Reimagining sustainability – OpenAg™ in action

FY 2020-21 was a year of reckoning for sustainable food systems. The COVID-19 pandemic led to global food supply chain disruptions, impacting food availability and accessibility. The pandemic revealed the cracks in the global food system, with the potential to impact the livelihoods of marginal and small farmers and hinder the ability to feed the world. At UPL, we continued to leverage our capabilities to deliver sustainable solutions, globally. With augmented efforts to increase world food security, we put our best foot forward to take on new challenges and improve agricultural viability across the world.

At UPL, our OpenAg strategy reflects our purpose to create a deeper impact on society and strengthen food security by encouraging innovation and building an enhanced portfolio of crop solutions. Together, with our stakeholders, we aim to co-create an agile food system that is also resilient and sustainable. As we progress towards our sustainability goals – 2025, we aim to capitalise on each action plan to deliver on our vision.

Carbon sequestration

In our endeavour to combat climate change and reduce our carbon footprint, we have implemented an aggregation-based carbon farming model. Along with a plausible reduction in CO2 emissions, the model aims to create new revenue streams for farmers while encouraging the use of regenerative practices that allow for the preservation of soil health and the improvement of their lives.

Carbon sequestration at UPL

Soil organic carbon

- No till
- Cover crops
- Crop rotations
- Application of biochar and manure

Plant biomass

Horticulture

Accelerating our efforts towards carbon sequestration, we planted 5,99,379 trees across 787.79 acres, capturing 11,987 MT CO2 over the years*.

*Estimation: 20kg CO2/tree/year

Green Cell – embedding sustainability through innovation

As part of the improvement cell at UPL, the Green Cell aims to augment the reduction of the company’s environmental footprint. We endeavour to embrace innovation and state-of-the-art cost-effective technologies for the effective treatment of solid, liquid and gaseous wastes across our global manufacturing operations.

Major technologies embraced by UPL include Forward Osmosis (FO), Scaleban, Dissolved Air Floatation (DAF), Moving Bed Bioreactors (MBBR).

Patent applications include:

- Pendimethalin: Novel effluent treatment process (in-situ calcium hypo treatment) and scale up for complex effluents
- A novel process for elimination of thermogenesis in ETP bioreactors and its efficiency improvement
- A novel method for wastewater treatment

Robust presence of a multidisciplinary team of Chemists, Microbiologists, Chemical, Bio-chemical and Environmental Engineers.
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Environmental performance highlights

Environment

Reduced 22% Water consumption intensity
Reduced 31% Waste disposal intensity
Reduced 15% Carbon emission intensity

19% Electric Power from renewable sources at our two largest manufacturing plants

Social

We continue to support communities, increasingly in a pandemic scenario and help them achieve holistic transformation

₹100 Cr 1 Mn #1 Agrochemicals company in ESG by Sustainalytics

Governance

#1 Biosolutions Company

#5 Agrochemical Company in the world

138+ Country presence across 6 continents

50% Independent Directors in UPL Ltd

Corporate Governance

#  Including ₹75 crore contributed to PM CARES Fund

* Based on Sustainalytics Report dated 25th September 2020

* Specific Intensity is a measure as per MT of production
UPL Limited Sustainability Report 2020-21

Independent Limited Assurance Statement to UPL Limited on its Sustainability Report for Financial Year 2020-21

To the Management of UPL Limited, UPL House, CTS No 610 B/2, Behind, Off, Western Express Highway, Teacher’s Colony, Bandra East, Mumbai, Maharashtra, India.

Introduction

We (KPMG Assurance and Consulting Services LLP, or ‘KPMG’) have been engaged by UPL Limited (‘UPL’ or ‘the Company’) for the purpose of providing an independent limited assurance on selected non-financial disclosures in the Sustainability report (‘the Report’) for the reporting period from 1st April 2020 to 31st March 2021 (‘the year’ or the Reporting Period’). Our responsibility was to provide limited assurance on selected non-financial disclosures in the Report as described in the Scope, Boundary and Limitations.

Reporting Criteria

UPL applies its own sustainability reporting criteria derived from Global Reporting Initiative (GRI) Standards’ in-accordance - Comprehensive option.

Assurance Standards Used

We have conducted our assurance in accordance with:

- Limited Assurance requirements of International Federation of Accountants’ (IFAC) International Standard on Assurance Engagement (ISAE) 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information.
  - Under this standard, we have reviewed the information presented in this Report against the characteristics of relevance, completeness, reliability, neutrality and understandability.
  - Limited assurance consists primarily of enquiries and analytical procedures. The procedures performed in a limited assurance engagement vary in nature and timing and are less in extent than for a reasonable assurance engagement.

Scope, Boundary and Limitations

- The scope of assurance covers selected environmental and social disclosures of UPL as mentioned in the table below, for the Reporting period.
- The boundary of the Report includes operations of UPL and its subsidiaries, as mentioned in the Report.

GRI Standards: Universal Standards

- General Disclosures
  - Stakeholder engagement: 102-40, 102-42, 102-43, 102-44
  - Reporting practice: 102-46 to 102-52, 102-54, 102-55

GRI Standards: Topic Specific Standards

- Environment

- Social
  - Occupational Health and Safety (2018): 403-9, 403-10

*The data for emission intensity is restricted to Scope 1 (direct) and Scope 2 (energy indirect) emissions only

The assurance scope excludes following:

- Disclosures other than those mentioned under the scope above.
- Data and information outside the defined reporting period.
- Data related to Company’s financial performance.
- The Company’s statements that describe expression of opinion, belief, aspiration, expectation, aim to future intention provided by the Company and assertions related to Intellectual Property Rights and other competitive issues.
- Data review outside the operational sites as mentioned in the boundary above.
- Strategy and other related linkages expressed in the Report.
- Mapping of the Report with other reporting frameworks other than those mentioned in Reporting Criteria above.

Assurance Procedure

Our assurance processes involve performing procedures to obtain evidence about the reliability of specified disclosures. The nature, timing and extent of procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the selected sustainability disclosures whether due to fraud or error. In making those risk assessments, we have considered internal controls relevant to the preparation of the Report in order to design assurance procedures that are appropriate in the circumstances.
Our assurance procedure also included:

- Assessment of UPL’s reporting procedures regarding their consistency with the application of GRI Standards.
- Evaluating the appropriateness of the quantification methods used to arrive at the sustainability disclosures presented in the report.
- Review of systems and procedures used for quantification, collation, and analysis of sustainability disclosures included in the Report.
- Understanding the appropriateness of various assumptions, estimations and materiality thresholds used by Company for data analysis.
- Discussion with the personnel responsible for the evaluation of competence required to ensure reliability of data and information presented in the report.
- Assessment of data reliability and accuracy.

The performance data was reviewed through virtual interactions using screen sharing tools at the corporate office and selected sample locations. The locations included are as mentioned below:

- Unit 0 – Vapi
- Unit 2 – Ankleshwar
- Unit 3 – Ankleshwar
- Unit 5 – Jhagadia
- UCPL - Colombia
- Head office – Mumbai

Conclusions

We have reviewed selected non-financial disclosures in the Report of UPL Limited. Based on our review and procedures performed, nothing has come to our attention that causes us not to believe that the sustainability data and information as per the scope of assurance presented in this Report is appropriately stated in all material respects, and in accordance with reporting criteria.

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

Independence

The assurance was conducted by a multidisciplinary team including professionals with suitable skills and experience in auditing environmental, social and economic information in line with the requirements of ISAE 3000 (Revised) standard. Our work was performed in compliance with the requirements of the IFAC Code of Ethics for Professional Accountants, which requires, among other requirements, that the members of the assurance team (practitioners) be independent of the assurance client, in relation to the scope of this assurance engagement, including not being involved in writing the Report. The Code also includes detailed requirements for practitioners regarding integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. KPMG has systems and processes in place to monitor compliance with the Code and to prevent conflicts regarding independence. The firm applies International Standard of Quality Control (ISQC1) and the practitioner complies with the applicable independence and other ethical requirements of the IESBA code.

Responsibilities

UPL is responsible for developing the Report contents. UPL is also responsible for identification of material sustainability topics, establishing and maintaining appropriate performance management and internal control systems and derivation of performance data reported. This statement is made solely to the Management of UPL in accordance with the terms of our engagement and as per scope of assurance. Our work has been undertaken so that we might state to UPL those matters for which we have been engaged to state in this statement and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than UPL for our work, for this report, or for the conclusions expressed in this independent assurance statement. The assurance engagement is based on the assumption that the data and information provided to us is complete and true. We expressly disclaim any liability or co-responsibility for any decision a person or entity would make based on this assurance statement. Our report is released to UPL Limited on the basis that it shall not be copied, referred to or disclosed, in whole or in part, without our prior written consent. By reading this assurance statement, stakeholders acknowledge and agree to the limitations and disclaimers mentioned above.

Prathmesh Raichura
Partner
KPMG Assurance and Consulting Services LLP
September 20, 2021
Welcome to UPL

Purpose-led sustainability

UPL is committed to delivering value-based outcomes for all our stakeholders. We leverage our core capabilities and strengths to create sustainable solutions for farmers and mitigate climate change risks. While we continue to face adverse and unprecedented challenges, we strive to live our values and augment our efforts to build a sustainable tomorrow, today.

Our Vision

Working with farmers to help them feed the world sustainably

Goals 2025 target SDGs in focus

1. Reduce environmental footprint
   - SF 20% ↓ Specific* water consumption
   - SF 25% ↓ Specific* CO₂ emission
   - SF 25% ↓ Specific* waste disposal

2. Enhance world food security
   - SF 50% Revenues from innovative and sustainable solutions** to enhance yields and quality

3. Enhance sustainable sourcing
   - SF 60% Sustainable sourcing

4. Strengthen community wellbeing
   - SF 3 million Lives to be impacted through livelihood, education, health and sanitation

*Specific is a measure per MT of production
**Sustainable solutions includes bio-solutions and soil and seed health products
About this report

As a leading public agrochemicals company, UPL endeavours to create an agriculture network that feeds sustainable growth for all. In line with our mission to make every single food product more sustainable, we continue to strengthen our OpenAg network that is inclusive of the entire world and its ~7 billion people.

Strengthening commitment to sustainable development

In line with our commitment to the greater good, we strive to strengthen our contribution towards the global 2030 agenda for sustainable development. We support all 17 Sustainable Development Goals (SDGs), along with our prioritised SDGs for the business. In FY 2020-21, UPL joined the United Nations Global Compact (UNGC) initiative as a signatory in support of the 10 principles to advance the broader sustainable development goals of the United Nations.

10 Principles of UN Global Compact

1. Businesses should work against corruption in all its forms, including extortion and bribery
2. Make sure that they are not complicit in human rights abuses
3. Businesses should respect the protection of internationally proclaimed human rights
4. The elimination of all forms of forced and compulsory labour
5. The effective abolition of child labour
6. The elimination of discrimination in respect of employment and occupation
7. Businesses should support a precautionary approach to environmental challenges
8. The elimination of child labour
9. Encourage the development and diffusion of environmentally friendly technologies
10. Undertake initiatives to promote greater environmental responsibility

Our prioritised Sustainable Development Goals (SDGs)

Businesses should support and respect the protection of internationally proclaimed human rights
Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining
The elimination of all forms of forced and compulsory labour
The effective abolition of child labour
The elimination of discrimination in respect of employment and occupation

Reporting period and frameworks

The financial and non-financial information disclosed in this report pertain to the reporting period of 1st April, 2020 to 31st March, 2021. This report has been developed in accordance with the GRI Standards: Comprehensive Option. It is in adherence with all the reporting principles with respect to content and quality as per the GRI Standards. The report is further guided by UNGC principles and provides linkages to the UN SDGs. This report also serves as UPL’s UN Global Compact Communication on Progress (CoP) for FY 2020-21.

There has been no restatement of information for the reporting period. Specific assumptions and methodologies have been mentioned in support of any estimates made in this Report. Our latest sustainability report published in October, 2020 can be accessed on our website along with our previous publications.

Scope and boundary

The report covers the national and international business activities of UPL, inclusive of all global manufacturing and formulation plants in addition to our Mumbai headquarters. The subsidiaries, joint ventures, and associate companies where we have no operational control have been excluded from the reporting boundary. Details of all the entities are covered in our consolidated financial statements that can be viewed in our annual report on the company’s website. During the reporting period, UPL took a collective decision to shut down the company’s Rotterdam facility from July 2020 onwards.

Stakeholder engagement and materiality assessment

The stakeholder engagement and materiality assessment represent the foundation of our Sustainability Report. It enables us to gather internal and external stakeholder insights towards our progress on sustainability. Taking into account the unprecedented challenges in FY 2020-21 along with the changing global regulatory environment and the evolving business landscape, we undertook a fresh stakeholder engagement and materiality assessment exercise to identify the most relevant issues to the business and UPL’s environmental, social and governance impact. Furthermore, the assessment was guided by the recommendations of the GRI Standards. Our prioritised material topics define the contours of the FY 2020-21 Sustainability Report, of which further details can be accessed on page 42 of this report.

Assurance

Our sustainability report has been externally assured by an independent third-party assurance provider KPMG Assurance and Consulting Services LLP based on the International Standard on Assurance Engagements (ISAE) 3000 (Revised) – limited assurance criteria. The assurance statement can be found on page 4.

Feedback and suggestions

We appreciate receiving feedback from our stakeholders as it supports us by improving our performance in sustainability reporting. We encourage you to share your views and insights with us.

Dr. Mritunjay Chaubey
Global Head of Environment & Sustainability
UPL Limited
UPL House, 610 B/2, Bandra Village, Off Western Express Highway, Bandra (East), Mumbai 400051
Phone: +91 22 7152 8840
Email: mritunjay.chaubey@upl-ltd.com
Chairman’s Message

The year 2020-21 was the most challenging one in our lifetime. The COVID-19 pandemic resulted in unprecedented health, social and economic disruptions across the world.

Dear stakeholders,

I take this opportunity on behalf of the entire UPL family, to express our gratitude towards the frontline workers for putting a brave effort in ensuring health and wellbeing of citizens across the world. I also take the opportunity to thank the scientists and medical professionals working tirelessly to find out a possible cure to stave off the pandemic.

In such an eventful year, being conferred with the Padma Bhushan, one of India’s highest civilian awards, was indeed a moment of pride and a testament to the hard work and determination of everyone at UPL to build a more sustainable world.

Over the past five decades of our presence, we have been respected in the industry for venturing into uncharted territories led by our sustained investments in building one of the strongest research and innovation capabilities in our sector. This also vindicates our strong resolve to deliver products and solutions to farmers globally which help protect their produce, ensure income and enhance the sustainability of the global food supply chain.

Need for global action

Global hunger and food insecurity are ongoing challenges even in our modern world, as millions continue to face undernourishment or lack of regular access to sufficient safe and nutritious food. Changing climate and increasing population can aggravate those challenges, affecting the entire food value chain. The growing number of extreme weather events in the recent past has reduced the yields of major crops, raising questions about how to make farming practices more sustainable in a rapidly evolving world.

Technological adaptations and innovations can help provide solutions to many of these challenges. Investment in new sustainable agricultural technology can impact a worldwide system of distributors, suppliers, and along the entire agricultural chain.

At UPL, we are reimagining sustainability through our OpenAg purpose which is creating an open network for agriculture while activating connections across the agriculture ecosystem. We are transforming from an agrochemical company to provider of holistic and long-term solution for the entire food value chain. Our idea of sustainability is not just restricted to our manufacturing units. Our global network of research and development network is working relentlessly to identify the farmer pain points and focuses on solutions that help in protecting farm produce and secure farmer income while conserving the natural resources, resulting in a sustainable food value chain for the world along with taking the adequate measures at the manufacturing level to minimise impacts on the environment.

Our strategic partnerships and collaborations beyond borders are helping us in delving deeper into issues faced by the farmers of today across geographies and help us create sustainable solutions.

Extending care for the community

At UPL, we understand that a holistic community development is integral to our overall growth. This was further vindicated by the onset of the pandemic and we quickly sprang into action with focused initiatives across the globe. Our innovative India-specific initiatives included deployment of farm equipment for community sanitation among others.

At UPL Limited we are thankful to our stakeholders for helping UPL emerge as a brand which is reckoned as a sustainability leader in our industry.

Sustainability at the core

Sustainability forms the core of our business, and we will continue to invest proactively in our systems, processes and technologies to enhance our sustainability performance. While we have reported a revenue of ₹38,694 crore during the year, we have generated around 29% of our revenues from sustainable and specialised products, reflecting our continued focus on providing sustainable solutions to our customers. As a step ahead in sustainable farming, we have implemented an aggregation-based carbon farming model along with growing use of renewable energy in manufacturing and effective waste management.

We are thankful to our stakeholders for helping UPL emerge as a brand which is reckoned as a sustainability leader in our industry.

RD Shroff
Chairman

As the second wave created nationwide shortage of oxygen, we converted our nitrogen plants to produce medical-grade oxygen and installed oxygen plants to make eight hospitals in India become self-sufficient.

Reinforcing our commitment towards sustainability

We are proud to commit our support to the UNGC initiative and believe participation plays a critical role in achieving the Sustainable Development Goals. Partnering with the United Nations aligns with our OpenAg purpose as we aim to generate a deeper impact on society by creating sustainable growth for all. Our sustainability leadership has been acknowledged by DJSI and we have been ranked #1 in the agrochemical sector for ESG risk management by Sustainalytics.

Our strategic partnerships and collaborations beyond borders are helping us in delving deeper into issues faced by the farmers of today across geographies and help us create sustainable solutions.

...
The pandemic wreaked havoc on human life and livelihoods across the globe in 2020, with economic and social activities impacted alongside the devastating health challenges. The roll out of vaccines towards the end of 2020 brought hope to many. However, a second wave swept across the world soon after and postponed the recovery.

Being classified as an essential industry, UPL was able to continue its operations uninterrupted. Aligned with our core value of Always Human, UPL undertook COVID-related initiatives for the community, for our employees, partners, customers and other stakeholders. In one such initiative, we converted our captive nitrogen plants to produce medical oxygen to meet the overwhelming oxygen demand during the second wave of the pandemic in India. We also shared our learnings with 100+ other industry players so that they too could come forward and contribute additional oxygen to support the needs of hospitals. In another initiative, we were able to supply 6.5 million litres of sanitiser to help India’s authorities sanitise public spaces.

At UPL, we consistently strive to build a product portfolio that is energy and resource efficient to enable a positive environmental footprint. With farmers at the heart of all our business activities, we also aim to invest in products that are cost efficient. Through our NPP – Natural Plant Protection – business unit, we are well-positioned with our unique technology platform, our wide portfolio of differentiated and BioSolutions products to make agriculture more sustainable. Our ProNutiva solution blends BioSolutions with conventional crop protection chemicals to reduce the use of inputs, help crops grow better, and make them resilient to the climatic conditions. We have launched nurture.farm, a digital platform for growers, farming communities and food systems, fostering resilient farmers, making agriculture simple, profitable and sustainable for generations to come. Through technology-led solutions covering every step of the farming life cycle. Our concerted efforts help protect farm produce, ensuring food availability on one hand and supporting farmer incomes on the other.

On the operational front, we have a dedicated team called ‘Green Cell’ that continuously scouts for emerging technologies and implement them in our manufacturing plants to ensure sustainable operations by reducing our environmental footprint in terms of energy use, water use, and waste. The team helps us to strive to improve resource conservation, increase cost efficiencies, and capitalise on opportunities to build resilience across our business activities and product portfolio.

Our focused sustainability approaches have helped us get recognised across platforms. We are the only Agrochemical company in the World included in the DJSI Sustainability Yearbook 2021 powered by the S&P Global CSA for demonstrating excellence in sustainability.

Reimagining sustainability

On one hand, the pandemic exposed the vulnerability of our social and economic systems. On the other, it also underscored the importance of protecting global food security from the impacts of climate change. Agricultural activity is adversely impacted by climate change, and farmers are especially vulnerable. However, transformative practices in agriculture can reduce carbon emissions and mitigate the impact of global warming.

Our OpenAg purpose revolves around reimagining sustainable agriculture based on three pillars – sharpening our focus on reducing our environmental footprint, concerted efforts towards supporting environmental sustainability and economic resilience for farmers, and ensuring food security and safety of the food value chain. Every project and investment at UPL is focused on these pillars.

At UPL, we consistently strive to build a product portfolio that is energy and resource efficient to enable a positive environmental footprint. With farmers at the heart of all our business activities, we also aim to invest in products that are cost efficient. Through our NPP – Natural Plant Protection – business unit, we are well-positioned with our unique technology platform, our wide portfolio of differentiated and BioSolutions products to make agriculture more sustainable. Our ProNutiva solution blends BioSolutions with conventional crop protection chemicals to reduce the use of inputs, help crops grow better, and make them resilient to the climatic conditions. We have launched nurture.farm, a digital platform for growers, farming communities and food systems, fostering resilient farmers, making agriculture simple, profitable and sustainable for generations to come. Through technology-led solutions covering every step of the farming life cycle. Our concerted efforts help protect farm produce, ensuring food availability on one hand and supporting farmer incomes on the other.

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Collaborating for change

At UPL, we collaborate with partners to resolve challenges and create new opportunities together. We believe that Open Collaboration enriches the global agricultural network by connecting people and creating opportunities for all. Our sustainable collaboration helps bring positive change in the lives of farmers, consumers and society.

We are proud of our new collaboration with the FIFA Foundation, through which we will work within the FIFA Foundation’s Football for Schools Programme, designed to engage children in interactive education sessions focused on developing life skills and promoting values through football. We will also coordinate access to the FIFA Foundation for numerous schools in rural areas in Brazil, as well as engaging with local authorities in key markets. UPL and the FIFA Foundation will also work together to support sustainable development objectives and environmental protection efforts through a ten-year programme that will enable the reduction of carbon dioxide emissions and reward smallholder farmers in developing markets for adopting sustainable agricultural practices.

In another initiative, we have partnered with TeleSense, a California-based Internet of Things (IoT) innovator, revolutionising postharvest grain storage and transport. With around one-third of global food production lost annually due to food waste, this is a problem our industry cannot ignore. Our partnership with TeleSense represents a new vision for how grain is stored, handled and transported by creating a more efficient, data-driven supply chain that will reduce food waste, improve food quality and increase sustainability.

At UPL, we collaborate with partners to resolve challenges and create new opportunities together. We believe that Open Collaboration enriches the global agricultural network by connecting people and creating opportunities for all. Our sustainable collaboration helps bring positive change in the lives of farmers, consumers and society.

Recognised across the globe

Our focused sustainability approaches have helped us get recognised across platforms. We are the only Agrochemical company in the World included in the DJSI Sustainability Yearbook 2021 powered by the S&P Global CSA for demonstrating excellence in sustainability. We have also been ranked #1 among all Agrochemical companies globally in 2020 by Sustainalytics. Finally, we joined with other leading business and organisations to sign the Business Declaration for Food Systems Transformation, as well as a letter of support for the setting of science-based targets to keep global temperature increases below 2°C.

In conclusion

At UPL, sustainability is ingrained in the way we do business. We have aligned our Sustainability Goals 2025 with our overall business agenda. We are focused on driving sustainable agriculture and achieve transformational growth through innovative technology. We will continue to tap new growth engines, new markets, and new technologies to continue our journey and to support sustainable agriculture.

Jai Shroff
Global Chief Executive Officer
Message from the Director

Dear stakeholders,
The pandemic has redefined consumption and lifestyle behaviour across the globe. People have become more conscious about sustainability and are cognisant of the impact they create. Addressing environmental challenges amidst lifestyle changes has become key and people are more committed towards changing their own behaviour for promoting sustainability.

Our OpenAG strategy is designed to deliver our sustainability goals, by focusing on innovation, collaboration, access and intelligence.

As an organisation we are committed to sustainable growth. We have adopted a sustainable growth strategy which focuses on; minimising environmental impact, increasing food security for the growing population and enabling socio-economic security for our farmers.

Our OpenAG strategy is designed to deliver our sustainability goals, by focusing on innovation, collaboration, access and intelligence.

OpenCollaboration
Our collaborations are key enablers in our OpenAG strategy. With each partnership, we strive to create strong, open and innovative collaborations, spread across borders. Each of these collaborations are subject to three core parameters; reduce wastage, improve quality and enhance sustainability.

Our OpenAg network provides us with opportunity to leverage shared technology to transform agriculture as we know today. At the same time, it strengthens our ability to connect with people and our farmers, for better understanding of their issues and needs. This enables us to find solutions for a sustainable future by bringing constructive changes in farming and the lives of farmers.

Our various partnerships empower us to provide differentiated, futuristic and sustainable solutions. Our recent two-year collaboration with Soil Health Institute will help us in finding innovative and environmentally sustainable farming solutions that safeguard and enhance soil health through scientific research and advancement. We continue to look for new collaborations which are aligned with our vision, mission and values of sustainable growth.

OpenHearts
With OpenHearts, we are committed to giving back to the society. Since inception we have believed in growing together as a community. From my parents taking a personal overdraft for building the first school at Vapi, Gujarat, to our various initiatives for fighting the pandemic globally, the very ethos of serving the society is embedded in our culture and has passed on for generations at UPL.

It is with these strong principles that we continue to serve the community, coming up with ingenious and innovate solutions even in the face of adversity. I am gratified that even during these difficult times we were able to maintain our commitment towards a holistic growth, with continued focus on educational excellence, sustainable livelihood and nature conservation. We continue to work on multiple initiatives that we have pledged across the globe.

We have adopted a sustainable growth strategy which focuses on; minimising environmental impact, increasing food security for the growing population and enabling socio-economic security for our farmers.

Our Enablers
Our employees are enablers of our sustainable growth strategy. They are the foundation of our strategic execution plan. Their perseverance and dedication enable us to move forward towards fulfilling our sustainability goals and prioritised SDGs.

It is with the conviction in our employees and continued faith of all our stakeholders that we have been able to take our commitment forward, joining the United Nations Global Compact (UNGC) initiative as a signatory in support of the 10 principles to advance the broader sustainable development goals of the United Nations.

I would like to take this opportunity to thank each one of our employees, partners and all our stakeholders for being part of our journey to reimagine sustainability in everything that we do.

Vikram Shroff
Director
Organisational overview

UPL is a premier global provider of total crop solutions. Leveraging 50+ years of expertise in the agrochemicals industry, we are designing sustainable solutions for securing long-term food supply.

UPL's market reach and global presence

As the fifth largest global crop protection company, UPL has an impactful presence across 138+ countries, with 43 manufacturing facilities and ~10,000 employees. The acquisition of Arysta LifeScience in FY 2018-19 enhanced our position as a leading natural products and bio-solutions company. We have an extensive product portfolio from seeds to post-harvest solutions, enabling us to be a one-stop solution provider to farmers and agricultural market participants across Asia, Africa, Latin America, Europe, North America and Australia.
Organisational overview

**Our product portfolio**

Our vision of developing a resilient food system, coupled with enhanced capabilities, has driven an innovation-centric culture at UPL. This has also enabled us to increase accessibility to new and innovative technologies for all farmers. With our Open Innovation initiative, we have been able to augment our R&D capabilities to introduce sustainable agricultural solutions and offer a myriad of sustainable products to farmers.

Providing digital access to the latest agriculture innovations in farming practices to farmers has helped align our Open Intelligence initiative with our services. Engaging with farmers through our advisory services accommodates our Open Access initiative in addition to our values of ‘Always Human’ and ‘One team, one focus’. With innovation spanning all our entities including seeds, fungicides, insecticides, herbicides, biosolutions and crop establishment among others, we have emerged as a pioneer in the crop solutions sector.

<table>
<thead>
<tr>
<th>Key principles of our service</th>
<th>Technology and Services</th>
<th>Key features</th>
<th>Interlinkage with OpenAg initiative</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Research &amp; Development</strong></td>
<td>Seeds</td>
<td>Advanta Seeds with over 60 years of R&amp;D experience has been instrumental in serving our growers with localised need-specific germplasm. The advanced technology has produced seeds which offer specific traits – pest and herbicide resistance, drought and salinity tolerance and high quality oil.</td>
<td>Open Innovation</td>
</tr>
<tr>
<td><strong>Manufacturing</strong></td>
<td>Crop Protection</td>
<td>Our products display region-specific crop protection characteristics, meeting the requirements of growers with flexibility. Our crop protection portfolio addresses the needs of each specific growth stage of crop life, ensuring complete coverage. In addition to crop protection, our newer formulations are characterised by easy dissolution and maximum absorption with low dosage.</td>
<td>Open Innovation</td>
</tr>
<tr>
<td><strong>Packaging, storage and transport</strong></td>
<td>Plant Stress and Stimulation</td>
<td>Our plant stress and simulation portfolio induces crop simulation, resilience to biotic and abiotic factors at each of the five critical stages of a plant lifecycle, thereby contributing to sustainable financial growth of growers. The range of products offers multicomponent technology to the farmers addressing their needs collectively.</td>
<td>Open Innovation</td>
</tr>
<tr>
<td><strong>Responsible use</strong></td>
<td>Post-Harvest DECCO</td>
<td>Our post-harvest products prevent thousands of tons of food from being wasted globally. Through our R&amp;D profile, we develop the most effective solutions to reduce post-harvest losses. Decco, our post-harvest company, has a global market presence across fruit coating products, storage solutions, services, and equipment.</td>
<td>Open Innovation</td>
</tr>
<tr>
<td><strong>Integrated crop pest management</strong></td>
<td>Soil and Water Technologies</td>
<td>Given the interdependency of soil and water health in agriculture, we have developed Zeba to have a positive impact on soil health, in addition to reducing the usage of irrigation water. Given its biodegradable nature, Zeba positively impacts soil microbiome, thus supporting soil food web.</td>
<td>Open Innovation</td>
</tr>
<tr>
<td><strong>Container management</strong></td>
<td>Aquatics</td>
<td>Our Aquatics technology enables the preservation of water bodies from the attack of invasive aquatic plants and algae. We strengthen our commitment to protect water bodies, both public and private, by offering a host of tools to our customers to determine the right solution.</td>
<td>Open Innovation, Open Intelligence</td>
</tr>
<tr>
<td><strong>Disposal of obsolete stock</strong></td>
<td>ProNutiva</td>
<td>We have developed ProNutiva, an exclusive crop health solution which integrates natural biosolutions such as bioprotection, biostimulants and bionutrition with existing crop protection products to meet the increasing needs of farmers. By ensuring higher yields with less incidence report of phytotoxicity and lower residual level despite high effectiveness, ProNutiva is our one-stop sustainable agriculture solution.</td>
<td>Open Innovation, Open Market</td>
</tr>
<tr>
<td><strong>Farmer Engagement</strong></td>
<td></td>
<td>We offer a variety of advisory and engagement services to farmers globally, keeping them abreast about innovative products and advancement in technology. Our Centre for Agriculture Excellence provides free scientific agriculture practices training, Unimart offers guidance on farming practices, Adarsh Kisan Center runs remote advisory for farm-related queries. Trust++ provides banana farmers with access to quality fungicides for permanent monitoring of Sigatoka.</td>
<td>Open Innovation, Open Intelligence, Open Access</td>
</tr>
</tbody>
</table>

**Note:**

GRI 102-2, GRI 102-7
Organisational overview →

**Advanta Seeds**

Our global seed business, Advanta Seeds, incorporates advanced techniques of biotechnology in conventional plant breeding methods to produce high yielding seed varieties. Strengthening our commitment to the UN SDGs, Advanta leverages its leadership in research and innovation to promote sustainable agriculture solutions while focusing on the wellbeing of smallholder farmers and food security.

**Agrobiodiversity**

Our diversified portfolio of field and vegetable crops enable us to achieve our vision of enhancing food security.

**Partnerships for sustainability**

We collaborate with research partners to develop the best genetics for sustainable agricultural solutions.

**Access to quality seeds**

Lack of access to quality seeds is one of the major challenges in crop diversification for smallholder farmers. By 2025, we aim to provide quality seeds to 40 million smallholder farmers.

**Smallholder farmer prosperity**

We aim to enhance the income and prosperity of smallholder farmers by providing access to our new technologies and high-quality seeds. We also provide them with opportunities to boost their income by contributing to seed production. By 2025, we aim to involve 65,000 smallholder farmers in seed production.

**Empowering women in agriculture**

We recognise the integral role of women in agriculture. Our quality seed technology and adjacent technologies aim to improve the productivity of women farmers. By 2025, we aim to grant 60% of our seed production contracts in Thailand to women farmers.

**Climate-smart crops**

We undertake research on crops resilient to drought, high temperatures and extreme weather conditions. We are a global leader in sorghum and an expert in tropical and sub-tropical corn.

**Youth engagement in agriculture**

In Indonesia, we train youth and young farmers in agronomy and new technologies. In addition, we provide seeds and the necessary support to grow vegetables at schools. The harvest is used to prepare nutritious meals for children and share the crop with their community.

In Thailand, we work with the local government to introduce nutrition programs in schools. For example, we provided seeds and the necessary support to grow vegetables at schools. The harvest is used to prepare nutritious meals for children and share the crop with their community.

**Improve nutrition**

We develop biofortified crops and new vegetable varieties to enhance access to nutritional food.

**Youth engagement in agriculture**

In Indonesia, we train youth and young farmers in agronomy and new technologies. In addition, we collaborate with schools and universities to provide students with career opportunities in agriculture.

During the pandemic, Advanta Indonesia targeted women for the crop and technology demonstrations. For their comfort there were designated areas for women with health and safety checks. This enhanced women participation by 30%, followed by increased social media engagement for seed inquiries. This initiative has been recognized by the UN Women 2020 Asia-Pacific WEPs Awards.

**Smallholder farmers prosperity**

We promote crop diversification among farmers from 40 provinces in Thailand by offering them discounted corn seed varieties to grow after the rice season. This helps supplement their income by reducing their dependency on one crop. This initiative, in coordination with BAAC (to provide credit for farmers) and Betagro (to buy the crops), has impacted 20,000+ farmers with 25,000 hectares of production in 2020.

**Access to quality seeds**

Advanta Seeds in partnership with Farm Africa, Bytrade Tanzania and Agricultural Market Development Trust (AMTD) has introduced a scheme to provide hybrid sunflower seeds to farmers in Tanzania. The hybrid varieties like Hysun 33 have been instrumental in impacting 20,000 farmers with drought tolerant, high yielding crop varieties.

**Empowering women in agriculture**

We launched a joint programme ‘Realising Gender Equality through Empowering Women and Adolescent girls’ in partnership with UN Women and Farm Africa. The programme provided agronomy training and 1 kg of Hybrid sunflower seeds to each farmer to teach them new skills and elevate their social and economic status.

Advanta Seeds was ranked #4 in South and Southeast Asia and #5 global seed company in the Access to Seeds Index in 2019 for contributing to UN SDGs and food security.

**Youth engagement in agriculture**

In Indonesia, we train youth and young farmers in agronomy and new technologies. In addition, we collaborate with schools and universities to provide students with career opportunities in agriculture.
Organisational overview ➔

Sustainability at UPL

Our commitment to UNGC principles has enabled us to augment our contribution towards the global 2030 Sustainable Development Goals. By aligning the principles of UNGC with our Open Agriculture Network Initiative, we are creating a symbiotic plan to advance towards a sustainable agriculture ecosystem and enhance world food security.

UNGC Principles

1. Businesses should support and respect the protection of internationally proclaimed human rights;
2. Make sure that they are not complicit in human rights abuses;
3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
4. The elimination of all forms of forced and compulsory labor;
5. The effective abolition of child labor;
6. The elimination of discrimination in respect of employment and occupation;
7. Businesses should support a precautionary approach to environmental challenges;
8. Undertake initiatives to promote greater environmental responsibility;
9. Encourage the development and diffusion of environmentally friendly technologies;
10. Businesses should work against corruption in all its forms, including extortion and bribery.

Performance highlights FY 2020-21

Co-creating sustainable value for all:
- ₹38,694 crore Revenue from operations, ₹38,952 crore total revenue (refer Annual Report pg.251)
- ₹8,559 crore EBITDA*
- ₹36.42 Earnings Per Share
- 13,932 Registrations
- ~750 R&D professionals

Progressing towards greater impact:
- 9,37,729 tCO2 emissions
- 52,728 GJ of energy saved
- 1 million CSR beneficiaries
- ₹100 crore CSR spend**
- 20+ R&D facilities
- >2.5% Revenues for R&D spend
- 1,421 Patents granted
- 3 Patents filed in the area of waste water treatment

Building a purpose-driven organisation:
- ~50% of Indian operations are a covered by Human Rights Assessment
- Workforce strength of 10,000+ employees
- 14% of our workforce comprise of women
- 50% Independent Directors in UPL Limited
- 60% Independent Directors in UPL Corporation

Pioneering transformational change:
- 20+ R&D facilities
- >2.5% Revenues for R&D spend
- 1,421 Patents granted
- 3 Patents filed in the area of waste water treatment
- Inclusion in DJSI Sustainability Yearbook 2021

Nurturing a value-driven future:
- 50% Independent Directors in UPL Limited
- 60% Independent Directors in UPL Corporation
- Inclusion in DJSI Sustainability Yearbook 2021

*Based on Sustainalytics Report dated 25th September 2020

Together for Food Security

Our sustainability achievements in 2020-21

- UPL is listed in DJSI Sustainability Yearbook 2021 power by S&P Global CSA.
- UPL is a proud logo holder of Responsible Care since 2004 by ICC
- UPL maintained BBB rating in MSCI
- UPL ranked #1 in the agrochemicals sector for ESG risk management, outperforming its peers by getting an overall ESG risk score of 26.2%.
- UPL is a constituent company in the FTSE4Good Index Series
Organisational overview →

Our strategy to create a sustainable food system

At UPL, we aim to consistently accelerate our progress towards co-creating an agile and secure food system. We undertake collective actions along with our stakeholders worldwide, to deliver sustainable solutions by translating our mission and values from promise to practice. We lend our strategic levers to analyse industry-specific winning strategies and devise plans to innovate and create a sustainable food system.

Our strategic levers

- Enable stability of food supply for 7 billion people on the planet
- Meet crop protection needs of 500 million farmers globally
- Provide innovative and affordable solutions to farmers
- Innovate new climate smart solutions to build resilient food systems
- Connect farmers, food producers, supermarkets, and consumers
- Protect the environment, finite resources and human health

Our values form the foundation of our strategy

- Nothing Impossible
  OpenAg is thinking out of the box and going beyond our comfort zone. Never afraid to ask ‘Why not?’
- Always Human
  OpenAg is connecting people-creating new opportunities for all
- Keep it simple, make it fun
  OpenAg creates simple innovative solutions to complex challenges. And whenever we can, we have fun

Industry-specific winning strategies

- Product Innovation
  20 Years Ago
  1. R&D focused on new IP protected Chemistry
  2. Global blockbuster Ais ("One fits All")
  3. Strive for Sales Excellence

- Crop Solution Innovation
  10 Years Ago
  1. R&D focused on new Mixtures & Crop Spraying Programs
  2. Broad, Crop Specific portfolio
  3. Strive for Marketing Excellence

- Resource Efficiency Innovation
  Next 10 Years
  1. R&D focused on renewables and resource efficiency
  2. Plot specific, eco friendly solutions that are cost effective
  3. Strive for digital excellence

UPL’s winning strategy

- 1. Leverage Tier-1 scale
- 2. Dominate the growing post-patent market through differentiation and best-in-class cost efficiency
- 3. Exploit our capital efficient Open-Innovation R&D platform to claim top share of the proprietary chemical market
- 4. Expand leadership on sustainable input technologies
- 5. Continue to evolve our Go-to-Market from supplying products to offering Smart Farming Solutions

Our Mission
Change the game to make every food product more sustainable

GRI 102-16

Our Mission
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Keep it simple, make it fun
OpenAg creates simple innovative solutions to complex challenges. And whenever we can, we have fun

Agile
OpenAg is fast. We mix the power of speed with structure from process. The world needs our urgency

Win Win Win
With OpenAg we serve a cause bigger than ourselves-sustainable solutions where everyone wins

One team, one focus
Everyone plays for OpenAg. One team for maximum focus

UPL Limited Sustainability Report 2020-21
Organisational overview

Awards and accolades

UPL remains committed to sustainable growth as well as resource and energy efficiency. We aim to maximise our efforts to reduce our carbon footprint, contributing to the global sustainable development agenda. UPL is recognised by various platforms for its efforts in sustainability. UPL was ranked no. 1 globally in the agrochemicals sector by Sustainalytics and was the only firm in the crop protection sector to enter in the S&P Global Sustainability Yearbook 2021.

More Integrity Seal
Brazil Ministry of Agriculture
Conferred on UPL Ltd.

Frost & Sullivan & TERI Sustainability 4.0 Awards – 2020 Leaders Award – Mega Large Business, Process Sector
Confederation of Indian Industry (CII)
Conferred on UPL Unit-1

National Gold Award ‘Sustainable Development – 2020’
Conferred on UPL Vietnam Co. Ltd.

FICCI Chemicals and Petrochemicals Awards 2021
Conferred on UPL Ltd.

Best Patent Portfolio, Large (Lifesciences/Pharma)
CII
Conferred on UPL Ltd.

National Award for Excellence in Water Management
Conferred on UPL Unit-10

Frost & Sullivan & TERI Sustainability 4.0 Awards

Agrow Award for Best Company from an Emerging Region
IHS Markit
Conferred on UPL Ltd.

FICCI Chemicals and Petrochemicals Awards 2021

Asian Sustainability Leadership Award 2021
Conferred on UPL Ltd.

Padma Bhushan
Conferred to Mr. Rajnikant D. Shroff, Chairman and Managing Director of UPL Ltd.

UPL, only agrochemicals company in the world listed in the DJSI Sustainability Yearbook 2021 powered by the S&P Global CSA for demonstrating excellence in sustainability.

Partnerships for progress

We continue to build mutually beneficial and strengthened partnerships to augment our efforts in building a robust food system, one that is guided by the principles of sustainability.

Key associations, memberships, advocacy and collaborations

Ankleshwar Industries Association
European Cocoa Association

ASMECHEM Chamber of Commerce & Industry of India
Global Agri-business Alliance

Alkali Manufacturers Association of India
Indian Chemical Council

AGRA
Indian Merchant Chambers

Chemexil
Jagadia Industries Association

Centigro Environment of Agriculture
Pesticides Manufacturers & Formulators Association of India

Confederation of Indian Industry
ASSOCHAM India

Crop Care Federation of India
The Energy and Resources Institute

Federation of Indian Chamber of Commerce and Industry
Vapi Industries Association

UN Global Compact
World Business Council for Sustainable Development

World Economic Forum

*GRI 102-13
At UPL, we aim to consistently enhance our position as pioneers in the agrochemicals industry. Our approach to governance is strengthened with our commitment to enhance long-term stakeholder value and augment ethical business practices.

Our corporate governance mechanism includes a range of parameters such as ethical corporate policies, gender diversity, human rights and social impact, among others. Additionally, we ensure the consistent involvement of all committees of the Board across business and ESG parameters, with strategic checks and controls to consciously augment Board involvement and efficacy.

Board of Directors

At UPL, we are guided by an exemplary Board of Directors with specialised knowledge and immense industry expertise in their individual domains. The presence of a diverse Board enables us to facilitate enhanced business practices with a long-term strategic horizon that delivers valued outcomes for our stakeholders. The Board represents the highest governance body at UPL, responsible for ensuring compliance to all applicable laws and providing strategic guidance across the economic, social and environmental paradigm. The composition of our Board is in conformity with Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) and Section 149 of the Companies Act, 2013 (the Act). As on 31st March, 2021 the Board comprises 9 Directors - 2 Executive including Chairman, 2 Non-executive and 5 Independent including 2 women. Mrs. Sandra Shroff ceased to be a director of the Company with effect from 31st August, 2020 due to personal commitments. One of the Independent Directors, Ms. Usha Rao-Monari resigned effective 13th May, 2021 due to conflict of interest arising from her appointment at the United Nations Development Programme (UNDP).
Corporate Governance → Committees of the Board

The Board has set up several committees to ensure seamless and efficacious business activities. We have six committees, directly supervised by the Board. The chairman of each committee is responsible for timely communication of operations and any major decisions undertaken by the Board.

Audit Committee

The committee consists of three independent directors who assist the Board in maintaining the company’s quality and integrity of accounting, auditing, and reporting practices.

Nomination & Remuneration Committee

The committee consists of three independent directors who are responsible for:

- Setting the criteria for determining qualifications, positive attributes and independence of directors
- Policy recommendation for remuneration of directors, key managerial personnel, and other employees
- Evaluation of director’s performance

Stakeholders Relationship Committee

The committee consists of 2 non-executive directors (including one independent) and one executive director responsible for:

- Reviewing and overseeing matters pertaining to Company’s securities
- Overseeing grievance redressal of stakeholders
- Recommending improvement techniques in service standards provided to investors

Corporate Social Responsibility Committee

The committee consists of 2 non-executive directors (including 1 independent) and 1 executive director who perform the following:

- Monitor the CSR policies, activities as well as the expenses incurred for it by the company
- Approve the Corporate Social Responsibility Report, Business Responsibility Report and Corporate Sustainability Report

Risk Management Committee

As on 12th May, 2021, the committee consists of 5 members (2 executive directors, 1 independent director, Global CFO and Global Head - Supply Chain) who perform following:

- Frame and review the risk management plans, policies including cyber security risks
- Ensure annual performance review

Finance & Operations Committee

It is a non-statutory committee consisting of 3 directors responsible for:

- Quick disposal of routine/operational matters including finance matters
- Property related authorisations
- General authority for different statues and issuing power of authority

Ethics and integrity

UPL’s Board and its Committees provide an ethical and strategic direction for the Company, in line with its vision to be an icon for growth, technology and innovation. We have a robust governance mechanism at UPL, which is based on the foundation of ethics, transparency and integrity. This enables us to strengthen mutual trust and responsibility with our stakeholders. There were no cases of anti-corruption or bribery in FY 2020-21.

We are consciously guided by the principles of good governance. The Company has adopted various codes and policies to establish best-in-class corporate governance practices. We also have a Code of Conduct for the directors and senior management at UPL.

Further details regarding UPL’s policies can be viewed on our website.

Board diversity

The Board members have expertise across a range of sectors including chemistry, social upliftment, agri-inputs, food policy, metallurgy, petroleum and cement. The members are equipped with requisite skillsets pertaining to global business and economics, management and leadership, crop protection products, strategy and growth, finance, risk, compliance and governance. We also ensure that the Board is updated with information pertaining to economic, social and environmental parameters in a timely manner. This enables them to direct the Company forward in line with their visionary approach.

Board performance evaluation

In accordance with the provisions of the Companies Act, 2013 and the SEBI Listing Regulations, there is an annual evaluation of the Board and its committees. The evaluation process consists of a questionnaire which needs to be filled by the directors who provide feedback on the overall functioning of the Board, its Committees and contribution of individual directors. Critical points such as the structure of the Board/Committees, meeting practices, overall effectiveness and attendance/participation of directors in the meetings, among others, are covered in this questionnaire.

Nomination and remuneration process

Our Nomination and Remuneration committee has developed and adopted a remuneration policy for selection and appointment of Directors, senior management, and their remuneration. The factors which are considered for remuneration are individual performance and individual targets, the company’s performance, and recent compensation trends in the industry. Performance based incentive of the organisation is carried out by the Stock Option schemes which are subject to Clawback Policy. The ratio of the total annual compensation of Chairman and Managing Director to median employee compensation is 240X. Executive directors are appointed for a period of 5 years while the non-executive directors are appointed on rotation basis every 3 years. Independent directors can serve for a period of maximum 10 years of which re-appointment is done after 5 years of initial service. A notice period of 90 days is given for the turnover of the director.

Further details regarding corporate governance at UPL including board performance and committee updates among others can be referred from our Annual Report 2020-21.

Grievance redressal mechanisms

At UPL, we are cognizant of the importance grievance redressal mechanisms hold to strengthen our stakeholder relationships and ensure efficacious business activities. We have established structured grievance redressal mechanisms that aim to safeguard our policies, protect human rights and guide the organisation towards a sustainable and equitable future. Our grievance redressal mechanisms are provided below.

1. The Company and RTA endeavours to resolve the grievances within defined timelines.
2. On a quarterly basis, details of grievances are updated to the Board, Stock Exchanges and also updated on the company’s website.
3. On an annual basis, details of grievances are provided in the Annual Report.

Further details regarding corporate governance at UPL including board performance and committee updates among others can be referred from our Annual Report 2020-21.

Shareholding pattern

Investors can raise any grievance with the Company, RTA, MCA, IEPF Authority, Stock Exchanges and SEBI.

Further details regarding corporate governance at UPL including board performance and committee updates among others can be referred from our Annual Report 2020-21.

GRI 102-20, GRI 102-32, GRI 206-1, GRI 102-18

GRI 102-28 | GRI 102-24 | GRI 102-38, GRI 102-29 | GRI 102-10
Risk management\textsuperscript{15}

The pervasiveness of risks in the agrochemicals industry translates into the requirement of efficacious risk management as an integral part of UPL’s strategy. As a global company, we have identified a diverse range of risks with appropriate mitigation measures that ensure the smooth functioning of our strategy and augment our ability to create sustainable value for our stakeholders. This approach facilitates our vision to co-create an agile and sustainable global food system.

**Risk management process**

At UPL, we have a holistic and integrated risk management system through which we regularly assess, review and monitor significant risks across our business activities. This process is guided by UPL’s strategy and objectives, the evolving regulatory and macroeconomic external environment, internal and external stakeholder inputs and industry-specific analysis, among others. Our integrated risk management system is benchmarked with leading risk management standards such as ISO (International Organisation for Standardisation) and COSO (Committee of Sponsoring Organisations of the Treadway Commission). The Board is responsible for the overall development and implementation of the risk management system. Furthermore, the Audit Committee provides an independent assurance statement to the Board on the effectiveness of current risk management practices as well as recommendations to enhance the risk management framework.

In order to enhance the resiliency of our business activities, we have developed a robust crisis management plan, further details of which can be accessed in the Reimagining an agile workforce and a resilient community chapter.

**Risk identification and mitigation**

For the reporting year, we have identified the following key risks. Further details regarding risk description, impact and mitigation measures are available through our Annual Report 2020-21.

\textsuperscript{15}GRI 102-11, GRI 102-15, GRI 102-29, GRI 102-30, GRI 102-31, GRI 102-33, GRI 102-34
Building a holistic business ecosystem

At UPL, we embrace a stakeholder-inclusive approach to harness the outcomes of our business activities and translate it into shared value creation. We encourage multi-stakeholder collaboration as it is critical to our business and strengthens our progress to achieve our goals and targets. Additionally, engaging with our stakeholders supports us to better align our business activities to evolving regulatory, environmental and social requirements.

In FY 2020-21, we undertook a fresh stakeholder engagement and materiality assessment exercise. This enabled us to understand evolving stakeholder expectations and concerns. Furthermore, insights thus derived enabled us to improve our business strategy while embedding sustainability at the core of what we do.

Integrated stakeholder management

At UPL, we proactively engage with partners and stakeholders across the countries in which we operate. We follow a 4-step stakeholder engagement strategy focusing on advocacy and transparent communication.

1. **STAKEHOLDER IDENTIFICATION AND PRIORITISATION**
   The stakeholder identification is based on a strategic understanding of stakeholder groups that are impacted by and impact UPL. Accordingly, stakeholders are prioritised based on the level of influence, interdependency and responsibility they have towards UPL.

2. **STAKEHOLDER ENGAGEMENT**
   We implement tailored engagement strategies based on the nature of each stakeholder group, across various engagement platforms.

3. **STAKEHOLDER ENGAGEMENT**
   We implement tailored engagement strategies based on the nature of each stakeholder group, across various engagement platforms.

4. **STRATEGIC RESPONSE**
   We value the inputs of our stakeholders and establish appropriate action plans to align our business activities to their expectations.

In FY 2020-21, we engaged with 200+ stakeholders

**Highlights of our stakeholder engagement outcomes**

- 76% of our employees actively participate in UPL’s environment and community development initiatives
- 82% of our employees are aware of UPL’s business value, generated through its sustainability efforts
- 92% of our contract workforce are satisfied and are able to raise work-related concerns with managers
- 98% of our employees consider UPL to be a responsible company
- 71.4% of our customers cited ‘better quality of products at UPL’ as one of the reasons for their long-term association with us
- 79% of our employees prioritised good exposure and career opportunities as one of the top reasons to work with UPL
- 83% of our contract workforce have read our sustainability reports and are influenced to enhance sustainable growth
- 83% of our contract workforce have read our sustainability reports and are influenced to enhance sustainable growth

*GRI 102-40, GRI 102-42, GRI 102-43, GRI 102-47, GRI 102-21, GRI 102-25*
Building a holistic business ecosystem

Stakeholder engagement

Top management

Stakeholder classification: Internal

Frequency of engagement: Q

Mode of engagement:
- Board meetings
- Annual General Meeting (AGM)

Stakeholder focus areas:
- Occupational health & safety
- Water and hazardous waste management
- Climate change
- Demand risk
- Responsible management of information in the public domain

Response to stakeholder focus areas:
- Ensuring periodic and mandatory safety training for UPL's workforce
- Enhancing progress on our commitment to the Science Based Targets initiative (SBTI)
- Augmenting progress towards UPL's Sustainability Goals
- Improving operational efficiency measures
- Enabling customer centric solutions
- Ensuring periodic communication with regulatory authorities

Permanenent employees

Stakeholder classification: Internal

Frequency of engagement: M Q Y N

Mode of engagement:
- Employee satisfaction survey
- National townhall meetings
- Telephonic and e-mails
- Virtual meetings
- Magazines and newsletters
- Midyear & annual review

Stakeholder focus areas:
- Increased awareness of all employees on UPL's policies
- Strategic skill upgradation programs
- Lateral deployment
- Enhanced Standard Operating Procedures (SOP) and system implementation

Response to stakeholder focus areas:
- Periodic online policy awareness campaigns
- Presence of talent management centered interventions, leadership development programs, frontline talent development initiatives, digitised learning IDPs through open Intel and supply chain academies
- Implementing initiatives to enhance talent acquisition strategy and augment multi-skilling at the shop floor level
- Implementing targeted initiatives to scale up talent through internal movements
- Ensuring regular SOP audits through third party organisations
- Participating in awards that audit SOP implementation such as F&S/International Organisation for Standardisation (ISO), among others
- Ensuring Periodic Hazard and Operability Analysis (HAZOP) study
- Enhancing integration of sustainability within procurement as per ISO 20400 and United Nations Global Compact (UNGC) guidelines

Contractual employees

Stakeholder classification: External

Frequency of engagement: W M N

Mode of engagement:
- Townhall meetings Email
- Virtual webinars
- Employee Satisfaction Survey
- Organised training and Information sessions
- Team building events

Stakeholder focus areas:
- Reward and recognition programs
- Strategic implementation of IT initiatives
- Ethical business practices

Response to stakeholder focus areas:
- Theme based R&R interventions on various platforms such as TQM awards and safety awards
- Highest production recognition
- Contract Safety Management awards
- Festival Celebrations
- Spot award for going above and beyond

Investors

Stakeholder classification: External

Frequency of engagement: O

Mode of engagement:
- Telephonic

Stakeholder focus areas:
- Enhanced disclosures across UPL's asset base

Response to stakeholder focus areas:
- Increased transparency on key milestones and initiatives across the company
- Regular engagement via annual Reports, capital markets and investor days, conferences and investor roadshows

Customers

Stakeholder classification: External

Frequency of engagement: D W M N

Mode of engagement:
- Telephonic and e-mails
- Executive announcements
- Meetings with clients and managers

Stakeholder focus areas:
- Delayed delivery of products
- Increased customer engagement

Response to stakeholder focus areas:
- Improvement in operational efficiency measures
- Annual customer satisfaction survey on 4 major sections- Delivery Performance, Quality of UPL products and services, Overall COT performance, Overall UPL performance

Academia

Stakeholder classification: External

Frequency of engagement: M Q Y N

Mode of engagement:
- Virtual meetings
- E-mails

Stakeholder focus areas:
- Sustainable agro-product portfolio of UPL
- Increased employment of technical experts
- Enhanced R&D practices in conjunction with learning and development initiatives for students

Response to stakeholder focus areas:
- Presence of a robust product life-cycle approach across the domains of manufacturing, packaging, transportation, application and disposal
- Strict adherence to UPL's guidelines

Local Community

Stakeholder classification: External

Frequency of engagement: M Q N

Mode of engagement:
- Group Meetings
- One-on-one meetings
- Impact assessments

Stakeholder focus areas:
- Educational infrastructure
- Health and Sanitation
- Self-help groups
- Agricultural techniques

Response to stakeholder focus areas:
- Prioritized focus towards agriculture development under livelihood enhancement and rural development projects

Regulators

Stakeholder classification: External

Frequency of engagement: Q

Mode of engagement:
- One-on-one meetings

Stakeholder focus areas:
- Environmental compliance

Response to stakeholder focus areas:
- Periodic engagement with our regulators such as State Pollution Control Board (SPCB), Central Pollution Control Board (CPCB), Ministry of Environment and Forests (MoEF), among others
- Timely submission of regulatory compliances

Suppliers and Vendors

Stakeholder classification: External

Frequency of engagement: Y N

Mode of engagement:
- Supplier engagement forums
- Virtual trainings
- Supplier events

Stakeholder focus areas:
- Delay in payments
- Cancellation of orders
- Enhanced sustainable growth

Response to stakeholder focus areas:
- Strengthen integration of sustainability within procurement as per ISO 20400 and United Nations Global Compact (UNGC) guidelines
- Enhance sustainability engagement with suppliers and work cohesively on improvement opportunities and risks to ensure sustainable growth and grievance redressal

Investor relations

Stakeholder classification: External

Frequency of engagement: O

Mode of engagement:
- One-on-one meetings

Stakeholder focus areas:
- Assurance of transparency and business practices

Response to stakeholder focus areas:
- Annual meeting with shareholders
- Timely issue resolutions
- Enhance UPL’s visibility in the investor markets and investor days

Enhanced engagement with regulators

Stakeholder classification: External

Frequency of engagement: Q

Mode of engagement:
- Board meetings

Stakeholder focus areas:
- Compliance

Response to stakeholder focus areas:
- Periodic engagement with our regulators such as State Pollution Control Board (SPCB), Central Pollution Control Board (CPCB), Ministry of Environment and Forests (MoEF), among others
- Timely submission of regulatory compliances

Sustainability Goals

Based Targets initiative (SBTi) for UPL’s workforce

- Ensuring periodic communication with regulatory authorities
- Periodic online policy awareness campaigns
- Presence of talent management centered interventions, leadership development programs, frontline talent development initiatives, digitized learning IDPs through open Intel and supply chain academies
- Implementing initiatives to enhance talent acquisition strategy and augment multi-skilling at the shop floor level
- Implementing targeted initiatives to scale up talent through internal movements
- Ensuring regular SOP audits through third party organisations
- Participating in awards that audit SOP implementation such as F&S/International Organisation for Standardisation (ISO), among others
- Ensuring Periodic Hazard and Operability Analysis (HAZOP) study
- Enhancing integration of sustainability within procurement as per ISO 20400 and United Nations Global Compact (UNGC) guidelines
- Presence of a robust product life-cycle approach across the domains of manufacturing, packaging, transportation, application and disposal
- Strict adherence to UPL’s guidelines
- Annual customer satisfaction survey on 4 major sections- Delivery Performance, Quality of UPL products and services, Overall COT performance, Overall UPL performance
- Strengthen integration of sustainability within procurement as per ISO 20400 and United Nations Global Compact (UNGC) guidelines
- Enhance sustainability engagement with suppliers and work cohesively on improvement opportunities and risks to ensure sustainable growth and grievance redressal
- Prioritized focus towards agriculture development under livelihood enhancement and rural development projects
Building a holistic business ecosystem

Identifying material matters

At UPL, we conduct timely materiality assessments to ensure we focus on the topics that could significantly impact our business activities and stakeholder requirements. The exercise is guided by the GRI standards, encompassing sectoral, regional, national and global perspectives. Our prioritised material matters have a profound influence on UPL’s business strategy and collectively shape the content of our sustainability report. In FY 2020-21, we undertook a four-step process to determine a fresh list of material topics.

**IDENTIFICATION**
- Building a comprehensive list of material topics based on the macroeconomic and regulatory landscape.
- Inculcating stakeholder requirements as well as key Environment, Social and Governance (ESG) trends.

**PRIORITISATION**
- Prioritising material topics in line with internal and external stakeholder perspectives.
- Categorising material topics based on relative importance to stakeholders and business.

**VALIDATION**
- Refining our material topics through a robust validation process with UPL’s senior management.

**ALIGNMENT WITH STRATEGIC INTENT**
- Integration of our prioritised material topics into UPL’s sustainability strategy and risk management process.

UPL’s materiality matrix based on prioritised material topics in FY 2020-21

- Governance and Economics
- Environmental footprint
- Safety
- Innovation
- Product stewardship
- IT and Cybersecurity
- Workforce welfare
- Community wellbeing

- Very high
- High
- Medium

Focus area

Ongoing importance

Relative importance to stakeholder

Watch list

Relative importance to Business
### Building a holistic business ecosystem

<table>
<thead>
<tr>
<th>Material Topic</th>
<th>Global Reporting Initiative (GRI) Standards</th>
<th>Impact boundary</th>
<th>Report linkage</th>
<th>Sustainable Development Goals (SDGs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governance and economics</td>
<td>102-18, 102-19, 102-20, 102-21, 102-22, 102-23, 102-24, 102-25, 102-26, 102-27, 102-28, 102-29, 102-30, 102-31, 102-32, 102-33, 102-34, 102-35, 102-36, 102-37, 102-38, 102-39</td>
<td>Internal and External: We have an integrated risk management system which covers significant risks across our operations, which also extends to our value chain</td>
<td>Corporate Governance and Risk Management</td>
<td>Sustainability Report 2020-21</td>
</tr>
<tr>
<td>Regulatory compliance</td>
<td>103-1, 103-2, 103-3</td>
<td>Internal: We have provided detailed insight into UPL’s established processes and systems that ensure timely adherence to regulatory compliances</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Environmental footprint</td>
<td>103-1, 103-2, 103-3, 305-1, 305-2, 305-3, 305-4, 305-5, 305-6, 305-7</td>
<td>Internal: We have provided comprehensive details on our Scope 1 and Scope 2 emissions, along with our initiatives to reduce our overall GHG emissions.</td>
<td></td>
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<tr>
<td>Water management</td>
<td>103-1, 103-2, 103-3, 303-1, 303-2, 303-3, 303-4, 303-5</td>
<td>Internal and external: We have provided details on our water withdrawal, consumption and discharge. Understanding our impact on the environment and society at large, we have also implemented a robust strategy to reduce our overall water footprint.</td>
<td>Reimagining environmental stewardship</td>
<td></td>
</tr>
<tr>
<td>Waste management</td>
<td>103-1, 103-2, 103-3, 306-1, 306-2, 306-3, 306-4, 306-5</td>
<td>Internal and external: We provide insights into our waste generation and disposal methodology as well as waste recycled or sent for co-processing. We also remain focused towards recycling and reusing waste generated to reduce waste disposed to landfill.</td>
<td></td>
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</tr>
<tr>
<td>Supplier environmental assessment</td>
<td>103-1, 103-2, 103-3, 306-1, 306-2, 308-2</td>
<td>Internal: We have a robust supplier screening process and Sustainable Procurement Policy at UPL. This ensures suppliers are screened across identified ESG parameters. We also ensure our suppliers adhere to our Supplier Code of Conduct.</td>
<td></td>
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</tr>
<tr>
<td>Environmental compliance</td>
<td>103-1, 103-2, 103-3, 307-1</td>
<td>Internal: We have a dedicated Environment Policy at UPL to ensure compliance with all statutory and other such requirements of regulatory authorities such as Pollution Control Board, among others.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Innovation</td>
<td>103-1, 103-2, 103-3</td>
<td>Internal and External: We hold periodic trainings for our employees to effectively respond to any unforeseen circumstances. We also have an EHS policy which encourages capacity building workshops on safety, emergency preparedness and response for our stakeholders.</td>
<td>Reimagining an agile workforce and a resilient community</td>
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</tbody>
</table>

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### Material Topic | Global Reporting Initiative (GRI) Standards | Impact boundary | Report linkage | Sustainable Development Goals (SDGs) |
<table>
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<tr>
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<tbody>
<tr>
<td>Occupational health and safety</td>
<td>103-1, 103-2, 103-3, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10</td>
<td>Internal and external: Most of our Indian sites are ISO9001:2018 certified. We are exploring further ISO certifications for all our UPL sites based on the relevance of the site and importance to the business. We also provide regular safety training for our permanent and contractual employees.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Product safety and transparency</td>
<td>103-1, 103-2, 103-3, 416-1, 416-2</td>
<td>Internal and external: We incorporate responsible practices across our product-lifecycle approach. We also hold training programs for all our employees and customers to promote safe handling practices of the products and proper disposal mechanisms.</td>
<td>Reimagining a Responsible Business</td>
<td></td>
</tr>
<tr>
<td>Sustainable sourcing</td>
<td>103-1, 103-2, 103-3, 414-1, 414-2, 406-1, 406-2</td>
<td>Internal: We have a dedicated Sustainable Procurement Policy which represents a guidance document to strengthen sustainability across our supply chain.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Data integrity and security</td>
<td>103-1, 103-2, 103-3</td>
<td>Internal and external: We have a dedicated Global Data Privacy Policy at UPL to strengthen internal data privacy and integrity capabilities. The policy is applicable to all group companies, operating units and support functions of UPL as well as employees, workers, contractors/vendors, customers, visitors and business partners.</td>
<td>Reimagining a Responsible Business</td>
<td></td>
</tr>
<tr>
<td>Data privacy</td>
<td>103-1, 103-2, 103-3, 418-1</td>
<td>Internal and external: We have a dedicated Global Data Privacy Policy at UPL to ensure data privacy and integrity capabilities. The policy is applicable to all group companies, operating units and support functions of UPL as well as employees, workers, contractors/vendors, customers, visitors and business partners.</td>
<td>Reimagining a Responsible Business</td>
<td></td>
</tr>
<tr>
<td>Talent attraction and retention</td>
<td>103-1, 103-2, 103-3</td>
<td>Internal: We have a robust employee appraisal process to encourage individual growth across the organisation. We also have dedicated trainings across cadres to enhance the skill sets of all our employees</td>
<td>Reimagining an agile workforce and a resilient community</td>
<td></td>
</tr>
<tr>
<td>Human rights</td>
<td>103-1, 103-2, 103-3, 412-1, 412-2, 412-3</td>
<td>Internal and external: We have a Human Rights policy at UPL and also hold periodic Human Rights Assessments. We ensure regular trainings for our employees across Human Rights parameters. All our contracts also include parameters that encourage Human Rights protection.</td>
<td></td>
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<tr>
<td>Local community development</td>
<td>103-1, 103-2, 103-3, 413-1, 413-2</td>
<td>External: We have a dedicated CSR committee at UPL. We also have established key CSR focus areas to drive impactful CSR interventions. We also conduct periodic social and environmental impact assessments.</td>
<td>Reimagining an agile workforce and a resilient community</td>
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</table>
Reimagining a responsible business

At UPL, we foster an integrated portfolio of agricultural inputs, products and solutions to fulfill the needs of our stakeholders while staying committed to our mission of making every single food product more sustainable. Our OpenAg initiative provides a knowledge sharing platform for best agricultural practices and innovation, enabling us to deliver sustainable agricultural solutions.

**UPL’s OpenAg strategy**
- Open Innovation
- Open Intelligence
- Open Collaboration
- Open Markets
- Open Access

In FY 2020-21, spent 39.38% of our procurement budget on local sourcing

1,300+ patents granted

13,000+ product registrations

20+ R&D facilities

Collaborated with TeleSense to reduce food wastage and increase profitability for farmers

**2025 Target**
Achieve 50% revenues from innovative and sustainable solutions to enhance yields and quality

**Enhancing world food security**
As a leading total crop solutions company, we focus on strengthening our commitment to world food security with our extensive portfolio of agricultural inputs, products and solutions. With the support of our advanced R&D centres, we relentlessly work to augment innovative technologies and address the needs and challenges of farmers globally. As a responsible corporate citizen, we take the utmost care in meeting the satisfaction level of our customers with the enhanced quality of our products. Additionally, our OpenAg network seamlessly connects our stakeholders across the world, enabling increased accessibility and availability of our agricultural solutions.

**Anti-counterfeit awareness**
With the support of several awareness programs, we aim to enhance cognizance about adversities and risks associated with illegal pesticides. Our membership with numerous associations and unions of the global pesticide industry reinforces our efforts to disseminate awareness-based programs against illegal and counterfeit pesticides. We take proactive measures to offset the implications of illegal pesticides on soil, water, biodiversity and farmer health by periodically conducting random checks at the marketplace and establishing a set of precautionary principles for the buyers:
- Be vigilant against duplicate or fake products
- Check the product if there is any tampering of the package/bottle seal
- Buy products only from a licensed dealer, distributor or retail outlets
- Check the registration number and the Active Ingredient (AI) content
- Avoid buying from unknown suppliers and bargaining with them
- Check the manufacturing and expiry dates of the product
- Call the customer care number for more information
- Ask for an original bill, receipt or cash memo
At UPL, our product stewardship policy guides the structure and implementation of the stewardship program. We adopt a product life-cycle approach to integrate the synergies of research and innovation across the domains of manufacturing, packaging, transportation, application and disposal. Our comprehensive approach to product-stewardship facilitates the incorporation of responsible and safe practices across our product portfolio to promote sustainability. Furthermore, we proactively train our employees on the responsible care and management of our products to ensure the translation of our product innovation strategies into effective outcomes. We are humbled to state that there have been no incidents of non-compliance concerning product and service information and labelling as well as marketing communications. Furthermore, all our products and services are effectively assessed for health and safety impacts. In FY 2020-21, there were no incidences of non-compliance concerning the health and safety impacts of our products and services.

Our product lifecycle approach towards stewardship

1. RESEARCH AND DEVELOPMENT
   We work diligently to develop advanced agricultural solutions and create environment friendly alternatives focused on improved efficacy and safer toxicological, eco-toxicological and environmental aspects. We also ensure compliance of our research and product development with approved regulatory guidelines.

2. MANUFACTURING
   We adopt manufacturing practices which are compliant with regulations pertaining to environment, health and safety standards. By implementing these practices, we ensure the alignment of product quality with the vision and values at UPL.

3. PACKAGING, STORAGE, TRANSPORTATION AND DISTRIBUTION
   We take adequate measures to ensure the packaging, storage and distribution of our products is in accordance with relevant rules and regulations. Our recent collaboration with TeleSense, has enabled an efficient supply chain of grain storage and transportation. Driven by sensor technology and Artificial Intelligence (AI), the collaboration aims to reduce food wastage during storage and transportation.

4. RESPONSIBLE USE
   To ensure responsible management of our products during their entire lifecycle, we execute training programs for all our employees and customers. The programs promote safe handling practices of the products and their proper disposal mechanisms.

5. INTEGRATED CROP PEST MANAGEMENT
   We include pest management measures such as ProNutiva to supplement our efforts to enhance world food security. Our wide range of organic bio-solutions offers effective crop pest management strategies for our customers.

6. CONTAINER MANAGEMENT
   We actively implement strategies for safe disposal of used empty containers in accordance with relevant laws and guidelines. Additionally, we apply a triple rinse cleaning approach to all the containers.

7. DISPOSAL OF OBSOLETE WASTE
   We are the first company in India to install incinerators and landfills for safe disposal of our waste. Additionally, we ensure compliance of norms and regulations while managing our waste disposal.
Our OpenAg strategy invigorates our commitment to world food security by aligning our research-centric innovation with farmer needs, in a sustainable and environment-friendly manner. The robust product pipeline developed by our research and innovation centre has enabled us to emerge as one of the leaders in agricultural solutions with high yield and resource efficiency.

Steering research-based innovation in our product portfolio

For its pioneering Intellectual Property (IP) research and innovation, UPL won the Best Patent Portfolio award in CII-Industrial IP Awards 2020.

We take a conscious approach to commercialise our product pipeline in accordance with the requisite protocols for environment and product safety. Our responsible product lifecycle approach enables maximum value creation from minimum resources while ensuring ethical compliance and protection of Intellectual Properties of other parties.

We launched Fawligen at Africa to tackle the pest invasion of Fall Armyworm (FAW) on Maize crops. The FAW is estimated to create a food loss of 17.7 million ton of maize and economic loss of USD 4.8 billion. Providing farmers access to the first organic tool for tackling FAW has enabled us to reduce and avoid the potential loss created by it.

For our Maize Integrated Project (IPM) at Mali, Africa we have incorporated the Aflasafe technology to control the aflatoxin level of the crops. This facilitates in sustainable growth of maize production and ensures food security for most staple crops in the region.

Decco, our post-harvest solutions company facilitates the prevention of food wastage by providing treatment to 8.9 MT of citrus crops annually. The SRC system of Decco enables the recovery of 100% treatment solutions while saving 95% water.

Zeba, our climate-smart technology, is a sustainable tool to reduce the requirement of water for irrigation. We partnered with PepsiCo in Saudi Arabia to save water by 11-20% per ton of potatoes grown. Additionally, Zeba is being launched in Iberia for open field tomatoes.

Benefits of our product portfolio across the globe

Biocontrol solutions - Iodus and Thiorpron

Following the ban of Chlorothalonil (key solution for early stage protection of wheat against Septoria), our two biosolutions – Iodus and Thiorpron – showcased their efficacy in wheat protection for 200 kilo hectares of region in France and UK.

We launched Argos (orange oil extract for anti-sprouting) in Belgium, Netherlands and France, following the ban of CIPC in 2020. The product aims to provide potato farmers a new solution to store and prevent sprouting of harvest.

We launched Fawligen at Africa to tackle the pest invasion of Fall Armyworm (FAW) on Maize crops. The FAW is estimated to create a food loss of 17.7 million ton of maize and economic loss of USD 4.8 billion. Providing farmers access to the first organic tool for tackling FAW has enabled us to reduce and avoid the potential loss created by it.

Reimagining a responsible business
Ensuring excellence in product quality

At UPL, our steadfastness to interlink product quality standards with our market and brand reputation has enabled us to develop a robust quality control management system. This system aims to implement a cohesive approach that encompasses numerous initiatives, systems and periodic reviews to maintain the highest quality standard of our products at each stage of its lifecycle.

To enhance our efforts in maintaining product-quality, we ensure periodic upgradation of our products based on feedback from our farmers and technology advancement. Facilitated by a statistical and engineering-concept based tool, we leverage our operational excellence to support our cost leadership strategy while ensuring continuous improvement in process efficiency and resource utilisation.

**OUR QUALITY MANAGEMENT SYSTEM**

- Accreditation to ISO:IEC:17025:2017 by NABL
- Digitisation of our laboratories through our Laboratory Information Management System (LIMS)
- Card-based surveillance system to monitor counterfeit of products
- Incorporation of operational excellence practices to strengthen our process efficiency
- Periodic training given to our employees to ensure implementation of best global practices
- The head of safety and quality oversees the management system at a pan-organisational level
- Dedicated team to ensure effective quality management
- Multiple checks and measures at regular intervals to ensure highest product quality

**OUR APPROACH TO OPERATIONAL EXCELLENCE**

- UNDERSTANDING THE PROCESS
- IDENTIFYING OF PROCESS HOTSPOTS
- RUNNING SIMULATIONS/DRY RUNS
- DEPLOYMENT OF INTERVENTIONS TO ENHANCE PROCESS EFFICIENCY

With the goal of synergising our eco-friendly manufacturing reforms and interventions in line with competitive market pricing, we have developed four key teams labelled as improvement cells. These teams strive to develop responsible, cost-effective and sustainable reforms for our manufacturing operations.

Details regarding the capabilities and performance of the four teams can be accessed in the ‘Reimagining environmental stewardship’ section of this report.

**COST LEADERSHIP AT UPL**

- CAPITALISING ON OPERATIONAL STRATEGIES
- TECHNOLOGY UPTAKE
- RESOURCE USAGE OPTIMISATION
- OPERATIONAL EXCELLENCE

**Focus on customer-centric services**

At UPL, we value our strong partnership with farmers and constantly strive to address their needs and aspirations throughout the crop lifecycle. We provide three key services to farmers, increasing their accessibility to our products and solutions as well as providing mechanisms to effectively resolve their queries.

We employ comprehensive feedback mechanisms to provide an exemplary and engaging experience to our customers. The feedback mechanism assists us to integrate the outcomes of our annual customer survey in our core strategy and operating plans, while enhancing customer experience.

- An annual customer satisfaction survey based on our 4 major sections – delivery performance, quality of UPL products and services, overall COT performance, overall UPL performance
- Satisfactory index percentage is calculated from the survey using a 5-point ordinal scale
- The resultant score formed from our Net Promoter Score (NPS) and satisfactory index enables us to identify satisfied and unsatisfied customers
- We communicate with the unsatisfied customers, identify the gaps and devise corrective action plans in co-ordination with various departments
- We maintain a constant progress check on the implementation of the suggested corrective actions in our processes and strategies

**Key teams monitoring our operational reforms**

- **MAXPRO**
  Facilitates the retention of our strong cost leadership position by formulating effective strategies
- **MAXPRO+**
  Enables cost optimisation of the manufacturing processes by utilising statistical tools to assess performance gaps and improve overall productivity and efficiency
- **ENERGY CELL**
  Focuses on implementation of energy-efficient interventions and technologies across manufacturing operations
- **GREEN CELL**
  Addresses environment-linked technical issues across manufacturing sites in India; develops technology-based interventions for aligning our manufacturing practices with remedial activities for air pollution and waste treatment

**Focus on customer-centric services**

- **Adarsh Kisan Center**
  It is a remote advisory service for farmers across India. A toll-free number is available across all our product-packaging and SMS alerts are provided for farmers to resolve their queries and access information on latest agricultural advancements.

- **Adarsh Farm Services**
  Covering 1.2 million acreage across three states in India, Adarsh Farm Services provides high-tech farm mechanisation technology to more than 1 million farmers. Availing this service ensures time and cost efficacy for farmers.

- **Unimart**
  With a chain of 13 centres in India and Africa, our Unimart service provides farmers with a one-stop solution for all their agricultural needs and requirements. Since its inception in 2009, Unimart has been successful in increasing the income per acre of crops.
Reimagining a responsible business

Embedding sustainability in supply chain

As a proud signatory of the Responsible Care Initiative, we take conscious efforts to incorporate sustainable practices across our supply chain. We extend the coverage of our Code of Conduct to our suppliers, encouraging compliance with relevant laws and regulations pertaining to the environment, employee health and safety, child labor, sexual harassment, human rights and other business ethics. We are humbled to state that for the reporting period, there were no complaints regarding the rights of indigenous people, child labour, forced labour. In FY 2020-21, guided by our Sustainable Procurement Policy, we strengthened our procurement practices across our supply chain. Furthermore, in line with our commitment to the UNGC principles, we strive to enhance our operations across economic, environment, social and governance parameters – sustainable sourcing being one of them. We aim to reduce plastic from our product packaging at source along with enabling its recycling.

Sustainable sourcing

To encourage sustainable sourcing, the Company initiated sustainability focused assessment across its key supply chain partners and covered 52 suppliers (i.e. -20% of spend) with this initial assessment. We conduct such assessment of our key suppliers periodically and encourage adoption of sustainable practices in their operations. During the reporting period, we onboarded 24 critical vendors for direct procurement through this screening process. In FY 2020-21, there were no negative (significant or potential) social and environmental impacts across our supply chain. Additionally, we contribute to the development of local communities in and around our operations by prioritising local suppliers for procurement purposes. In FY 2020-21, we spent 39.38% of our procurement budget on local suppliers. We follow a comprehensive and periodic screening process for our critical suppliers to monitor the implementation of regulatory requirements.

2025 Target

Going forward, we will initiate the implementation of ISO 20400:2017 and International Labour Organisation (ILO) standards and the United Nation Global Compact (UNGC) principles to strengthen our sustainable procurement practices.

Pre-onboarding screening process

- Site inspection conducted by multi-functional experts
- Compliance requirements are monitored, and guidance is provided for cases where compliance needs to be updated

Post-onboarding process

- Supplier code of conduct outlines the values and principles to be adhered to by each supplier

Supplier development program

- Implementation of improvement plan cohesively with supplier
- Build ecosystem for best practice sharing within our supply chain to improve sustainability performance
- Develop local supply sources, waste reduction processes and environmental sustainability across the supply chain

PERCENTAGE OF SUPPLIERS CATEGORISED UNDER ESG PARAMETERS

- Social: 14 above 60%, 14 at par with industry score 40%-60%, 14 sensitive score less than 40%
- Environment: 58 leaders score above 60%, 30 at par with industry score 40%-60%, 52 sensitive score less than 40%
- Governance: 52 leaders score above 60%, 34 at par with industry score 40%-60%, 52 sensitive score less than 40%
- Overall: 52 leaders score above 60%, 52 at par with industry score 40%-60%, 52 sensitive score less than 40%

Waste reduction at supplier sites

In collaboration with our supply partners, our technical and process design team devised changes in the synthesis routes to reduce effluent generation, catalyst consumption and improve yield.

- By incorporating changes in the process design of one of our key herbicides, we enabled the improvement in yield by 1%, equivalent to 700 tons/year of raw materials in addition to reduction of consumption of catalyst by 50% (100 tons/year)
- Our R&D efforts facilitated yield improvement by 5%, equivalent to saving 390 tons/annum of raw materials in one of our fungicide categories.

Procurement practices empowering safety improvement

As an initiative for safety improvement, we transitioned from barrels to ISO tankers for handling yellow phosphorous. Yellow phosphorous being a hazardous chemical in terms of reactivity, flammability and exposure to humans, it needs to be handled in submerged water conditions to avoid contact with ambient air and burning thereafter. Replacing the barrels with the tankers has reduced the manual handling of ~4,500 barrels/month in addition to avoiding burn injury risk for employees in case of leakage. Additionally, the initiative enabled us to eliminate the cleaning process of empty barrels and substantially reduced effluent generation and empty barrels.

Encouraging local sourcing and reducing dependency on imports

- In one of our fungicide, our consistent efforts to reduce dependency on imported raw materials and intermediaries has enabled us to set up local manufacturing facilities in collaboration with local suppliers and contract manufacturers. With 60% of raw materials being sourced locally, we have considerably reduced freight emissions, lead time and cost.
- With joint collaborative efforts of our procurement, technical and quality team, we were able to secure a local supplier for methyl chloride, reducing freight emissions by ~80% in addition to cost and lead time reduction.
Reimagining a responsible business

**IT and cybersecurity**

At UPL, we consistently strive to protect confidential and personal information. As a trusted partner to all our stakeholders, we understand the importance of data integrity, security and privacy and have established various systems and measures to ensure we remain responsible while collecting, storing, using, sharing, transferring and disposing of any personal or confidential information. We have a dedicated approach to ensure continuous data privacy compliance at UPL as well as implement robust systems to strengthen internal capabilities. UPL’s global data privacy policy is created by the GRC team and based on the 10 generally accepted privacy principles, common across all regional data privacy laws. We ensure our data privacy commitments are in line with the GAPP and data privacy laws such as GDPR, APPs and LGPD, among others. In FY 2020-21, there were no complaints concerning breaches of customer privacy and losses of customer data.

- UPL’s global data privacy policy is applicable to all group companies, operating units and support functions of UPL.
- The policy is applicable to all employees, workers, contractors/vendors, customers, visitors and business partners regardless of geographic locations, who either receive or have access to personal data collected or processed by or on behalf of UPL, or who provide personal data to UPL as a result of their relationship with UPL.
- The policy is applicable to all employees, workers, contractors/vendors, customers, visitors and business partners regardless of geographic locations, who either receive or have access to personal data collected or processed by or on behalf of UPL, or who provide personal data to UPL as a result of their relationship with UPL.
- Evidence collection and lessons learned is further undertaken to communicate the incident to all employees.

**Approach to data integrity, security and privacy**

- Conduct gap assessments based on applicable data privacy laws across our global operations.
- Data Privacy policies are prepared for UPL’s global team. The policy is also shared with regional teams to adhere to local laws and language.
- Established a compliance register on our sharepoint portal to track the status of compliance across UPL entities.
- Identified regional SPOCs to drive privacy compliance activities across UPL operations.
- Conducted data privacy training and awareness for all UPL employees along with re-assessment of the controls rolled out.

**MEASURES TAKEN TO PREVENT BREACH OF DATA PRIVACY**

- VPN with MFA for Secure Access From Home
- User Training 600+ Hours – Microsoft Teams
- Accelerated Patching Vulnerability Management
- Realtime Security Monitoring
- Roll-out of Advanced Email Security
- Remote Support Over Phone & Teams
- Upgrade to Cloud Based Antivirus

**APPROACH TO ADDRESS DATA PRIVACY CONCERNS**

- The employee reports the incident in the SNOW portal and categorises it under the data privacy incidents.
- All data privacy incidents are classified as Priority 1 incidents according to the classification matrix and are escalated to Head – GRC (Escalation 1) with further escalation to the CIO (Escalation 2). The incident will be assigned to the respective stakeholder for resolution with an SLA of 4 hours.
- Root cause analysis on the incident will be conducted. In the event of widespread impact/data loss affecting a large set of employees, breach notifications will be shared with all the affected employees.
- Evidence collection and lessons learned is further undertaken to communicate the incident to all employees.

**UPL’s material topics**

- Emissions
- Water management
- Waste management
- Supplier environmental assessment
- Environmental compliance

**UPL’s stakeholders**

- Permanent employees
- Regulators
- Suppliers and vendors
- Academia

**UPL’s OpenAg strategy**

- Developed innovative solutions to wastewater treatment through our Green Cell
- 3 patent applications have been filed for Green Sustainable Process improvement
- Robust presence of our Energy Cell to drive efficacious and innovative technology that aims to enhance energy efficiency
- UPL is the only agrochemical company in the world to be listed in the S&P Global Sustainability Yearbook 2021

**UPL’s Sustainability Goals**

**GOAL 1: Reduce Environmental Footprint**

- 25% reduction in CO2 emission intensity as compared to FY 2019-20
- 42,080 MWh electricity sourced from wind and solar
- Total water consumption stood at 96,95,342 KL
- Recycled 7,48,489 KL of water, equivalent to 13% of total water withdrawn
- No water body has been significantly affected by the effluents we produce during the reporting period.

**UPL’s OpenAg strategy**

- OpenInnovation
- OpenIntelligence
- OpenCollaboration
- OpenAccess
Reimagining environmental stewardship →

**Responsible environmental management**
A resilient and healthy planet is critical to the natural resources we rely on to build our product portfolio and enhance our business activities. Climate change increasingly poses a risk across our value chain, impacting our key stakeholders and long-term ability to augment value creation. At UPL, we have a robust environmental policy that guides our sustainability strategy and ensures active monitoring of environmental performance. Our Environmental Policy is applicable to all our stakeholders, enabling clear insight into our vision and mission. Additionally, our commitment to minimising our environmental footprint is reflected through our energy and water conservation policies, enabling us to reduce the over exploitation of natural resources and enhance reuse, recycle and process optimisation.

In order to ensure an efficacious outcome of our initiatives, we have established robust internal monitoring mechanisms. With this approach, we link environmental Key Performance Indicators (KPIs) across departments, further to an individual’s annual performance review. The presence of a strong governance system enables each department to ensure we augment progress towards the reduction of our environmental footprint. We have an exemplary Environment, Health and Safety (EHS) team along with a sustainability committee, inclusive of our board members. This facilitates the active involvement of top management, enabling us to go beyond compliance and deliver efficacy in line with global best practices.

We have also formulated the Energy Cell and Green Cell to enhance focus on resource conservation and environmental protection. Additionally, we have a dedicated Cell, ensuring zero non-compliance to any environmental regulatory requirements.

<table>
<thead>
<tr>
<th>OUR ENVIRONMENT FOOTPRINT FY 2020-21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Specific water footprint m3/MT</td>
</tr>
<tr>
<td>FY 2019-20</td>
</tr>
<tr>
<td>8.69</td>
</tr>
<tr>
<td>Specific waste footprint kg/MT</td>
</tr>
<tr>
<td>FY 2019-20</td>
</tr>
<tr>
<td>3,537.68</td>
</tr>
<tr>
<td>Specific CO₂ footprint kg/MT</td>
</tr>
<tr>
<td>FY 2019-20</td>
</tr>
<tr>
<td>1,337.46</td>
</tr>
</tbody>
</table>

**2025 Target**
Reduce manufacturing environmental footprint from baseline FY 2019-20.

- 20% Specfic* water consumption
- 25% Specfic* CO₂ emission
- 25% Specfic* waste disposal

*Specific is a measure per MT of production | # Specific CO₂ footprint currently includes only Scope 1 and Scope 2 emissions

**Our climate strategy**
At UPL, we recognise that climate change, natural resource scarcity and extreme weather pose an inherent risk to our business activities and the wellbeing of all our stakeholders. We remain committed to the preservation of ecosystems and the reduction of adverse impacts on our climate, while encouraging the conservation of natural resources. As the severity of climate events continues to increase, there is a direct impact on the global food supply chain. This in turn adversely impacts the livelihoods and wellbeing of our farmers. In this regard, we have curated a climate strategy that encompasses climate change adaptation and mitigation, supported by our key environment focus areas.

**Energy efficiency**
As we continue to work with farmers across 130+ countries and support them to feed the world sustainably, we continuously invest in and develop innovative solutions that drive sustainable impact across our product portfolio. In this regard, we also maintain our commitment to recognise the role of energy efficiency across business activities. We consistently monitor our performance with systems installed at every location to capture our consumption on a daily basis. Additionally, we actively implement strategic energy conservation initiatives to augment progress towards our sustainability goals and targets.

Details regarding our energy consumption across our Indian and international operations for FY 2020-21 are provided below.

| ENERGY CONSUMPTION ACROSS INDIA AND INTERNATIONAL OPERATIONS FOR FY 2020-21 |
|------------------|------------------|------------------|
| Energy source    | Indian operations (GJ) | International operations (GJ) |
| Coal             | 66,86,500         | 0                |
| Natural Gas      | 9,08,006          | 2,52,859         |
| Furnace Oil      | 1,11,570          | 11,638           |
| HSD              | 21,272            | 14,657           |
| LPG              | 0                 | 16,476           |
| Gasoline         | 0                 | 1                |
| Grid Electricity | 8,52,878          | 2,45,353         |
| Steam            | 1,76,601          | 10,447           |
| Renewable Energy (Solar and Wind) | 1,49,933 | 1,555 |
| Total            | 98,16,811         | 5,52,985         |

**CLIMATE CHANGE MITIGATION**
We are committed to augment energy conservation and the decarbonisation of our operations to reduce our carbon footprint at an operational and supply chain level.

**CLIMATE CHANGE ADAPTATION**
We aim to consistently enhance the resiliency of our operations and farmers to the physical impacts of climate change.

<table>
<thead>
<tr>
<th>FOCUS AREAS</th>
<th>FOCUS AREAS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy efficiency</td>
<td>Water management</td>
</tr>
<tr>
<td>Carbon emission management</td>
<td>Waste management</td>
</tr>
</tbody>
</table>

**INTERNATIONAL OPERATIONS FOR FY 2020-21**

| Indian operations (GJ) | Energy consumption across India and international operations for FY 2020-21 |
|------------------|------------------|------------------|
| Coal             | 66,86,500         | 0                |
| Natural Gas      | 9,08,006          | 2,52,859         |
| Furnace Oil      | 1,11,570          | 11,638           |
| HSD              | 21,272            | 14,657           |
| LPG              | 0                 | 16,476           |
| Gasoline         | 0                 | 1                |
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| Total            | 98,16,811         | 5,52,985         |

**CLIMATE CHANGE ADAPTATION**
We aim to consistently enhance the resiliency of our operations and farmers to the physical impacts of climate change.

**Energy savings through conservation initiatives**

<table>
<thead>
<tr>
<th>Energy saved through conservation initiatives</th>
<th>Electricity sourced from wind and solar</th>
</tr>
</thead>
<tbody>
<tr>
<td>94,69,866 GJ</td>
<td>11.49 GJ/ton of production in specific Energy Consumption</td>
</tr>
<tr>
<td>52,728 GJ</td>
<td>42,080 MWh Electricity sourced from wind and solar</td>
</tr>
</tbody>
</table>

**Carbon footprint at an operational and supply chain level.**

<table>
<thead>
<tr>
<th>Carbon footprint at an operational and supply chain level.</th>
</tr>
</thead>
<tbody>
<tr>
<td>94,69,866 GJ</td>
</tr>
<tr>
<td>52,728 GJ</td>
</tr>
</tbody>
</table>

**Additional notes:**
1. GR 103-1, GR 103-2, GR 103-3, GR 302-1, GR 302-3, GR 302-4, GR 307-1. Our baseline year was FY 2019-20 and the number of locations were 34. During FY 2020-21, we witnessed an increase in 9 plants at UPL. Thus, in FY 2020-21 we have a strong presence of 40 plants – India (15), Colombia (2), Brazil (2), Argentina (1), Netherlands (1), United Kingdom (1), France (7), Vietnam (2), South Korea (1), Belgium (1), Mexico (1), South Africa- Ivory Coast (4), Costa Rica (1) and USA (1). If we consider 34 plants which were in baseline, our specific water consumption 6.86 m3/KL, Specific Waste Disposal 2,501.49 kg/MT, Specific CO₂ Emission 1,137.45 kg/MT.
Reimagining environmental stewardship

Energy Cell

At UPL, we have established an Energy Cell that enables us to implement cutting-edge and innovative technologies to enhance energy efficiency. We identify and implement projects that reduce specific consumption of electrical, thermal and water resources. Additionally, we have established protocols and Standard Operating Procedures (SOPs) which enable us to perform the analysis of theoretical consumption, gap analysis studies, temperature profiling, energy bill analysis, process heat integration, heat recovery and the adoption of best technologies available for the process.

ENERGY CELL OBJECTIVE
To integrate, deploy and synergise energy initiatives for improving and sustaining energy & water consumption. To drive energy policy across global supply chain and new projects.

ENERGY CELL PROCESS
Gap identification Implementation Energy optimisation Sustenance

ENERGY CELL STRATEGIES
Change the energy mix Reduce specific energy consumption

ENERGY CELL INITIATIVES

<table>
<thead>
<tr>
<th>Category of Initiative</th>
<th>Description</th>
<th>Energy savings (GJ)</th>
<th>Reduction in emissions (tCO2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Process modification</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DM water heating in ATFD upto 85 C - Coal</td>
<td>20,686</td>
<td>1,974</td>
<td></td>
</tr>
<tr>
<td>Waste heat recovery to pre heat SPD inlet air</td>
<td>3,930</td>
<td>220</td>
<td></td>
</tr>
<tr>
<td>Stoppage of MeOH Brine Chiller by utility Changeover GF-3</td>
<td>3,356</td>
<td>737</td>
<td></td>
</tr>
<tr>
<td>Stoppage of MeOH Brine Chiller by utility Changeover GF-2</td>
<td>3,948</td>
<td>866</td>
<td></td>
</tr>
<tr>
<td>Operating 120 TR at -8 Deg C instead of -15 Deg C</td>
<td>998</td>
<td>219</td>
<td></td>
</tr>
<tr>
<td>Pump Optimisation</td>
<td>1,018</td>
<td>224</td>
<td></td>
</tr>
<tr>
<td>Reflux reduction in column 101 Power Saving GF-2</td>
<td>434</td>
<td>95</td>
<td></td>
</tr>
<tr>
<td>Reflux reduction in column 101 Power Saving GF-3</td>
<td>314</td>
<td>69</td>
<td></td>
</tr>
<tr>
<td>Pumping Performance Improvement in Ammonia - M205</td>
<td>488</td>
<td>107</td>
<td></td>
</tr>
<tr>
<td>Operating 140 TR at -10 Deg C instead of -15 Deg C</td>
<td>340</td>
<td>75</td>
<td></td>
</tr>
<tr>
<td>DM water heating in ATFD upto 85 C - power</td>
<td>315</td>
<td>69</td>
<td></td>
</tr>
<tr>
<td>Stoppage of Brine Chiller in MNZ by integration with UPH 5000</td>
<td>399</td>
<td>88</td>
<td></td>
</tr>
<tr>
<td>175 TR chilled water plant - Single circuit</td>
<td>349</td>
<td>77</td>
<td></td>
</tr>
<tr>
<td>Eliminating MeCl CT Pumps &amp; CT by Inter-connecting Piping Network - M205</td>
<td>423</td>
<td>93</td>
<td></td>
</tr>
<tr>
<td>Reflux reduction in column 101 steam Saving GF-3</td>
<td>1,290</td>
<td>122</td>
<td></td>
</tr>
<tr>
<td>Evaporator feed pre heating by condensate</td>
<td>736</td>
<td>70</td>
<td></td>
</tr>
<tr>
<td>Reflux reduction in column 101 steam Saving GF-2</td>
<td>1,601</td>
<td>151</td>
<td></td>
</tr>
<tr>
<td>Evaporator feed preheating by flash steam</td>
<td>1,339</td>
<td>127</td>
<td></td>
</tr>
</tbody>
</table>

Technology upgradation

<table>
<thead>
<tr>
<th>Description</th>
<th>Category of Initiative</th>
<th>Energy savings (GJ)</th>
<th>Reduction in emissions (tCO2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CCDS System for IKI Multi Utility Reactors - M205</td>
<td>1,670</td>
<td>94</td>
<td></td>
</tr>
<tr>
<td>Ball cleaning system for 175 TR chiller</td>
<td>113</td>
<td>25</td>
<td></td>
</tr>
<tr>
<td>XC12 replacement with XC12X along with evaporative cond.</td>
<td>25</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>Energy Efficient Fan for CT at Ammonia</td>
<td>149</td>
<td>23</td>
<td></td>
</tr>
<tr>
<td>Variable nozzle thermocompressor installation at GF-3000</td>
<td>5,646</td>
<td>534</td>
<td></td>
</tr>
<tr>
<td>Condensate Recovery from IKI Plant - M205</td>
<td>2,977</td>
<td>167</td>
<td></td>
</tr>
</tbody>
</table>

Carbon emission management

At UPL, sustainability represents our opportunity to build a resilient and climate positive future for all our stakeholders. As we continue on our journey to achieve our 2025 sustainability goals and targets, we strive to implement resource efficient initiatives that utilise innovative technology to preserve our planet.

We have implemented a myriad of initiatives to enhance energy efficiency and reduce our carbon footprint. In this regard, we also use biomass as a source of energy and are currently working towards the installation of a biomass boiler with 30 MT per day of steam generation. During FY 2020-21, CO2 emissions from biomass amounted to 1045 MT. These emissions are excluded from our Scope 1 emissions*. Furthermore, we aim to augment the use of renewable energy through green power purchase agreements.

1,137.45 Kg CO2/MT

GHG emissions intensity

*As per GHG Protocol
Reimagining environmental stewardship →

Accelerating progress to reduce our carbon footprint

INSIGHTS INTO OUR WATER MANAGEMENT STRATEGY HAS BEEN FURTHER ELABORATED BELOW:

<table>
<thead>
<tr>
<th>Source of wastewater discharge (kL) in FY 2020-21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Third-party water</td>
</tr>
<tr>
<td>4,04,935</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

UPL’s approach to reduce our water footprint

• Rainwater harvesting to reduce abstracted water demand
• Recycling and reuse of green effluent stream
• Forward Osmosis technology for effluent recycling
• Scale-Ban technology to reduce cooling tower water demand
• Development of controlled discharge facilities for effective surface run-off management
• Implementation of effluent segregation practice and stream wise treatment
• Waste-water recycling and reuse to achieve zero liquid discharge by using energy & space efficient waste-water treatment technologies
• Recovery of valuable material (e.g. product, by-product) from effluent stream

Identification of water-related risks

• Conduct periodic verification of water-related risks at our manufacturing locations. This exercise is conducted as per a water risk analysis and as per WRI Aqueduct.
• Periodic internal/external audits to find the root cause of excess water demand

Water management

At UPL, we recognise the importance of clean and safe water as a basic human right. As a responsible corporate citizen, we consistently ensure that our operations do not negatively impact the supply or quality of water resources across communities. Furthermore, our business activities and product portfolio are reliant on this precious resource. We have thus taken active measures to identify and mitigate any future water-related risks, augmenting the resiliency of our business activities. The key sources of water were municipality water, ground water, surface water and rain water. Incorporating a stakeholder-centric approach to our water management strategy, we also work closely with our farmers to reduce our global fresh water footprint across farms. We discharge treated effluent into deep sea, rivers and common effluent treatment plants (CETPs). Our effluent discharge quality was as per regulatory requirements. 51% of our plants are in water stress regions.

UPL is the first agrochemical company to make a technical manufacturing facility Zero Liquid Discharge (ZLD)

Specific carbon footprint tCO₂/ton of production

<table>
<thead>
<tr>
<th>SOx (MT)</th>
<th>NOx (MT)</th>
</tr>
</thead>
<tbody>
<tr>
<td>130.88</td>
<td>331.69</td>
</tr>
</tbody>
</table>

Removal of colour and refractory COD from Pendimethalin effluent by an advanced oxidation treatment

Developed an in-house treatment method for the removal of colour and refractory COD Pendimethalin effluent at our Jhagadia facility. The success of the treatment methodology has been further accelerated into its implementation phase.

Vacuum distillation technology (VDU) piloting

The VDU technology works on the principle of vacuum distillation, combined with vapor compression technology. It uses a specialised compressor that makes it an energy efficient and economical approach to treat and dispose industrial effluent. Some of the advantages of the technology include a lower CAPEX and OPEX, easy installation and commissioning, no structure support as required in other evaporation systems, no external steam or heat source required for evaporation and reduced requirement of area footprint.

Ozonation and electrooxidation piloting

The use of Ozone, in the potabilisation of surface or ground water as well as in wastewater treatment to remove microorganisms, inorganic ions and organic pollutants. Some of the advantages of the process include the non-selective degradation of organic pollutants, no addition of chemicals due to the presence of hydroxyl radicals as the main reactant, efficacious treatment of refractory COD, ability to implement the process at room temperature and atmospheric temperature as well as reduced area footprint for implementation.

Mapping progress towards established goals

• Reduce 20% of specific water consumption* by 2025
• Enhance focus towards a reduction in our operational water footprint
• Develop innovative products that enable water conservation at farms
• Ensure effluent discharge quality is as per regulatory requirements

Driving innovation across water management

At UPL, our Green Cell has successfully launched a myriad of tried and tested environmentally friendly technologies. A glimpse into our initiatives has been provided alongside.

* Includes 14168 KL Harvested Rain Water

Total water discharge

<table>
<thead>
<tr>
<th>FY 2020-21 highlights</th>
</tr>
</thead>
<tbody>
<tr>
<td>55,67,895kL</td>
</tr>
<tr>
<td>Total water discharge of our fresh water withdrawal</td>
</tr>
<tr>
<td>34%</td>
</tr>
<tr>
<td>Total water consumption</td>
</tr>
<tr>
<td>7,48,489kL</td>
</tr>
<tr>
<td>Total water recycled, equivalent to 13% of the total withdrawal</td>
</tr>
<tr>
<td>36,98,342kL</td>
</tr>
<tr>
<td>Total water consumption</td>
</tr>
<tr>
<td>18,69,533kL</td>
</tr>
<tr>
<td>Total water discharge</td>
</tr>
</tbody>
</table>

Removal of colour and refractory COD from Pendimethalin effluent by an advanced oxidation treatment (ETP) piloting

Developed a process to effectively curb temperature rise across our ETP bioreactors. The pre-treatment of wastewater with the support of chemicals has enabled an exemplary improvement in the reduction of temperature rise across bioreactors and the consumption of chemicals downstream of the ETP for polishing treatment. This process has been implemented at PL-05, Jhagadia 1 MLD ETP facility.

In-process neutralisation of evaporation condensate

Developed a cost-effective process to neutralise acidic compounds in evaporation condensates during the evaporation process. Apart from cost efficiency, the benefits range from a reduction in the quantity of landfill sludge to improved efficiency in biological treatment. This technology is in the process of being implemented at our Jhagadia facility.

GRI 103-1, GRI 103-2, GRI 103-3, GRI 303-1, GRI 303-2, GRI 303-3, GRI 303-4, GRI 303-5, GRI 306-1

UPL Limited Sustainability Report 2020-21
Reimagining environmental stewardship

Waste management

At UPL, we aim to advance a more circular economy by enabling access to low impact practices and innovative resource efficient technology. With enhanced focus towards the reduction of waste generation activities, we employ a holistic approach to waste management and aim to maximise the end use of our products. Given the nature of our business activities, we generate both hazardous and non-hazardous waste. Furthermore, we have established a 4R waste strategy at UPL, accelerating progress towards our goal of a 25% reduction in specific* waste disposal by 2025. We have collaborated with the State Pollution Control Board, authorised third party vendors to transport and recycle our hazardous waste. Our dedicated team at each location engages with authorised and reported third parties for managing our waste safely and ensures that we strictly abide by the relevant regulations.

UPL’s waste management strategy

- **REDUCE**
  - Ensuring the responsible use of raw materials while propagating the ideology of ‘waste is wealth’ across our business activities
  - Optimising manufacturing operations to achieve waste reduction
- **RECYCLE**
  - Encouraging the recycling of packaging material
  - Augmenting waste reduction for the packaging process by using appropriate materials
  - Recovering value-added products from waste
- **REUSE**
  - Prolonging the Lifecycle of equipment and products
  - Utilising incinerable hazardous waste for energy recovery
- **REPROCESS**
  - Process redevelopment/optimisation to reduce landfill/incinerable waste during operations
  - Trading coproducts with neighbours to derive maximum value from by-products/co-products

Accelerating progress towards a circular economy

- **REDUCE**
  - 24,521 MT of non-hazardous waste was recycled or sent for co-processing
  - 204.79 MT Reduced paper consumption
  - 30,719 MT of hazardous waste was recycled or sent for co-processing
  - There were no significant spills during the reporting period
  - No water body has been significantly affected by the effluents we produce during the reporting period
  - Transported and disposed of 1,66,853 tons of hazardous waste and 36,804 tons of non-hazardous waste with the support of government authorized third party agencies. Of the total waste disposed, 30,719 tons of hazardous and 24,521 tons of non-hazardous waste was recycled or co-processed.

- **RECYCLE**
  - 390.52 MT Reduced plastic consumption
  - Key highlights:
    - Eliminated the rope and eyelet
    - Reduced the height of the pouch with a subsequent reduction in the weight of the bag by 6.5 g
    - Optimised box dimensions and structure, reducing the weight by 220g/box
    - Achieved savings in total plastic consumption of 11.93 MT
    - Achieved savings in total paper consumption of 67.21 MT

45 GRI 103-1, GRI 103-2, GRI 103-3, GRI 306-2, GRI 306-3, GRI 306-4, GRI 306-5 | *Specific is a measure as per MT of production
Reimagining an agile workforce and a resilient community

At UPL, our value ‘Always Human’ plays a pivotal role in workforce empowerment. We show respect, demonstrate trust and celebrate diversity to create a motivated and agile work environment. Recognising the integral role of our employees in attaining the organisational goals, we consistently strive to align our values and culture with their wellbeing and holistic development.

Launched
Open Intel
an online training platform for employees

Launched
Global Compliance Modules
an online learning platform on ethics and compliance

**UPL’s OpenAg strategy**

- **GOAL 2: Enhance World Food Security**
  - Open Hearts
  - Open Intelligence
  - Open Collaboration

- **GOAL 4: Strengthen Community Wellbeing**
  - Occupational health and safety
  - Promoting diversity
  - Talent attraction and retention
  - Human Rights
  - Local community development

**UPL Limited Sustainability Goals**

1. Enhance World Food Security
2. Strengthen Community Wellbeing
3. Enable Inclusion and Diversity
4. Innovation and Sustainability
5. Sustainable Operations and Compliance

**UPL’s Material Topics**

- Occupational health and safety
- Promoting diversity
- Talent attraction and retention
- Human Rights
- Local community development

**UPL’s stakeholders**

- Employees
- Regulatory bodies
- Local Community

**UPL’s OpenAg strategy**

- 10,000+ employees*
- ₹100 crore CSR spend^* 
- 1 million CSR beneficiaries

- Launched Open Intel
- Launched Global Compliance Modules

Guided by UPL’s employee code of conduct, we have a robust Human Rights policy and Human Resource (HR) management program. The HR team oversees the seamless functioning of our focus areas, as part of our HR management strategy. Furthermore, all our employees and business associates are covered under UPL’s code of conduct. The HR team, supported by numerous employee engagement exercises and feedback systems, ensures a healthy employee satisfaction level by addressing the challenges and inconveniences encountered by them.

**Employee engagement platforms and welfare initiatives**

- Annual appraisal programs
- Grievance redressal mechanisms
- AskHR-online platform to address employee concerns
- Integrating Success factors as a powerful digital tool in our HR processes
- Supporting female employees with crèche facilities
- Subsidy on home loans, health insurance, medical coverage for all employees
- Protection of Human Rights

**Accomplishments**

- 16,823 training hours spent on human rights policies and procedures
- 1,62,077 man-hours of employee safety training imparted in FY 2020-21

**UPL’s stakeholders**

- Open Hearts
- Open Intelligence
- Open Collaboration

**UPL’s OpenAg strategy**

- Launched Open Intel
- Launched Global Compliance Modules

23GRI 103-1, GRI 103-2, GRI 103-3  |  ^Includes ₹75 crore donated to PM Cares Fund

*Includes Crop Protection and Advanta globally | ^Includes F7S crore donated to PM Cares Fund
Driven by diversity\textsuperscript{25}

At UPL, we aim to drive an agile workforce by sustaining diversity across the domains of age and gender. In our endeavour to feed the world sustainably, we have seamlessly expanded our skilled workforce globally and consistently aim to maximise value creation for our employees. Additional details regarding our workforce can be referred to in the table below.

### UPL’s workforce FY 2020-21

<table>
<thead>
<tr>
<th>Employee category</th>
<th>Units</th>
<th>&lt;30 years</th>
<th>30-50 years</th>
<th>&gt;50 years</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top Management</td>
<td>Nos.</td>
<td>0</td>
<td>1</td>
<td>5</td>
<td>6</td>
<td>0</td>
</tr>
<tr>
<td>Senior Management</td>
<td>Nos.</td>
<td>0</td>
<td>13</td>
<td>22</td>
<td>33</td>
<td>2</td>
</tr>
<tr>
<td>Middle Management</td>
<td>Nos.</td>
<td>0</td>
<td>432</td>
<td>252</td>
<td>595</td>
<td>89</td>
</tr>
<tr>
<td>Junior Management</td>
<td>Nos.</td>
<td>998</td>
<td>3,551</td>
<td>764</td>
<td>4,127</td>
<td>1,186</td>
</tr>
<tr>
<td>Executives on Contract</td>
<td>Nos.</td>
<td>0</td>
<td>17</td>
<td>42</td>
<td>49</td>
<td>10</td>
</tr>
<tr>
<td>Trainees</td>
<td>Nos.</td>
<td>24</td>
<td>0</td>
<td>0</td>
<td>21</td>
<td>3</td>
</tr>
<tr>
<td>Total Employees</td>
<td>Nos.</td>
<td>1,022</td>
<td>4,014</td>
<td>1,085</td>
<td>4,831</td>
<td>1,290</td>
</tr>
</tbody>
</table>

### Workmen - Permanent

<table>
<thead>
<tr>
<th>Permanent Associates</th>
<th>Nos.</th>
<th>1,254</th>
<th>1,855</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contract Labor</td>
<td>Nos.</td>
<td>2,513</td>
<td>3,534</td>
</tr>
</tbody>
</table>

### Workmen - Temporary

<table>
<thead>
<tr>
<th>Nos.</th>
<th>502</th>
<th>3,649</th>
<th>82</th>
</tr>
</thead>
</table>

### AGE DIVERSITY

- <30 years: 18%
- 30-50 years: 21%
- >50 years: 63%

### GENDER DIVERSITY

- Male: 65%
- Female: 35%

### WORKMEN DISTRIBUTION

- Permanent: 63%
- Temporary: 37%

### Global distribution of our employees

- LRAM: 7,908
- India: 9,515
- Asia: 9,852
- Brazil: 12
- NAM: 3
- AMEANZ: 8
- Europe: 6

Employee engagement and welfare

At UPL, we employ a myriad of tools and platforms to connect with employees of all cadres. We consistently strive to foster an open work environment for the discussion of ideas, opinions and enhanced collaboration among our employees. Additionally, our HR connect and redressal platforms enable us to always be connected with our employees and address their queries and challenges, in a seamless manner.

#### Employee appraisal program

- Align each employee’s professional goals with UPL’s strategy and vision
- Enhance employee productivity through strategic employee wellbeing initiatives
- Ensure professional growth and development of each individual employee

#### Grievance redressal

- Our redressal mechanism ensures judicious resolution of employee grievances
- Our worker’s committee represents a formal mechanism to manage employee grievances
- Our open-door policy provides an accessible platform to all the employees for efficacious grievance resolution

#### Platforms to connect with HR

- Sessions conducted by the HR team- HR Hour, HR4U facilitate the addressal of employee needs and challenges
- Our AskHR platform provides employees easy digital access to share their concerns
- Intramural facilities like air-conditioned canteens, bus facilities and food facilities at nominal charges
- Support female employees with the provision of creche facilities at all our locations
- Flexible working hours at corporate offices
- Interest subsidy for home loans, life insurance, medical coverage for all employees and their dependents

Employee welfare initiatives

We recognise the contribution of our employees in augmenting our capability to enhance value creation for all our stakeholders. We strive to enhance their work satisfaction and productivity through strategic welfare initiatives that support our employees professional and personal aspirations. At UPL, we consciously intend to create a comfortable work environment for our workforce as they continue to provide us with their invaluable contribution in managing and expanding our business operations globally.

Protection of Human Rights\textsuperscript{26}

Our commitment to the fundamentals of human rights and its implementation across our operations is supported by our zero-tolerance policy to child labour, forced labour and discrimination. This is further reinforced by our human rights policy which is backed by a systematic monitoring system. We ensure periodic updates to our monitoring mechanisms, ensuring efficacious protection of human rights. Additionally, we implement an all-inclusive cyclical exercise of a human rights risk assessment which is followed by the execution of corrective actions and further monitoring of its implementation\textsuperscript{27}. In FY 2019-20, we underwent a human rights’ assessment by a third-party expert in human rights policies. The human rights screening was extended to our suppliers with the aim of strengthening our commitment to human rights across the value-chain.

\textsuperscript{25}GRI 102-7, GRI 102-8
\textsuperscript{26}GRI 412-1, 412-2, 412-3
\textsuperscript{27}GRI 103-1, GRI 103-2, GRI 103-3
Reimagining an agile workforce and a resilient community

Employee learning & development

At UPL, we recognise the ever-evolving nature of our business landscape. We encourage the adoption of new technology and innovation across our business activities to enhance the value of our products and services. To derive impactful results across our business activities, it is vital for us to enable access to topic-specific skill sets and resources for all our employees. We also incorporate a myriad of learning tools to train employees with exemplary development interventions that facilitate maximum productivity and augment our capabilities to deliver value creation for all our stakeholders.

Our learning and development program is built to enhance behavioral, technical, and professional skills among our workforce, in addition to nurturing leadership qualities through our customised training modules. Furthermore, we encourage our employees to exhibit their skills by leading projects and delivering innovative solutions.

Our online training platform, Open Intel provides access to learning modules for all the employees. In FY 2020-21, we conducted the following trainings, globally:

- "Global Compliance Modules" an online training platform on ethics and compliance for all employees across our global operations. At present the module is offered in 6 languages, covering ~85% of our workforce.

---

3With the varied impact of the COVID-19 Pandemic by March 2020, all investments and trainings were kept on hold to ensure social distancing norms and only business critical functions were operational. In December 2020, we launched our own LMS with emphasis towards virtual training to continue our journey of learning and development.
Reimagining an agile workforce and a resilient community ➔

Occupational health and safety

We implement our mantra of ‘Doing things Safer is doing things Better’ across our business operations to ensure the safety and wellbeing of our employees. Our Occupational Health and Safety (OHS) management system encompasses several interventions to establish concerned policies and regulations for all our employees. We adopt a comprehensive approach to OHS, complying with legislations such as the Factory Act & State Factory Rules, The Manufacture and Storage and Import of Hazardous Chemical Rules (MGHIC), Indian Boiler Act and Rules, Petroleum Rules, Environment Protection Act & Rules and Insecticide Rules among others. Our certification of the Occupational Health and Safety Standard ISO 45001:2018 by Bureau Veritas across all our sites, reflects our commitment to providing best-in-class safety practices for our workforce. Additionally, all permanent and contractual employees are covered under our OHS management system. We also ensure our OHS management system is internally and externally audited, in a timely manner.

Our Health, Safety and Environment Management Systems (HSEMS) strengthens our safety plan and regulations, augmenting safety awareness among our employees which further impedes the occurrence of incidents. The functioning of HSEMS is periodically monitored by the Health, Safety and Environment (HSE) committee. This committee was constituted as per the guidelines of Factories Act, 1948 and comprises of a minimum of 50% representation of non-management workforce. Guided by the HSE committee, we have developed our EHS policy in compliance with all requirements pertaining to Occupational Health, Safety and the Environment. Furthermore, all our employees and suppliers across the globe are covered by our EHS policy.

Safety Vision

‘To become one of the best & safest Chemical Manufacturing Companies in the world and achieve Best in Class safety by making a way of life’.

OBJECTIVES OF OUR EHS POLICY

1. Capacity building of the workforce on safety, emergency preparedness and response
2. Providing health check-ups
3. Continuous risk assessments, waste reduction and ideal resource utilisation
4. Reducing adverse effects emerging from manufacturing activities at all applicable sites and localities
5. Building safety right at the design stage
6. Stakeholder engagement
7. Practicing necessary standards for Health, Safety and Environment Performance as well as Statutory Compliance

EHS GOVERNANCE AT UPL

<table>
<thead>
<tr>
<th>Role</th>
<th>Team</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global Head - QHS</td>
<td>Process Safety Team</td>
</tr>
<tr>
<td>Head - H&amp;S</td>
<td>2nd Party Audit Team</td>
</tr>
<tr>
<td></td>
<td>Unit Safety Team</td>
</tr>
<tr>
<td></td>
<td>Project Safety Team</td>
</tr>
</tbody>
</table>

At UPL, our Safety Committees are responsible for the efficacious implementation of requisite laws and regulations across our sites, ensuring the participation of our entire workforce including management, non-management staff and contractual employees. Our comprehensive approach to employee health and safety management is further accentuated by the inclusion of several engagement sessions which are explained in the subsequent sections.

Hazard Identification

Our hazard identification process uses an all-inclusive approach to identify risks, utilising several tools to devise appropriate strategy and mitigation plans, along with the verification of implementation plans. The entire hazard identification and mitigation plan is carried out under the supervision of a cross-functional team, showcasing our expertise in safety management.

TOOLS USED TO IDENTIFY RISKS AND HAZARDS

- Activity based Hazard Identification & Risk Analysis (HIRA)
- Man Chemical Interface
- Man Machine Interface
- 3 Stage Hazard and Operability Studies (HAZOP)
- Job Safety Analysis (JSA)

The entire process is developed and monitored periodically by cross-functional teams with expertise in safety management.

Safety capacity building

We implement a 3-phase training program to foster safety awareness among our employees. Our safety capacity building program is designed to align employee-specific roles with training modules, enhancing the value addition of our programs. Additionally, training programs emphasising specific safety domains such as Process Safety management, Safety Leadership, Hazard Recognition, Construction Safety, Electrical Safety, Emergency Response Management are conducted to bridge identified gaps from our existing programs.

OUR SAFETY CAPACITY BUILDING STRATEGY

<table>
<thead>
<tr>
<th>Level 0 and 1 induction training programs</th>
<th>Safety trainings tailored for employee-specific roles</th>
<th>Continuous capacity building exercises based on blended interventions</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Induction training program covers 8 detailed modules, field exercises and practical demonstration for specific hazards</td>
<td>• Emphasis on trainings linked to function-specific roles of employees</td>
<td>• Daily safety talks conducted on specific topics</td>
</tr>
<tr>
<td>• A pre and post training assessment is conducted to test the understanding level of each individual employee and the progress made by them</td>
<td>• A tailored safety training is designed based on individual employee roles</td>
<td>• Trainings conducted based on individual development goals created by employees, in co-ordination with their respective superiors</td>
</tr>
</tbody>
</table>

33,592 employees given safety training in FY 2020-21
1,62,077 man-hours of safety training imparted in FY 2020-21

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Safety Audit
As part of our safety management system, we periodically conduct internal and external safety audits to monitor the implementation of our safety-linked practices and interventions across all our operating sites. Biannual internal safety audits and annual external safety audits enable us to determine gaps in our system and adapt corresponding corrective action plans. We ensure efficient redressal of safety findings with regular monitoring of corrective action plan implementation.

Enhancing our safety management system
We have adopted a strategic approach to enhance our safety management system, linking it with our IT based abnormality reporting system, maintaining transparency and seamless functioning. Our digital interventions in addition to yearly assessments by third party experts cater to a systematic review of incident corrective action plans. We ensure a detailed incident investigation approach with implementation of action plans for identified root causes. The investigation process is explained in detail below.

Emergency Preparedness
With the robust presence of global manufacturing sites, we take adequate measures to effectively respond to any case of exigencies which may impact our operations directly or indirectly. In addition to training our employees to deal with emergencies and unforeseen situations, we have a dedicated team of experts skilled with emergency coping techniques. Our EHS policy also encourages capacity building workshops for our workforce on safety, emergency preparedness and response. At present 800+ of our ERT members across UPL’s Indian operations are trained to deal with emergency situations.

We had an unfortunate incident on 23rd February 2021 at the CM 257 Plant at our Jhagadia Unit, where an explosion took place in which we lost 7 people and several others sustained injuries. The plant was under shutdown for an Annual Boiler Inspection by IBR authorities. At the time of the incident, all the plants in the Jhagadia unit were shut down in safe manner. We also followed all standard practices such as a 3 stage PHA including HAZOP with external experts, stability tests, trainings for operating staff and a pre-start up safety review, among others. As part of the incident investigation findings, we discovered that one of the utilities had a compatibility issue with a work in process chemical which could have possibly triggered this incident. At UPL, we have always believed in sustainable growth wherein human life, safety and environmental sustainability are prioritised as key focus areas. We have consistently adopted the right processes and industry best practices to ensure the safety of our workforce and the preservation of our environment. We undertook a comprehensive list of actions to prevent the recurrence of similar incidents in the future.

Health and Wellbeing
We proactively commit to investing in the good health and wellbeing of our workforce. Our first approach to workforce wellbeing involves pre-employment medical checkups for all new employees. Blood Cholinesterase Activity (BCA) and vertigo tests are conducted during the onboarding process, subsequently these tests are periodically carried out during annual medical health checkups. We conduct health checkups specific to employee functional roles, facilitating the right treatment based on the nature of exposure. Our Occupational Health Center (OHC) is fully equipped with medicines and antidotes to provide medical facilities onsite and carry out annual medical checkups under the supervision of a well-qualified team of nurse and compounders.

We have further identified hazardous chemical exposure and chemical flammability as major hazards causing high consequence risk of ill health. We are humbled to state in FY 2020-21, there were no cases of work related ill-health across our permanent and contractual employees.

INSIGHTS INTO INITIATIVES UNDERTAKEN BY UPL
• Partnered with Gexxon AS, Norway to critically evaluate our existing Process Safety Protocols with sectoral best practices.
• Developing process safety capabilities and a cross functional niche group of Process Safety Specialists in consultation with Gexxon AS.
• Embarked upon a “Safety Cultural Transformation Journey”, supported by SWASYA to assess UPL’s safety culture, safety systems and processes across our sites in India through a deep dive diagnostic survey. The study will in turn help us benchmark safety practices amongst our peers in India and global markets, enhance employee perception on safety, augment leadership pulse and key action areas. We have already begun Phase 1 of the journey of “Safety Cultural Transformation” for the deep dive diagnostic.
• Re-HAZOP of all the plants at Jhagadia with external expert agencies to ensure external perspective on the adequacy of existing controls as well as addressing identified gaps, to ensure processes continue to operate safely.
• Re-HAZOP of all plants across Al-India with special emphasis on identified critical safety processes.
• Completed various studies to establish the stability and storage reactions.
• Installing fool proof solutions to address chemical compatibility aspects.
• Instituted work in process management SOPs for various processes.
• Completed the Safety Audit of plants through the National Safety Council, along with the timely implementation of recommendations provided.
• Institutionalising a Crisis Management Plan across UPL global sites, supported by E&Y.
• Enhancing the importance of Process Safety in chemical manufacturing by building a Center of Excellence at UPL University of Sustainable Technology. This will further augment focus towards building safety capabilities within small and medium scale Chemical Industries in India. This initiative is the first of its kind in India where process safety is a key focus area.
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Our safety performance in FY 2020-21

<table>
<thead>
<tr>
<th>Description</th>
<th>Male</th>
<th>Female</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Fatalities (as a result of work-related injury)</td>
<td>4</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>High-consequence work-related injuries (excluding fatalities)</td>
<td>19</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Recordable work-related injuries</td>
<td>21</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Manhours worked</td>
<td>1,68,33,813</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>Male</th>
<th>Female</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Fatalities (as a result of work-related injury)</td>
<td>3</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>High-consequence work-related injuries (excluding fatalities)</td>
<td>20</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Recordable work-related injuries</td>
<td>37</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Manhours worked</td>
<td>2,85,26,847</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Safety-linked metrics (Permanent employees)

<table>
<thead>
<tr>
<th>Description</th>
<th>Male</th>
<th>Female</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>*Rate of fatalities</td>
<td>0.24</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>*Rate of high-consequence work-related injuries</td>
<td>1.13</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>**Rate of recordable work-related injuries</td>
<td>0.25</td>
<td>0</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>Male</th>
<th>Female</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>*Rate of fatalities</td>
<td>0.11</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>*Rate of high-consequence work-related injuries</td>
<td>0.70</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>**Rate of recordable work-related injuries</td>
<td>0.26</td>
<td>0</td>
<td></td>
</tr>
</tbody>
</table>

*Rates have been calculated as per 10,00,000 manhours worked
**Rates have been calculated as per 200,000 manhours worked

Employee engagement in safety culture

At UPL, we believe in achieving our Unit Safety Goal of zero incidents, with collaborative efforts from all our stakeholders. Our employees are encouraged to recognise potential hazards, risks and prevent any incident by utilising their authority to stall operations. Each employee is authorised to stall operations on the identification of a possible hazard, in accordance with the Health and Safety accountability standard.

To enable responsible execution of our safety standards and interventions across facilities, we nominate a Plant Safety Representative (PSR). Furthermore, our safety programs are designed to enhance employee engagement through creative mediums, encouraging them to proactively align their work ethic with our safety principles and culture.

KEY SAFETY ENGAGEMENT PROGRAMS

Self-Safety Recognition Program (SSRP)
- The SSRP program aims to stimulate the workforce to adapt safety norms and regulations in their plant operation practices
- Utilising a reward-based program as an incentive to reduce safety incidents encourages our employees to approach safety proactively

Kaun Banega Suraksha Gyani (KBG)
- Our Safety quizzes based on various themes facilitate employee safety engagement in a creative way
- The program is based on the application of the safety training imparted to our employees. Thus, enabling us to gauge their awareness levels post training sessions

War Against Hazards (WAH)
- The program motivates employees across cadres to identify hazards in their workplace and immediately prompt the concerned authority for timely action, preventing it from translating into incident
- This incentive-based program encourages our employees to contribute towards the Unit Safety Goal of zero-incident
Our commitment to uplift communities

At UPL, contributing towards the upliftment of communities across the world has always been an integral part of our business strategy. We realise the importance of co-creating a holistic society along with propelling the company’s financial performance to ensure sustainable growth. We continued to enhance efforts towards our key CSR focus areas during the pandemic as well as established a structured course of action for the post-pandemic period. Our community initiatives have an outreach of 30+ countries and 70+ communities, supported by 80+ development programs.

Our CSR framework is built on the foundation of our Vision, Mission and Values

Our company has set up a CSR committee, in accordance with sub section (1) of section 135 of the Companies Act 2013 to provide advice on the company’s CSR policy and monitor CSR activities. Additionally, our 4 identified CSR focus areas and initiatives have been anchored on our CSR policy. Any stakeholder grievances related to the policy are reviewed by established grievance mechanisms at UPL. We continue to strengthen partnerships with NGOs and other associations to maximise our outreach and ensure positive impact for all our stakeholders. In our effort to augment value creation and enhance our CSR activities, we conduct third party social and environmental impact assessments.

Co-creating a resilient community

At UPL, we strive to have a meaningful impact on the lives of our stakeholders. We continue to enhance our engagement with the local community in order to achieve our long-term value creation goals. During the reporting period, we launched several new initiatives and targets to be met in FY 2021-22. These are further aligned to our CSR objectives and prioritised SDGs. Our commitment to the United Nations Global Compact (UNGC) initiative in FY 2020-21 has further strengthened our CSR vision and mission, as we strive to ensure sustainable growth for all.

We have provided a glimpse into our initiatives and case studies across UPL’s CSR focus areas below. Further details regarding our CSR programmes can be accessed from our Annual CSR Report available on website.
National CSR initiatives across our focus areas

Institution of excellence

At UPL, drawing on the synergies of education, economic and social growth we propagate and elevate the quality of education across communities. Our robust educational institutions provide an edifying platform for students from different demographics, augmenting access to skill development initiatives beyond the scope of school-level curriculum. To enhance access to different levels of education we have established the following institutions:

THE SANDRA SHROFF ROFEL COLLEGE OF NURSING, VAPI (SSRCN)

It is the first self-financed nursing college set up in Gujarat with the vision of healing and comforting the suffering, while becoming a Global leader in Nursing education and research. In the recent outbreak of the COVID-19 pandemic (second wave), students volunteered at the frontline as COVID-19 assistants.

THE SANDRA SHROFF GNYAN DHAM SCHOOL

Well-renowned for its outstanding academic performance over the years, the school offers CBSE curriculum to students from nursery to class 12. It is known for its holistic curriculum focusing on academics as well as co-curricular activities.

THE SHROFF S. ROTARY INSTITUTE OF CHEMICAL TECHNOLOGY

The institute was set up with the vision of creating quality engineers required by chemical and allied industries. It imparts technical training to students. In addition to R&D contribution, the institute offers consultancy services to industries.

THE UPL CENTER FOR AGRICULTURE EXCELLENCE

It is a residential farmer training school, benefitting over 18,000+ farmers up until March 2021. The school trains framers with the latest skills and training modules required to augment their efforts across farming practices.

THE GNYAN DHAM EKĻAVYA MODEL RESIDENTIAL SCHOOL, AHWA

The school managed by our Gyandham Vapi Charitable Trust aims to create a holistic environment for tribal children. With emphasis on academic and extra-curricular activities, students are exposed to different activities including skill development programs to make them self-employable.

Self-help groups (SHG) and Entrepreneurship development

UPL Udyamita

• Formed 152 women SHGs with 1,851 members
• Provision of Skill Based Entrepreneurial training to enhance employability of women
• ₹98,54,707 cumulative savings amount of SHG
• Launched first credit saving cooperative named “Sakhi Credit Saving Cooperative” – Community based organisation to provide financial services to women
• Launched a Cashew Processing unit at Kaprada, providing employment to 25-35 women on a recurring basis

SKILL DEVELOPMENT

UPL Niyojaniy

• Trained 1,800+ youth dropouts under the UPL Niyojaniy initiative
• Placed 1,200+ youth across different industries with an average package of ₹9,125
• Considering the situation of COVID-19 Pandemic, we have conducted online skill training under the supervision of CED, Government of Gujarat, this year, we trained 261 youth, out of which 203 have placed and taken up responsible positions in various industries

Sustainable Livelihood

(UPL Pragati)

Under this focus area, UPL aims to elevate the growth of rural women, unemployed youth, and marginalised small-scale farmers by enhancing their employability value and augmenting their value-creation capabilities. The interventions undertaken by UPL for sustainable livelihoods in FY 2020-21 are provided below.

AGRICULTURE DEVELOPMENT

UPL Khedut Pragati

• Improving agricultural productivity of 3,880 farmers and 87 farmer groups across 6 different clusters
• Working with 4,026 farmers of Boribagicha / Kitchen Garden in 58 villages
• 6 Farmer Producer Company (FPC) of 1,500 plus farmers in 5 locations with ₹13,65,00,000 equity generated
• 18,412 farmers trained at UPL Center for Agriculture Science-Vapi
• 3,926 Artificial Insemination performed in animal husbandry with 60-65% success rate
• The System of Rice Intensification (SRI) technology was adopted by 375 small and marginal farmers at Ahwa. 35-40% of yield improvement was observed
• “Fresh-Veg” initiative was launched to support Agri-entrepreneurs, directly interlinking farmers with customers through the medium of a mobile van for fresh vegetables

The interventions undertaken by UPL for sustainable livelihoods in FY 2020-21 are provided below.

Enhanced crop production and productivity through new Advanta Seeds okra hybrid varieties

A recent loss of 50-90% yield of Okra crops due to exposure of Elation Leaf Curl Virus (ELCV) encouraged Advanta Seeds to develop a combo high tolerance okra variety. The launch of the new hybrids ADV216, Raadhika, Navya and Jaani were met with great enthusiasm by farmers. Smallholder farmers observed enhanced crop health and longevity of crop duration of upto 120 days. Additionally, the increased quality and crop productivity have attracted farmers’ attention to improve their yield value.

Additionally, the increased quality and crop productivity have attracted farmers’ attention to improve their yield value.
Enhancing livelihoods through integrated farming
Bhadreshbhai Prabhubhai Patel, at Fulwadi Village, Jhagadia is a 49-year-old low paid worker in the Jhagadia industry. He has a monthly income which is less than ₹10,000. The income from this occupation was not sufficient for him to fulfill the needs of his 5-member family. Encouraged by the promising benefits of new farming techniques introduced by the UPL team at Vikram Farm and Krishi Vignan Kendra, he decided to supplement his income by introducing the creeper vegetable as a Mix Crop with Tomato. Under UPL guidance and subsidy, he started earning an additional profit of ₹10,000-12,000 per month. He is grateful for the additional source of income, which will help him support his children’s higher education and fulfil their dreams.

Steering skills
Hemant Sonrajbhai Chauhan is a 23-year-old candidate at the skill training programme offered by UPL Skill Development Centre. He deeply desired to improve his family household condition. When presented with the opportunity to be trained for the AOCP course under the UPL Niyojaniy initiative, he immediately registered himself and worked relentlessly to acquire knowledge and the skillset required to enhance his employability value. His consistent efforts coupled with interview trainings offered to him at the centre supported him to be selected as an officer at Sanofi Chemical, Ankleshwar. Presently, he is employed at Sun Pharma earning a CTC of ₹1.95 lakh. He remains forever grateful to UPL for presenting him with the opportunity of training at the Skill Development Center.

Nature Conservation
The interdependency between natural resources and our business has led us to develop a symbiotic relationship with the environment. This has enabled us to implement sustainable growth strategies while preserving natural resources. With climate change becoming a critical challenge to be addressed, we at UPL continue to take up the initiative of conserving nature.

SPECIES CONSERVATION INITIATIVES

• Sarus Conservation Project: Scientific data monitoring of the Sarus is carried out monthly by UPL in collaboration with local community members and Rural Sarus Protection Groups (RSPG) volunteers at Kheda district, Gujarat. In FY 2020-21, 829 Sarus were officially documented against 500 since the beginning of project in FY 2015-16, marking an increment of 65%.

• Deer and Antelope Breeding Project: 62 Spotted Deer and 12 Four-horned Antelope were bred under the care and observation of experts and veterinary doctor. 19 Spotted Deer were released into the wild forest from the breeding centre

UPL Social Forestry: Under Social Forestry as of March 2021, we planted more than 52,900 trees across 110 acres of community land. Under the UPL Vasudha initiative regular plantation drives were arranged across the villages in which 82,829 trees were planted in last 4 years. At the Dahej coastal belt, a mangrove nursery of 3,00,000 Mangroves have been planted across 150 acres.

UPL EcoClub: In FY 2020-21, we formed and activated 117 Eco-Clubs in community schools, with 4,439 Eco-Club members and 15,829 students. 15,000+ plants were planted. 1,000+ students were sensitised with 100% students receiving participation certificates and 50+ students receiving awards.

Water Conservation: As part of our efforts to provide safe drinking water to community members, we have built 2 check dams, 8 group wells, 6 ponds and 4 borewell recharge structures. Cumulatively 72,947 cubic meters of water was conserved through these facilities. An overhead tank built at Bharuch with a capacity of 30,000 liters benefitted 131 households in the village.

Poshan Vatika
Poshan Vatika, is a community-led nutrition garden initiative developed to highlight the importance of nutrition as a prerequisite for a healthy lifestyle. The project was inceptioned on a pilot scale with 5 kitchen gardens focusing on the cultivation of 10 vegetables, benefiting 75 community members. Noteworthy results of this pilot project plan drew the attention of neighbouring villages to replicate similar initiatives.

Recognition for Social Forestry
On “International Day of Forest 2021”, the Minister of Forest and Tribal Development Shri Ramanlal Patkar presented an award to UPL for creating a Social Forestry named “Pulwama Sahid Vann – a living memorial for the Martyrs of Pulwama.” The SF was planted with 2,000+ trees, adopting the Miyawaki methodology at Kalia Gam, Umbergaon, Gujarat.
National and local area needs

We at UPL, stay true to our value of “Always Human” by veering our resources and energy towards the betterment of our communities at a local and national level. While the COVID-19 pandemic has amplified adverse situations, it has also positively opened doors for organisations to build a resilient society. We have initiated several projects individually as well as by partnering with organisations to co-create a positive impact across communities. For FY 2020-21 we have the following highlights:

• “Save the Children India - Special Care Unit” focuses on educating special-needs children along with extra-curricular activities. In the past year, 10 students successfully passed the SSC board examination with a first class.
• We support the investigation process for the police across hit-and-run cases of road accidents by installing a high definition, Night Vision CCTV Camera with high-mast LED light at Jhagadia Cross Road, Jhagadia.
• UPL supports Apne Aap Women’s Collective (AAWC), a program for the upliftment and rehabilitation of women from the red-light areas of Kamathipura, Mumbai.
• Through United Against Child Labour (Project UACL), we aim to eliminate all forms of child labour across seed supplier farms and to propagate quality education for all children.
• Along with our stakeholders, we remain committed to the development of the Vandri Cluster in Narmada district.
• Total of 42,000 participants have been trained on highway and industrial safety under our initiative of Suraksha Abhiyan
• Under our employee volunteering programme We Are United (WAU), 1,050 volunteers have spent 33,049 volunteer hours in the last 6 years.
• We support “Project Ekal Vidyalaya” in partnership with Friends of Tribal Society to create one teacher schools across the remotest parts of the country.

UPL SCHOOL SANITATION

Our school sanitation project was initiated to inculcate the values of cleanliness and hygiene among school children. Since the commencement of the project, 57 sanitation blocks have been constructed in community schools, benefiting 14,500+ students.

Transforming Parli landscape through horticulture plantation

The drought prone areas of Parli tehsil underwent a 360-degree transformation with the successful implementation of horticulture plantation patterns by farmers. They have also multiplied their incomes by shifting to the horticulture cropping pattern. The project was successful in achieving its FY 2020 target by planting 20,00,000 fruit trees, covering 4 districts in Marathwada, Maharashtra and 3 districts in Madhya Pradesh.

Advanta Seeds

Advanta Seeds supported smart education across government schools by providing six computers to the Upper Primary School of Pangidigudem village and Secondary School of Koti village. Along with the computers, the trainer was appointed to teach the children how to use the computers. In addition, an RO water purification unit was set up by Advanta at the Upper Primary School of Gommuluru village, enabling the provision of safe and clean drinking water to students.

COVID-19 pandemic response

While the country has been grappling with the pandemic for over a year now, we have been meticulously organising various projects and providing support to administrative authorities when they fall short of resources. Being inextricably linked to society, UPL has consistently supported communities through volunteering initiatives, provision of sanitizers, PPE kits, monetary donations, meal-kits, medicine supply and MMUs, among others. Some of the highlights of our response to the COVID-19 pandemic are provided below.
COVID-19 first wave:

- Provision of 80,000 masks, eyeglasses, and PPE suits to government medical staff
- Utilisation of UPL Falcon Spraying machines across India for sanitisation purposes.

COVID-19 second wave:

- 70+ nitrogen PSA plants were converted for oxygen generation based on our pioneering work and initiative to train and educate others. UPL was the first company in India to adopt this technology.
- 100+ industry players, government & private institutions trained through various forums and webinars on the conversion of nitrogen PSA plants to oxygen plants in the 3rd & 4th week of April 2021.
- Pioneered the conversion of nitrogen plants to oxygen plants with the support of our team of engineers and scientists within 72 hours of the second wave on 23rd April 2021.
- COVID-19 medication kits were distributed to asymptomatic and mild-symptomatic patients in UP.
- 1,200 Jumbo Oxygen Cylinders provided at COVID-19 isolation centers in Bharuch.
- Refilled 500+ oxygen cylinders across hospitals in Gujarat in the third week of April 2021.
- Provided sanitisation services in the states of Haryana, Telangana, Andhra Pradesh, and Rajasthan by availing the spraying machines from UPL’s Adarsh Farm Services wing.

Our global initiatives

In line with our commitment to ‘Do things better’, we aim to transform agricultural and business practices across the globe. We continue to empower communities with innovative technology, capitalising on opportunities and solutions to enrich our environment and safeguard natural resources. A glimpse into our global initiatives have been provided below. Further details regarding our CSR activities at large can be accessed through our Annual CSR Report available on our website.

Our Global Outreach

COLOMBIA

UPL Colombia, through its association with “Saving the Amazon” foundation contributes towards the upliftment of the indigenous people of the Amazon. By donating 270 trees to the stakeholders in Ecuador and Colombia, UPL helped improve the deteriorating ecosystem of the Amazon. This also led to the improvement in food security and socio-economic conditions of the community inhabiting the forest.

WEST AFRICA

UPL continues to train farmers and producers of Cocoa plantations across West Africa to adopt Good Agricultural Practices (GAPs). Under this initiative, farmers are introduced to innovative technologies in farming and provided with sustainable agricultural solutions and practices. Till date, 12,229 farmers are trained under our Cocoa Sustainability Project.

CAMBODIA

UPL Cambodia was one of the few companies to support rice farmers affected by floods in the Borvel and Mankul Borei district. With the support of local community volunteers, we ensured the availability of food and water supply for 100 rice farmers.
## Global Reporting Initiative (GRI) Index

This report has been developed in accordance with the GRI Standards: Comprehensive Option.

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