003-04 and has an intake of 40 students in the graduate program and 15 students in the post graduate program. The college is working towards launching M.Phil and PhD programs too. Another important objective for starting this college was to provide young girls education, professional degrees and life skills to become financially independent. The institute is well equipped with latest medical technologies and good infrastructure to enhance the learning environment of the students. The students also get trained in several specialty and super specialty hospitals. Seminars and workshops, extracurricular activities, events etc. are organized regularly. Our students have been doing very well, both as care givers in hospitals and as academicians in nursing colleges.



Haria L.G. Rotary Hospital, Vapi

The hospital was started in 1977 with the active support of UPL and is today managed by the Rotary Charitable Trust. This hospital provides good quality healthcare especially to the needy people in the region. It is a 250 bed multi-specialty hospital with one of the best infrastructure facilities in the region. It is managed by a team of dedicated and expert professionals. Equipped with fully functional operation theatres, trauma and emergency centres, blood bank, dialysis centre, physiotherapy centre and much more. The hospital is equipped to handle all kinds of medical emergencies.



Shree Sardar Vallabh Bhai Patel Rotary General Hospital, Ankleshwar

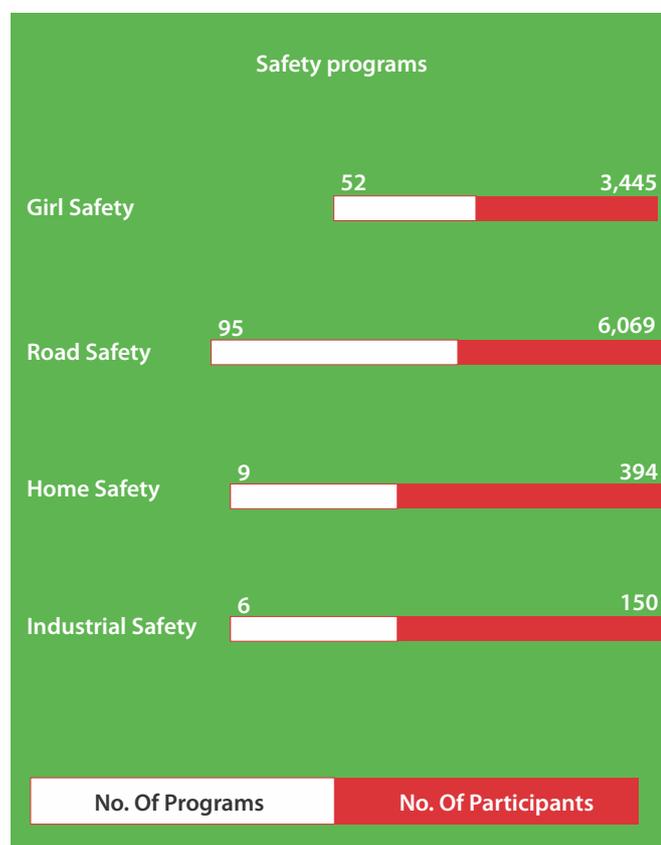
This hospitals caters to the medical needs of people from Ankleshwar, Panuli and Jhagadia belt. It is supported by UPL and is committed to provide quality and affordable health care to the economically disadvantaged sections of the society. At present, the hospital has a capacity of 100 beds and is equipped with all modern medical facilities for giving people the best treatment. Around 2 lakh people from the surrounding region avail our medical services every year.



NATIONAL AND LOCAL AREA NEED

UPL School Sanitation

In lieu of Govt. of India's Swachh Bharat Abhiyan, UPL decided to do its bit in this direction. We started the School Sanitation Program 3 years back and have built quality toilets in schools and public places. These toilets are provided with adequate drainage facility, availability of water and proper cleaning mechanism. To improve the overall sanitation environment in the rural areas, we conduct community awareness drives about hygiene practices and behavior. These programs are mostly conducted in schools so that children become the torch bearers of cleanliness and spread the message in the community. As of march 2018 we have completed construction of 36 toilet blocks.



UPL Suraksha

Girl Safety Training - Safety of girls is of paramount importance. Through this initiative, we attempt to make the adolescent and young girls aware about various aspects of safety. They are equipped with knowledge and skills to protect themselves in case of any untoward incident. They are encouraged to take guidance from family members and teachers and hence, avoid harm. Self- defence techniques are also taught during the sessions.

Road/Highway Safety Training - A majority of the accidents on the road happen because people do not follow road safety rules. Either there is a lack of awareness about the same or simply an attitude of negligence. We work with schools, colleges and housing societies providing training and creating awareness.

Home Safety Training - Many accidents at home go unnoticed like accidents in kitchen, electric shocks, trips and falls, harm from hazardous material etc. In our home safety trainings, we make the women aware about these hazards and encourage them to follow safer practices at home.

Industrial Safety Training - This program is conducted with the ITI students who are going to join the industrial workforce in the future. It is imperative to prepare them for a safe work life in industries. Use of safety equipment at all times, do's and don'ts within the industrial unit, measures to avoid industrial accidents and what to do in case of an accident are the focus point of the program.



Muktidham@ Vapi

The Mukti Dham at Vapi is constructed with major financial support from UPL and provides a cremation facility which is pollution free and eco-friendly. It is the first of its kind in the region. The crematorium operates a website that offers a platform for people to live-stream last rites of their loved ones to their family members and friends who are far off and are not present physically. Our Chairman Mr. R.D.Shroff inaugurated the Mukti Dham.



Improving school infrastructure in Kododara, Dahej

Shree Sharda Vidhya Mandir in Kadodara, Dahej provides higher education to 7 neighbouring villages. The school was built 40 years ago and in the absence of renovation it had become dilapidated. On request from local leaders of the village, UPL constructed a new building for the school ensuring children to get a safe and conducive environment for studies.

UPL Unnati

UPL believes in creating capacities of civil society organizations including Non Govt. Organizations (NGOs) and Community Based Organizations (CBOs). These organizations have strong community connect and bring their expertise to the table. Some of them need to improve their processes and systems to enhance their effectiveness. UPL Unnati is a step in this direction. Through this program, we work on enhancing the administrative and management systems of the civil society organizations in order to improve their project deliverables.



Vandri cluster development

Vandri is the remotest village of Dumkal Panchayat of Narmada District of Gujarat state. The village pre-dominantly comprises of tribal community. The village lacked basic amenities and institutional infrastructure for growth. Making the situation even worse and the fact that the villagers were totally dependent on rain fed agriculture. No second crop could be taken on the hilly terrains due to absence of water harvesting structures. As a result many of them migrate to nearby towns and cities to make both ends meet. A preliminary need assessment study and participatory meetings with the community charted the road map for intervention. The community was actively involved in each and every aspect of the programme from planning to implementation. A lot of focus has been given to building community based organizations like farmers groups. The activities undertaken are:

- Construction of Check Dam
- Construction of Boribund
- Construction of Community Well
- Farm Bunding
- Land levelling
- Micro irrigation support to interested farmers
- Promotion of Moringa, Bori Bagicha & Mango plantation



United against child labour

The supply chain team of Advanta Seeds distributed bags and water bottles to the school students of Jalna village in Maharashtra. They also held a discussion with village stakeholders (parents, teachers, opinion leaders, panchayat members, media etc) on the ill effects of child labor and how to overcome this menace in our society. The production team is conducting similar development initiatives in the neighbouring areas too.

Supporting Global Parli

Global Parli was started as a pilot to showcase how villages of India can be transformed into model villages through revival and empowerment. The idea was to create progressive, economically viable and prosperous villages for a new India. This project is being implemented by "Global Parli" team under the leadership of Mr. Mayank Gandhi. UPL is supporting the Global Parli to develop replicable model of Rural Rejuvenation by providing financial, technical & management support to the project. The project works with 15 villages in drought-prone Parli tehsil in Marathwada (Maharashtra-India) for over-all development. The primary goal is to increase the per capita income of each family by 250% in 3 years.



Financial support to Friends of Tribals Society

Established in the year 1989 at Kolkata, friends of Tribals Society (FTS) is a non-governmental voluntary organization committed towards the upliftment of the deprived in rural India. It believes that literacy is the key to progress and hence, focuses on healthcare education, developmental education, empowerment education and basic education to the rural children. They have a wide network of 32 chapters all over India to serve the villagers in a better way. Today, they are working with 29,587 schools and 7,83,689 students. UPL has been providing financial support to the program.



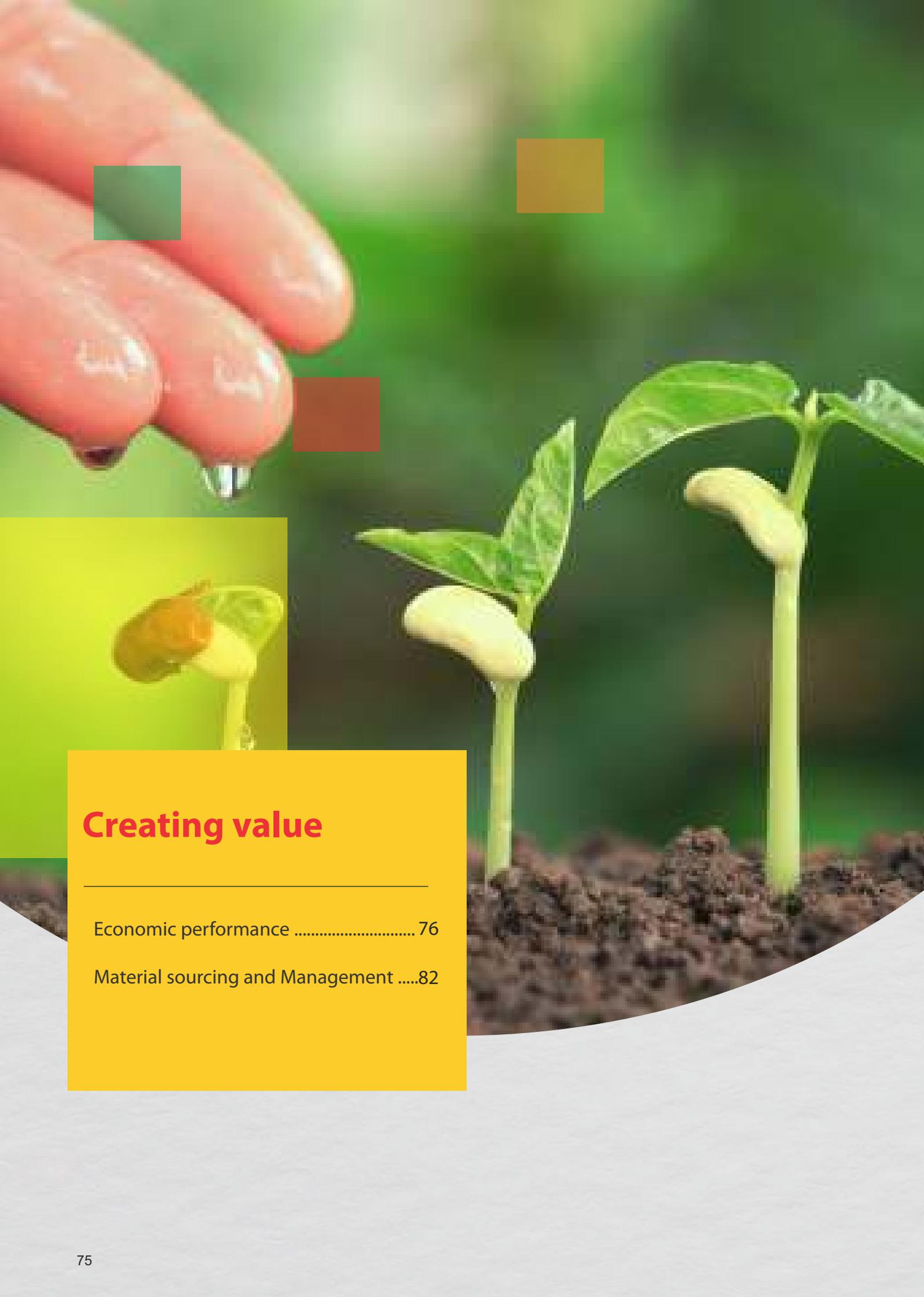
The Mobile education van - Ankleshwar

This project aims to make learning fun-filled and experiential based for the village school children and teachers. A van equipped with educational support systems like audio visuals, sports equipment, children films, science laboratories, education aids etc, visits a village school twice a month and spends 2 days with the children giving them exposure to interesting ways of learning. Today, we are working with 25 rural schools through 2 education vans.

WE ARE UNITED (WAU) VOLUNTEERS

UPL promotes the spirit of contribution to society amongst its employees. We believe that every employee must be given an opportunity to put their skills and passion for the larger goal of development, beyond the realms of their work life. We are United Volunteers lovingly known as WAU team have always come forward and given their best. They have been instrumental in spearheading many programs in the neighbouring communities. **In year 2017-18 total 125 WAU volunteers have spent 3,123 hrs for CSR work.**





Creating value

Economic performance 76

Material sourcing and Management82

Economic Performance

Priorities

- Reduce dependence on third parties
- Strengthen product portfolio
- Diversify proactively
- Scale capacities competitively
- Optimize costs
- Reduce carbon footprint
- Enhance safety levels

Management Approach

For an organization to fulfill the expectations of the shareholder, economic performance is essential i.e organizations proper growth. UPL's growth is directly influenced and dependent on farmers prosperity. With population and food demand growing, the need of the hour is to improve food productivity and security. At UPL, we are seized of this global priority. We have selected to address this need through seven priorities: Reduce dependence on third parties, Strengthen product portfolio, Diversify proactively, Scale capacities competitively, Optimize costs, Reduce carbon footprint, Enhance safety levels. Our mission is manufacturing and supplying crop protection and specialty chemicals worldwide, by providing solutions to optimize farm productivity for the farmer through innovative and cost-effective products, to provide the customer with better value for money. UPL is thoroughly planning for future needs and requirements for food in India and globally, by bringing in new agri-techniques, innovations and crop protection.

Highlight

19%

Increase in innovation rate of new products

7%

Growth reinforcing its position as one of the most exciting generic crop protection chemicals companies

2nd

Global ranking as a post-patent crop protection chemicals company

37,131

Market Capitalization (Cr. In INR)

14%

Improvement in EBIDTA to INR 3,920 Cr

17%

Increase in net profit to INR 2,022 Cr

0.2%

Growth in global crop protection chemicals industry 2017

25

Environmental sustainability related awards received by UPL in FY2017-18

AGRICULTURE SECTOR IN INDIA

Agriculture is the primary source of livelihood for about 58% of India's population and the sector accounts for 16% of the overall economy. At 157.35 million hectares, India holds the second-largest agricultural land in the world. Ministry of Agriculture is targeting to achieve 274.55 million tonnes production of food grains, during 2017-18 as compared to 275.68 million tonnes in FY17. India's agriculture sector is pegged to grow at 2.1% in 2017-18. India is among the top15 exporters of agricultural products in the world. The Central Government has made doubling farm incomes as one of its priorities. To this end, it has taken a number of important policy actions to boost agriculture: instituting soil health cards, ensuring efficient irrigation, strengthening government procurement of pulses, introducing neem-coating of urea, building more assets under MGNREGS, expanding crop insurance for farmers and building a common agricultural e-market via e-NAM. (Source: CSO) Outlook The productivity of most crops in India is below the global productivity average. Farm productivity can be improved through better irrigation, technology improvement, crop diversification, increased value addition (fruits, vegetables, spices, condiments), and increasing crop intensity



Primary source
of livelihood for
about **58%**
of India's
population

India is among
the **top 15**
exporters of
agricultural
products in the
world.

Agriculture in
India accounts
for **16%** of
the overall
economy.

GLOBAL CROP PROTECTION CHEMICALS MARKET

Modern agriculture is a USD 3 trillion industry and as the world population moves to a projected 9 billion people by 2050, investment in safe, effective agricultural chemicals will only continue to expand. The ever increasing need to grow more food on less land, with minimal impact on human health and the environment, creates a vast market for effective synthetic crop protection chemicals and fertilizers. Crop protection chemicals, in terms of revenue, are expected to grow at a CAGR of 5.5% from 2017 to 2025 due to rising occurrences of pest and rodent attacks damaging crops. On the production side, 90% of the growth in crop production globally (80% in developing countries) is expected to come from higher yields and increased cropping intensity, with the remainder coming from land expansion. Arable land would expand by ~70 million hectares (or < 5%), with the expansion in developing countries by about 120 million hectares (or 12%) being offset by a decline of some 50 million hectares (or 8%) in the developed countries. Almost all of the land expansion in developing countries would take place in sub-Saharan Africa and Latin America.

Crop yields would continue to grow but at a slower rate. On average, annual crop yield growth rate over the projected period would be about half (0.8%) its historical growth rate (1.7%; 0.9% and 2.1% for the developing countries). To feed the rising population, production needs to be increased, creating a case for more agro-inputs.

UPL ventured into crop protection chemicals and specialty chemicals 38 years ago and today the company is the 8th largest crop protection chemicals in the world.

GENERIC CROP PROTECTION CHEMICALS

A promising opportunity Generic crop protection chemicals account for ~60% of the global crop protection market, while proprietary off-patent and patented crop protection chemicals account for the remaining share. Of late, falling agricultural commodity prices, and in turn, falling profitability have been driving US and Latin American farmers towards less expensive generic products. The US and Latin American markets account for ~18% and ~27% of the global crop protection chemicals market, respectively, and the shift to generic crop protection chemicals coupled with multitude of products going off-patent is expected to open up attractive avenues of growth (estimated to be worth ~USD 3 billion between CY17 and CY20) for the generics industry. Products worth USD 3.7 billion have already gone off-patent between CY15 and CY17. While this would result in a contraction in the American and Latin American markets in value terms, it would widen opportunities for Indian crop protection chemicals companies.



Demand drivers

- Growth in demand for food grains: India has ~16% of the world's population and <2% of the total landmass. Increasing population and high emphasis on achieving food grain self-sufficiency, is expected to drive growth.
- Limited farmland availability and growing exports: India has 157 million hectares of gross cultivated area and the scope for bringing new areas under cultivation is severely limited. Available arable land per capita has been reducing globally and is expected to reduce further. The pressure is therefore to increase yield per hectare which can be achieved through increased usage of crop protection chemicals.
- Increasing awareness: ~15-25% of potential crop production is lost due to non-usage of crop protection chemicals. Companies are increasingly training farmers regarding the right use of crop protection chemicals in terms of quantity to be used, the right application methodology and appropriate chemicals to be used for identified pest problems. With increasing awareness, the use of crop protection chemicals is expected to increase.



Challenges

- High research costs: Research activities to develop a new crop protection chemicals molecule takes an average of nine years and Indian companies typically have not focused on developing newer molecules and will face challenges in building these capabilities, while continuing to remain cost competitive
- Threat from genetically-modified seeds: Genetically-modified seeds possess immunity against natural adversaries and thus adversely impact the business of crop protection chemicals.
- Need for efficient distribution systems: Since the number of end users is large and widespread, effective distribution via retailers is essential to ensure product availability. Lately, companies have been directly dealing with retailers by cutting the distributor from the value chain thereby reducing distribution costs, educating retailers on product usage and offering competitive prices to farmers.

Challenges

- Support for integrated pest management and rising demand for organic farming: Promotion of integrated pest management, zero budget farming and usage of bio pesticides by the Indian Government and NGOs has hampered crop protection chemicals demand growth. As such, crop protection chemicals companies will have to address concerns pertaining to the negative impact of crop protection chemicals usage.

Opportunities

- Scope for increase in usage: With lower proportion of the total farmland under the coverage of crop protection chemicals, there is a significant unserved market that can be tapped into. By educating farmers and conducting special training Programmes regarding the need to use crop protection chemicals, Indian companies can hope to increase crop protection chemicals consumption.

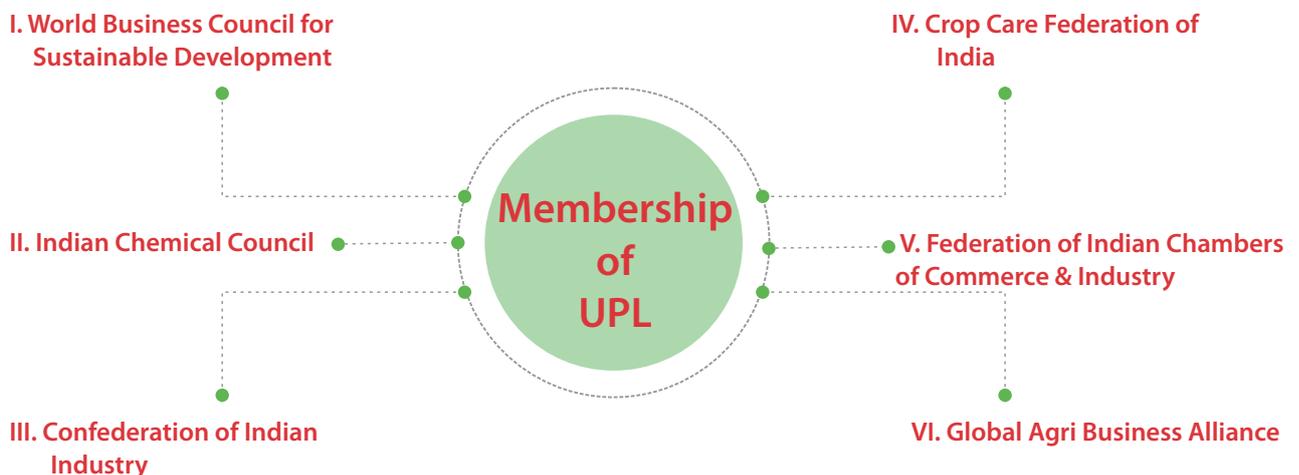
- Huge export potential: The excess production capacity is a perfect opportunity to increase exports by utilizing India's low-cost manufacturing capabilities.
- Product portfolio expansion: Threats like genetically-modified seeds, integrated pest management and organic farming, among others, can be turned into opportunities if the industry reorients itself to better address the needs of its consumers and broadens its product offering to include a range of inputs instead of only crop protection chemicals.
- Off -patent products: A multitude of products going off -patent would unleash a generics opportunity worth ~USD 3 billion between CY17 and CY20. By leveraging the strength of top-notch R&D and integrated manufacturing facilities, sectorial players can grab this imminent opportunity in the generics market.

UPL ventured into crop protection chemicals and specialty chemicals 38 years ago and today the company is the 8th largest crop protection chemicals in the world. At present company's marketing presence is in 130+ countries through 88 subsidiaries. Our vision is to be a world-class organization by enhancing value for customers and other stakeholders, by caring for employees to inspire their engagement as a motivated team in an open and learning environment, by setting new performance standards and by focusing on total quality control, innovation and responsive care towards the environment. Keeping the above vision our primary goal, we reported a topline growth of 7% during the year under review. This year Indian market grew slower than expected due to a number of reasons: the lingering impact of demonetization affected off take; the 2017 monsoon was less than adequate; GST implementation led to destocking in the first quarter and slowed business during the first half of the year. World Bank has projected India's economic growth to accelerate to 7.3% in 2018-19 and 7.5% in 2019-20. As a future-facing company and to cross the hurdles, we continue to strengthen registration, patent filing and market widening exercises. During the year under review, we filed 169 patents and registered 247 new products across markets. The Company launched 101 products during the year under review.

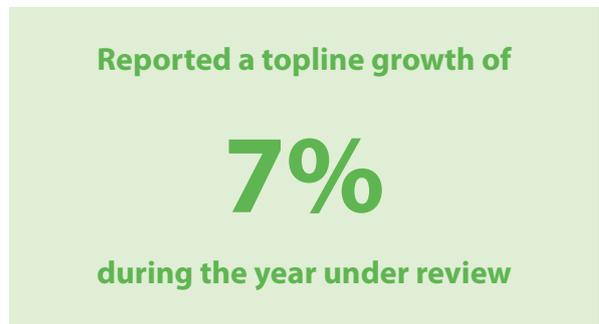
Company's performance was striking as consolidated revenues improved 5% from INR 17,124 crore in FY17 to INR 17,920 crore in FY18, EBIDTA reported a 14% growth from INR 3,429 crore in FY17 to INR 3,920 crore in FY18 and PAT grew 17% from INR 1,727 crore in FY17 to INR 2,022 crore in FY18 profitable growth for the Company. We have continued to strengthen our margins; EBIDTA margin strengthened 185 bps over FY17 and net profit margin improved 121 bps over FY17.

The Company is member of various trade associations and chambers which helps UPL to identify and understand the common concerns of the business and its impacts on the communities.

UPL is currently a part of the following associations:



We also have an internal audit team with well-established internal control and risk management processes both at the business and corporate levels, which ensures the adequacy of incumbent monitoring systems and evaluation systems. The voluntary appointment of professional consultants is done to check the shortcomings of the systems and thus, improve on the same. We have defined in detail, various policies and procedures for conduct of the business to safeguard the assets of the Company, maintenance of accurate and complete accounting records, making available from time to time management information and prevention and detection of fraud and errors.



Material Sourcing and Management

37%
of UPL vendors were sourced locally



Responsible Care
OUR COMMITMENT TO SUSTAINABILITY

Management Approach

Sustainable sourcing of materials is one of the key element of our sustainability journey and it is pertinent to our performance and customer satisfaction. Under the umbrella of our environment conscious efforts, we strongly promote and develop materials that are not energy and water intensive and opt for materials that emit lesser GHGs. To promote sustainability in our products and operations, we are a signatory to Responsible Care initiative.

“Responsible Care” is the chemical manufacturing industry’s environmental, health, safety and security performance initiative developed autonomously by International Council of Chemical Associations. For the past 30 years, “Responsible Care” initiative has helped companies significantly enhance their

performance and improve the health and safety of their employees, the communities in which they operate and the environment as a whole. We believe that complying to such global standard will only help us in attaining our sustainable development goals by adopting best practices available worldwide.



Material Sourcing

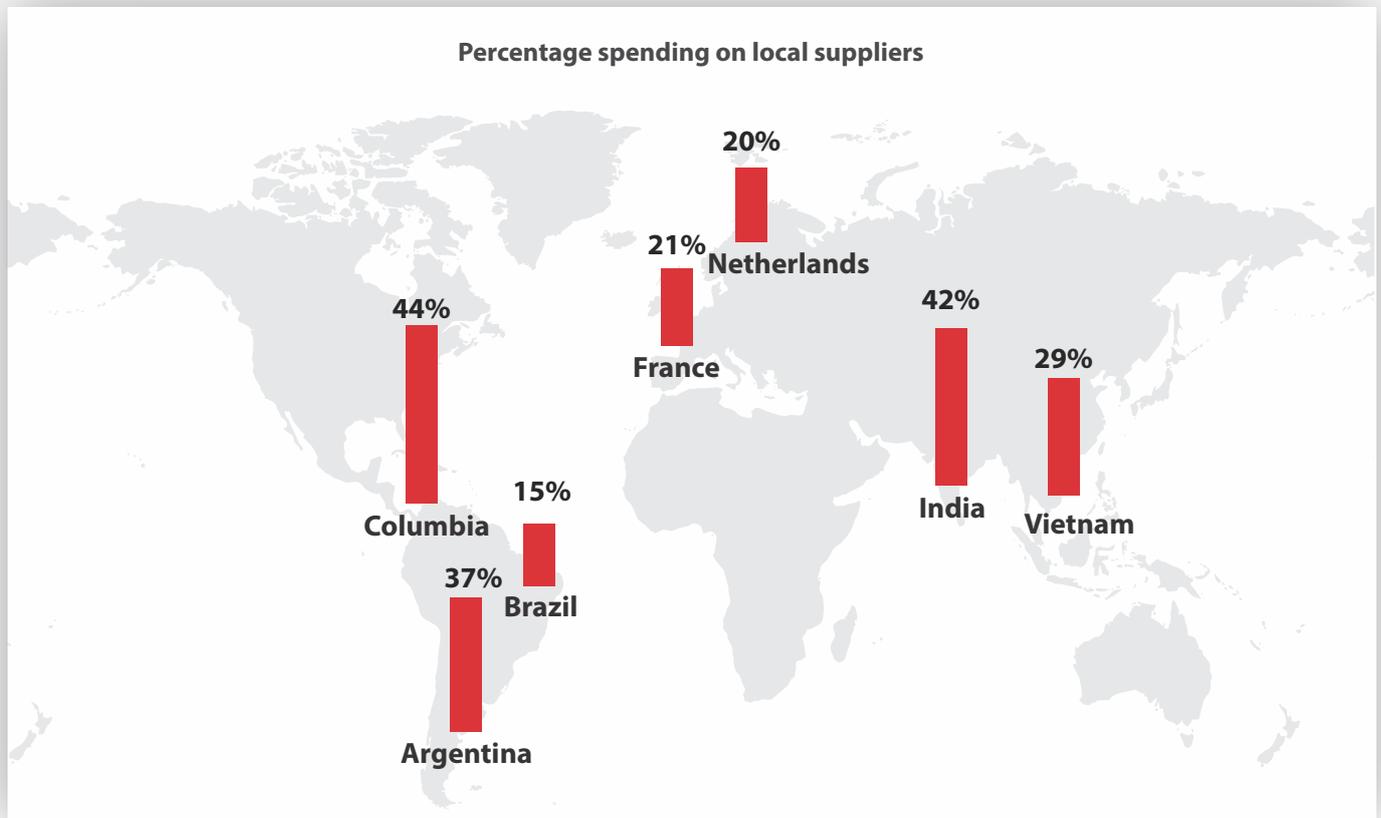
Material sourcing and management is crucial in controlling costs and making our operations more reliable. We consider social and environmental parameters in procurement activities and supplier onboarding processes. We have identified “strategic raw materials” that comprises of top 50 raw materials procured by our company. We focus on the key drivers of price and supplies of these raw materials.

Strategic sourcing has enabled us to have a disciplined and systematic approach towards optimising the total costs, timeliness of delivery and quality of externally purchased materials. Our supplier evaluation methodology comprises of a detailed audit with balanced scorecard which helps us to select the right supplier and measure their performance on a continuous basis to align with our sustainable procurement agenda.

At UPL, we give preference to local suppliers wherever possible in order to respond promptly to the requirements, thereby simultaneously strengthening local economy. During the reporting period, 37% of our vendors were sourced locally (within respective country).



Geographical distribution of our procurement during the reporting period is shown as below:



Material Sourcing

One of the UPL belief is adopting upgraded and advanced technologies into their system which has a positive effect on the environment. To implement this belief of ours, we have an in-house team for inspecting, repairing, upgrading and replacing our worn out machines and evaluate and develop new technologies which would assist to make our operations more effective. By using the latest technology, we reduce overall impacts of our products. Some of them are Reduction in power consumption for refrigeration by 12% through reduced condensation temperature from 400c to 360c and process yield improvements in some key products for reduction in consumption of raw materials and also reduction in waste generation.

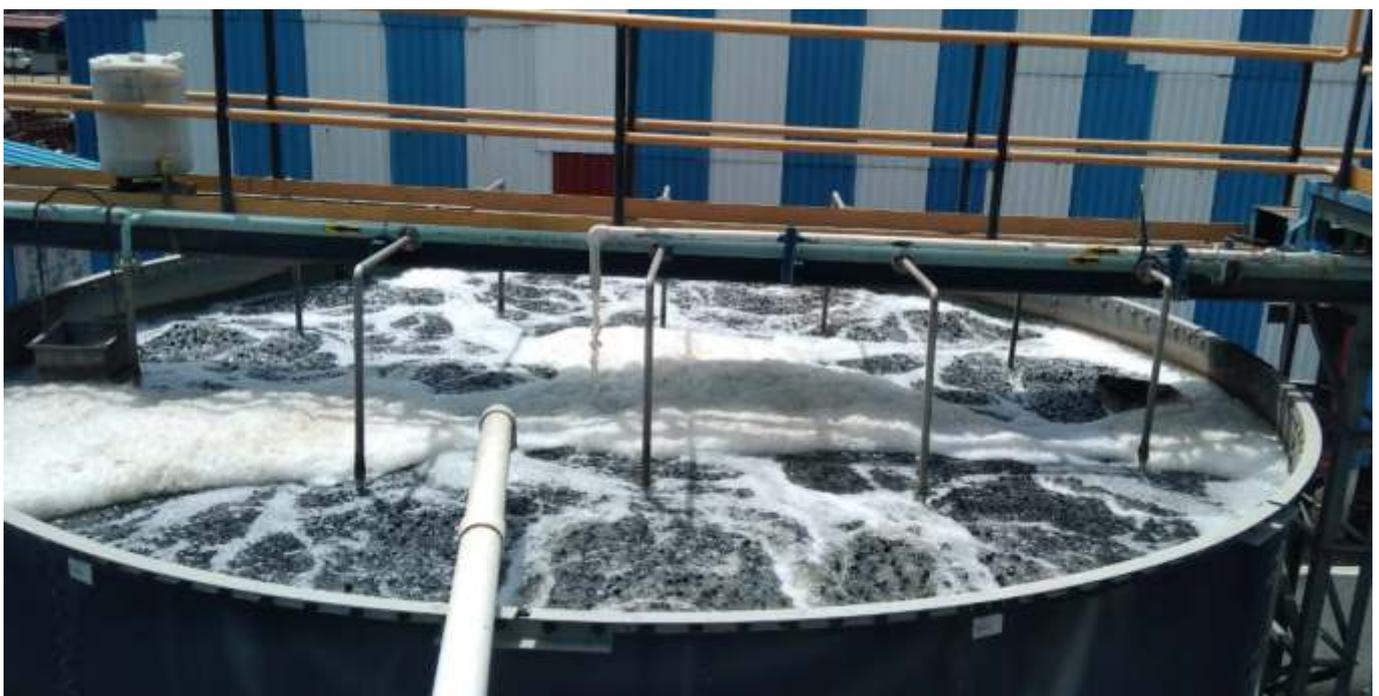
After the operations are completed and we have our products ready, we make sure that there are minimum residues of the product. Most of our plants are devised to have "Zero Liquid Discharge". Some of our waste products are recycled by 100% like Ammonium chloride, Ammonium acetate, Methyl chloride, sodium sulfate, ammonium sulphate, calcium chloride, hydrochloric acid, MDC residue, HNO₃, etc. Some are products are recovered above 95%. Other remaining wastes are treated and disposed safely as per the government norms and standards.

We have also imbibed "The Green Procurement Program" ideology which helps us to incorporate the robust mechanism to procure raw materials and packing through a sustainable source. Most of our packaging material is procured by local vendors and suppliers around and nearby our plants. The materials which are used for packaging of our products are Plastic bottles, corrugated boxes, Fiber drums, Flexible laminates, HDPE Woven bags, etc. We also procure raw materials such as MnSO₄, Salt, Caustic soda, Chlorine, Hydrated Lime, ZnSO₄, 3-4 DCA, Specialized Starch, China clay, Mg turning, Ethanol, Sulphur, Ammonia, Chloral, Acids and etc. Suppliers and vendors who procure raw materials to us need to be in terms of goods and services. Also our global affiliates come under the purview of our Supplier Code of Conduct.



Category wise quantity of material purchased (Tons)

Formulation FG 1,588.7 KL	Formulation FG&RM 23,241.7 MT	Inorganic 2,76,900 KL
Metals 2,703.7 MT	Minerals 28,176.1 MT	Organics 74,236 KL
Others Rm's 909.985 MT	Technical 6,689.7 MT	



International Sustainability Rating



International ESG Rating

Global risk and opportunities from natural resource scarcity to changing governance standards, from global workforce management to continuous evolving regulatory landscape, Environment Social and Governance (ESG) factors holds the potential to impact short term or long term risk of an organisation. ESG risks and opportunities assessment assist company's management to integrate these factors into the business portfolio and management evaluation process to mitigate the impact and embrace upon the arising opportunities.

At UPL, we believe in continuous improvement for growth and transparently communicating the performance to our investors and other stakeholders at large. This year we participated in rating indices like FTSE Russell and DJSI which undertakes a comprehensive exercise of evaluating various ESG parameters of the company.

FTSE Russell 4 Good Index series:

FTSE Russell is a British provider of stock market indices and associated data services, wholly owned by the London Stock Exchange (LSE). FTSE Russell has been at the forefront of innovating ESG indexing for nearly two decades. The FTSE4Good Index Series is a market-leading tool for investors seeking to invest in companies that demonstrate good sustainability practices. It also supports investors who wish to encourage positive change in corporate behavior and align their portfolios with their values.

Understanding the comprehensiveness of the indices and level of transparency it provides to the investor, we agreed to participate in the ESG rating under FTSE 4 Good Index series. This index family is based on the 14 themes areas under environment, social and governance pillar. Relevant information was made available for indicators under these themes.



Overall Score

The overall score is determined basis the performance in the individual pillars of ESG. We have achieved a total score of 2.9 with a percentile rank of 59. The detailed scoring with the themes are as below:



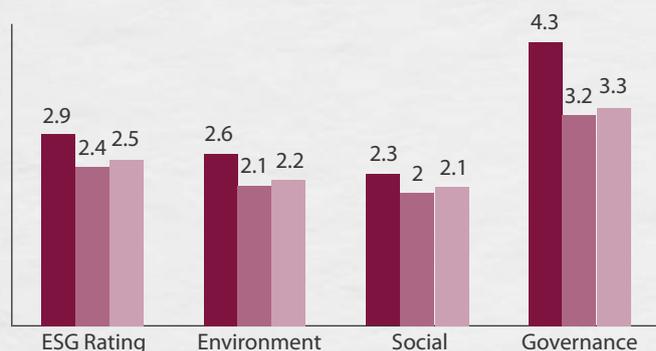
ESG Rating: 2.9
ICB Supersector: Chemicals
Percentile rank: 59

Exposure Levels: High Medium Low

Score / Rating: 0 to 5 (higher scores are better)

UPL VS Subsector and industry average

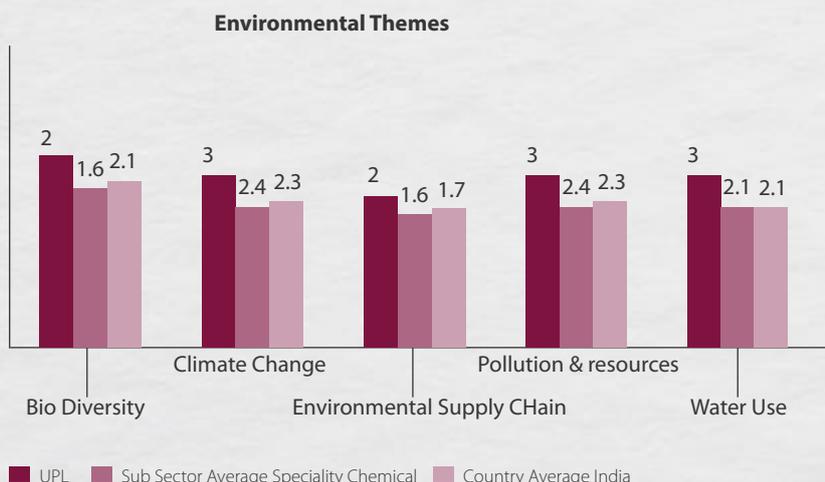
The rating also evaluates the performance on governance indicators across the subsector and industry average to evaluate the company score based on the subsector and industry performance. UPL has showcased performance better than the subsector companies and industries in similar business. The detailed scoring for the same is as follows:



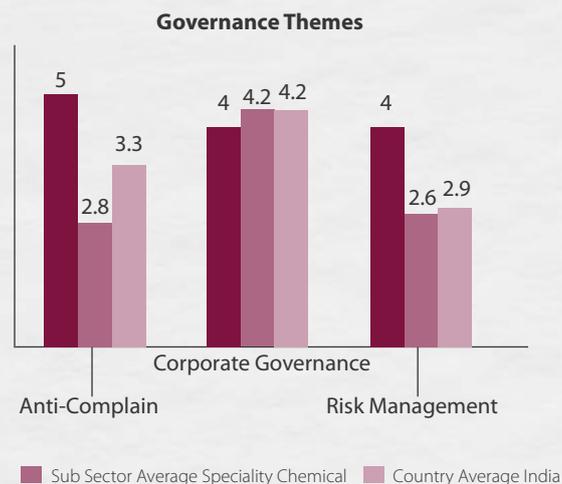
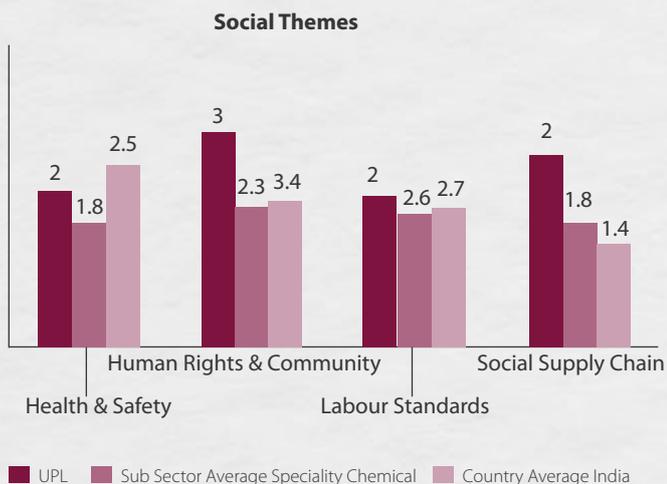
Legend: UPL, Sub Sector Average Speciality Chemical, Industry Average Basic Material

UPL VS Subsector and Country average

UPL's performance was also evaluated and benchmarked against the subsector companies and the companies across sector in our country. The scores were allotted on the basis of performance across various thematic parameters. The detailed scores are as below:



Legend: UPL, Sub Sector Average Speciality Chemical, Country Average India



Dow Jones Sustainability Index (DJSI Emerging markets)

S&P Dow Jones Indices partners with RobecoSAM, a specialist in sustainability investing, to provide investors with objective benchmarks for managing their sustainability investment portfolios. The DJSI allow the creation of portfolios of companies that fulfill certain sustainability criteria better than the majority of their peers within a given industry. The Dow Jones Sustainability Indices (DJSI) measure the performance of companies selected with economic, environmental and social criteria using a best-in-class approach.

The Dow Jones Sustainability Emerging Markets Index comprises emerging-market sustainability leaders as identified by RobecoSAM. It aims to represent the top 10% of the largest 800 companies in 20 emerging markets based on long-term economic, environmental and social criteria and UPL was selected in the top 10% companies which were invited to participate in the DJSI Emerging market index

UPL has improved the overall scoring by 57% as compared to 2017 results and we continuously strive to improve further. Some of the focus areas where we will be enhancing our performance further are:

Economic Dimensions

- Customer Relationship Management
- Innovation Management
- Tax Strategy

Environmental Dimensions

- Climate Strategy
- Genetically Modified Organisms
- Water Related Risks Assessment

Social Dimensions

- Human Rights
- Labour Practice Indicators
- Talent Attraction & Retention

GRI standard

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CERTIFICATE OF MEMBERSHIP

This is to certify that

UPL

is a constituent company in the FTSE4Good Index Series



FTSE4Good

June 2018

The FTSE4Good Index Series is designed to identify companies that demonstrate strong environmental, social and governance practices measured against globally recognised standards.

A handwritten signature in blue ink, reading "Mark Makepeace".

Mark Makepeace

Group Director, Information Services Division &
CEO, FTSE Russell
London Stock Exchange Group

A handwritten signature in blue ink, reading "Mark Moody-Stuart".

Sir Mark Moody-Stuart

Chairman, FTSE Russell ESG Advisory Committee

Make water live longer.

UPL's drought-mitigation technology ZEBa offsets the effect of inconsistent water supply during the crop-cycle.

ZEBa



Absorbs water



Retains water



Shares it with
the crop



UPL Limited | Sustainability Report 2017-18

Queries may be directed to: Dr. Mritunjay Chaubey

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