



# SUSTAINABILITY REPORT

## 2018-19



## OUR VISION

To be an icon for growth, technology and innovation.

## OUR MISSION

Change the game – to make every single food product more sustainable.

## OUR VALUES

### Live UPL



We are all about connecting with people, in a human way – showing respect, demonstrating trust, celebrating diversity. For us, technology is an enabler, not the endgame. We see the value in human connectivity and how it creates new opportunities for everyone. With this, comes our promise to protect people's safety in every way we can.

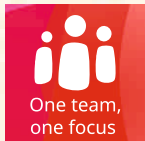


There isn't any limit to our ambition or our ability to grow. We are not afraid to run with new ideas, work with new partners, anticipate new needs, push ourselves beyond our comfort zones or simply ask 'Why not?'. We dare to change the game and create a new food economy for the world.

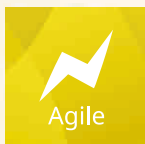


We serve a cause bigger than ourselves – sustainability of global food systems. We win when we create sustainable solutions based on responsible choices, when everyone we serve and partner with grows too, and when together we achieve sustainable growth for society as a whole - the biggest win of all.

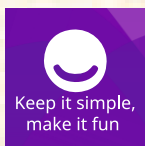
### Work UPL



We are one team, for maximum impact. One team with shared goals. We all play for the team and no one plays against the team. We have a laser-like focus on what our customers need and want, on anticipating their future needs and how we can create innovative solutions and experiences for them.



No one is faster or more efficient. We thrive on targets and challenges that, while possibly daunting at first glance, only excite and energize us. Wherever we operate, speed and agility are in our DNA. The world needs our urgency.



Food systems are highly complex and present huge challenges. We cut through this by keeping it simple. People value simplicity, customers especially. And everyone likes fun, so let's have some, doing what we love to do.

## Our Focus Areas

Farmers

Environment

R&D

People

Innovation

Technology

## About UPL

- 5th Largest agriculture solutions company
- 48 Global Manufacturing locations
- 25 R&D Facilities in 4 continents
- 130+ countries global footprint
- 10300+ Number of employees
- 12,400+ Product Registrations
- 1023 Patents granted

# Performance Highlights 2018-19

## Economic

INR 22077 Crores Revenue	23.2% Revenues Growth	18.8% EBITDA margin	6.6% Net Profit margin	17% Innovation rate in FY 2019
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## Social

7.53% Spent of average net profit on CSR	10300+ Number of employees worldwide	85217 Hours of training provided to management and non- management employees
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## Environmental\*

15% Energy comes from renewable sources in our largest two plant	20% Above industry average environmental performance score in DJSI	60% of Plants are Zero Liquid Discharge
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# Major Sustainability Initiatives By 2025

Target	Reduce 30% Environmental Footprint from Baseline 2015-16	Source 80% Raw Material from Sustainable Sourcing	Zero Dependency on Tanker & Ground Water	Enhancing Food Security
Action Plan	<ul style="list-style-type: none"><li>• Reduce 30% sp. Water consumption</li><li>• Reduce 30% sp. CO2 emission</li><li>• Reduce 30% sp. Solid waste disposal</li><li>• Reduce 30% sp. Wastewater discharge.</li></ul>	<ul style="list-style-type: none"><li>• Integrate social, ethical and environmental performance factors into the process of selecting suppliers.</li><li>• Become member of TFS (Together for sustainability)</li></ul>	<ul style="list-style-type: none"><li>• Enhance supply water</li><li>• Use 100% treated waste-water</li><li>• Sourcing treated waste-water from Municipal body</li><li>• Use rain water</li><li>• 100% use of treated sewage water</li></ul>	<ul style="list-style-type: none"><li>• Enhance production of food loss reduction product</li><li>• Create fresh food value chain.</li><li>• Educate Farmers to take measures for food loss reduction.</li></ul>
SDG	<div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div> <div>7 AFFORDABLE AND CLEAN ENERGY</div>	<div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div>	<div>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</div>	<div>2 ZERO HUNGER</div> <div>4 QUALITY EDUCATION</div>

\* Performance highlights excludes Arysta



# Assurance Statement



## Independent Limited Assurance Statement

### **Independent Limited Assurance Statement to UPL Limited on its Sustainability Report for Financial Year 2018-19**

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 400051, Maharashtra, India.

#### **Introduction**

KPMG was engaged by UPL Limited hereafter referred as ('UPL' or 'the Company') to provide independent assurance on the selected non – financial disclosures in the Sustainability Report for the Financial Year (FY) 2018-19. The Company's management is responsible for identifying its material topics, engaging with its stakeholders and developing the content of the Report. We conducted our work in accordance with criteria of 'Limited Assurance' as per International Federation of Accountants' (IFAC) International Standard for Assurance Engagements [ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information].

#### **Scope, Boundary and Limitations**

The assurance has been provided for the selected sustainability disclosures presented by the company in its report. The reporting boundary and scope of assurance included data and information for the period 01 April 2018 to 31 March 2019, based on Global Reporting Initiative's (GRI) Standards in accordance Comprehensive option. The reporting boundary included UPL, India operations and global operations mentioned in the Report.



Universal Standard Disclosures
<ul style="list-style-type: none"> <li>• <b>General Disclosures</b> <ul style="list-style-type: none"> <li>○ Stakeholder engagement: 102-40, 102-42, 102-43, 102-44</li> <li>○ Reporting practice: 102-46 to 102-52, 102-54, 102-55</li> </ul> </li> </ul>
Topic Specific Standard Disclosures
<ul style="list-style-type: none"> <li>• <b>Environment</b> <ul style="list-style-type: none"> <li>○ Energy: 302-1, 302-3, 302-4,</li> <li>○ Water: 303-1, 303-3</li> <li>○ Emissions: 305-1, 305-2, 305-4, 305-5</li> <li>○ Waste: 306-2</li> </ul> </li> <li>• <b>Social</b> <ul style="list-style-type: none"> <li>○ Occupational Health &amp; Safety: 403-9, 403-10</li> <li>○ Local Community: 413-1</li> <li>○ Human Rights: 412-1</li> </ul> </li> <li>• <b>Economic</b> <ul style="list-style-type: none"> <li>○ Procurement Practices: 204-1</li> </ul> </li> </ul>

### The assurance scope excludes:

- Verification of data and information related to UPL financial performance, sourced from its audited annual report for FY 2018-19
- Verification of claims was limited to data and information presented in the Report for the period 01 April 2018 to 31 March 2019 as mentioned in the above table
- Data and information in the Report outside this reporting period was not subject to verification
- Verification of any statement indicating intention, opinion, belief and / or aspiration by UPL

### 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 judgment, including the assessment of the risks of material misstatement of the standard 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. The procedures performed in a limited assurance engagement are less in extent than for a reasonable assurance engagement.

Our assurance procedure also included:

- Review of materiality and stakeholder engagement framework deployed at UPL
- Assessment of the systems used for data collection and reporting of the Universal Standard Disclosures and Topic Specific Standard Disclosures of material topics as listed in the assurance scope above
- Testing on a sample basis, the evidence supporting the data and information
- Discussion on non-financial aspects with senior executive at different locations and at corporate offices to understand the risk and opportunities from sustainability context.



- Understanding the appropriateness of various assumptions, estimations and materiality thresholds used by UPL Limited for data analysis.
- Review of the report to ensure that there is no misrepresentation of disclosures as per scope of assurance and our findings.

The data was reviewed at the corporate office, selected sites visits and virtual interactions at sample locations. The locations visited included:

- Unit 1 – Ankleshwar
- Unit 2 – Ankleshwar
- Unit 3 – Ankleshwar
- Unit 5 – Jhagadia
- UCPL - Colombia
- Head office - Mumbai

## **Conclusions**

We have reviewed the Sustainability Report of UPL. Based on our review and procedures performed as per the scope of work, nothing has come to our attention that causes us not to believe that:

- The Report does presents UPL's sustainability performance covering its operations as mentioned in the scope.
- The Report is in accordance with the GRI Standards.

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

## **Independence**

The assurance was conducted by a multidisciplinary team including professionals with suitable skills and experience in auditing environmental, social and economic information in line with the requirements of ISAE 3000 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 ISQC 1 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.

A handwritten signature in blue ink, appearing to read 'Prathmesh Raichura', with a horizontal line underneath.

Prathmesh Raichura  
Executive Director  
KPMG  
December 5<sup>th</sup> 2019

# Flashback: Glimpses of UPL's 50-year journey

## Decade 1

**1969** - Started manufacturing Red Phosphorus

**1976** - Entered the agrochemicals sector, started exporting products

## Decade 2

**1980** - Started production of Yellow Phosphorus at Ankleshwar, Gujarat, India

## Decade 3

**1994** - Acquired the UK based MTM Agrochemicals to gain access into the European herbicides market. Commenced operations at the Jhagadia plant, UPL's largest manufacturing site with a cumulative capacity of 240,000 metric tonnes per annum

**1996** - Acquired Devrinol to gain access into the American, Japanese and rest of the world markets. Operationalized a Caustic chlorine manufacturing plant

# Journey of 50 Years

## Decade 4

**2005** - Acquired SWAL to bolster scale and distribution efficiency in India.

Registered the first EMR (SAAF)

**2006** - Acquired Reposo to access the Argentine market. Acquired Advanta to foray into the seeds business

**2007** - Acquired Cerexagri to enhance global revenues

## Decade 5

**2010** - Leveraged the global sales and marketing network of RiceCo, diversified into the Manzate fungicide business via dedicated manufacturing facilities

**2012** - Acquired DVA Agro and SIB in Brazil to access the Brazilian market

**2014** - Crossed 100 billion INR in revenues, introduced Unizeb Gold

**2016** - Crossed US\$ 2 bn in revenues, crossed 5,000 mark in registrations, merged with Advanta

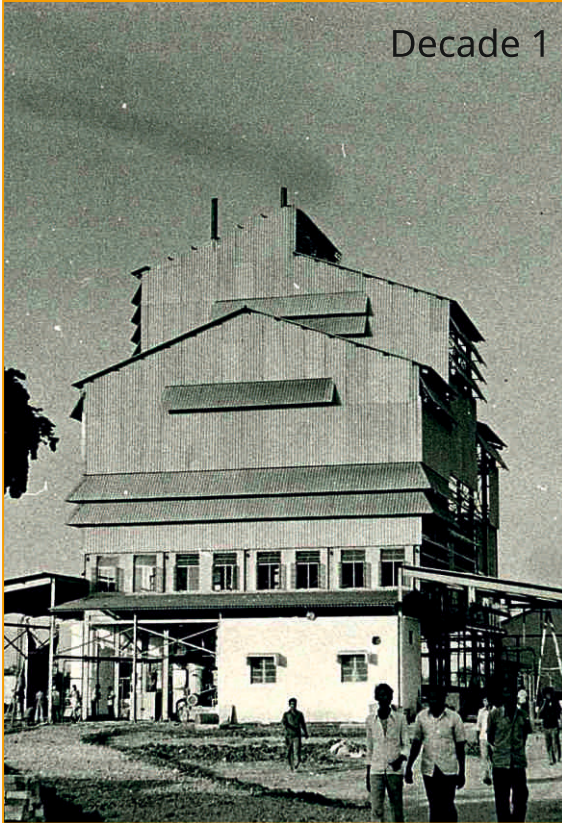
**2017** - Issuance of USD 500 mn bonds, by overseas subsidiary- UPL Corporation, as per 144A / Reg. S, with an investment grade rating from Moody's IS & P / Fitch

**2018** - US\$ 300 million Bonds issued by overseas subsidiary UPL Corporation, under Regulation S with an investment grade rating from S&P and Fitch. Crossed US \$ 2.7 billion in revenues. Crossed 6,000 registrations. Announced the acquisition of Arysta LifeScience

**2019** - 50 Years of UPL marked by acquiring Arysta LifeScience.



Decade 1



Decade 2



Decade 4



Decade 3



Decade 4



Decade 5

# Helping farmers achieve more with less

As we reminisce 50 years of our journey, we re-strategize to strengthen our relationship with our most valued partners in the journey-Farmers. Our experience over the years has helped us understand farms and farmers better. We now enter a phase of growth where we leverage our experience and knowledge base to deliver the best results for farmers and the food system. Our approach remains deeply rooted in sustainable value creation, delivering sustained and meaningful value for the society, environment and the economy.

We live in a dynamic world with technologies transforming the way we do things. Though mankind is ensnared in a web of complex challenges from resource constraints to climate change we have the capabilities to leverage our networks and combined cognitive abilities to find timely solutions. It has been established that land and water are going to be constrained resources in the times to come. In conjunction, the world population is set to increase consequently increasing the demand for food. This is going to mean we will have to feed more people with less (land and water). Subsequently, it is more important than ever to enhance agricultural productivity worldwide in a sustainable manner. At UPL, we see this paradigm as a great opportunity and serious responsibility. With experience of over 5 decades and a new strategy, we are determined to be change agents in this quest of being able to ensure food security in a resource constraint world with an ever-changing climate.

We are transitioning from a closed loop to an open network where we derive value from the synergies present in the food system. By engaging all the stakeholders in the network and collaborating with them we strive to foster a sustainable approach to meet the growing demand without compromising any of the value pillars of sustainability. We see no limits and boundaries to creative ideation and solutions for the challenges of our times. We see limitless opportunities with no boundaries for us, our farmers and the global food system. With renewed vigor & energies and strong values of sustainability we embark on this new phase of creating shared value.

We at UPL have consolidated our decades of experience, organizational values and current global context to redefine our strategy for market success. With our strategy, we envision to see our market success through a lens formed by overlaying the three spheres of sustainability. We are sure that we will be delighted to see the multitude of hues instead of the black and white palate that most businesses usually see



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## ABOUT THE REPORT

This year marks the 50<sup>th</sup> year of Doing Things Better. UPL limited being among the global leading agro-chemical companies pursues and inculcates the values of integrity, transparency and accountability. Our story is about changing the game and going beyond that by abiding to our core values, vision and mission. Today, we believe in the idea of creating sustainable solutions by creating an Open Agriculture Network where it shall promote in connecting the farmers, producers, customers and consumers with each other. This report shall give you insights on our approach and practices and shall assist us in strengthening and nurturing our relationship with you.

### Compliance, Reporting Period and Cycle

The report is developed using the GRI Standards- "In Accordance"-Comprehensive option to disclose our strategy, governance framework and sustainability performance. It is our third annual sustainability report which discloses information on our performance for the period between 1st April 2018-31st March 2019. There have been no restatements of information presented and wherever any estimates are made, the assumptions and methodologies have been specified. The report and sustainability disclosure presented to you in this report is also available on our website [www.upl-ltd.com](http://www.upl-ltd.com).

### Boundary and Scope

The disclosures relate to all the operations which are directly governed and controlled by the organization. Bodies like subsidiaries, associate companies and joint ventures on which we have no direct operational control are excluded. The report presents the performance of our business headquartered at Mumbai and covers our global manufacturing & formulation plants and office locations. Entities included in the Company's consolidated statements which are mentioned in our Annual Report 2018-19 except Arysta Lifesciences.

### Stakeholder Engagement

Abiding to our vision, mission and values; we diligently get involved with all our internal and external stakeholder to receive and address their inputs, views, concerns, insights and feedback regarding our work. These periodic interactions help us understand our risks and opportunities. Through the engagements, material issues that affect our Environment, Social & Governance (triple bottom line) performance are taken in our account and are highlighted in this report. There have not been any significant changes from previous reporting year in the list of material topics and topic boundaries.



## Our Commitment to Sustainable Development Goals (SDG)

We strive to contribute to the 2030 Sustainable Development Agenda. We have aligned our CSR activities and operations to 5 key SDGs and envision to be able to positively contribute to the global collective action for sustainable development.

### Our prioritized SDGs



### SDGs we contribute to



### Data Validation and Assurance

This report has been externally validated & assured by KPMG (Registered), India using ISAE 3000 in accordance with Limited Assurance.



## Open to New Ideas, New Ways and New Answers

We encourage you to share your valuable insights and feedback on this report to enhance and build upon our future reporting. You can share your views to:

Dr. Mritunjay Chaubey  
Global Vice-President - Environment & Sustainability

UPL Limited,  
UPL House, 610 B/2, Bandra Village, Off Western Express Highway, Bandra (East), Mumbai 400 051.  
Phone: +91 22 71528840  
Email: [mritunjay.chaubey@upl-ltd.com](mailto:mritunjay.chaubey@upl-ltd.com)

## CHAIRMAN'S MESSAGE



Dear Stakeholder,

Welcome to UPL's 3rd GRI aligned sustainability report.

This year is special for UPL as we celebrate 50 glorious years of business with the vision of doing things better and delivering the best to our farmers. Our journey over the years has been remarkable. We started off as a red phosphorous manufacturer. Since our first venture we have focused on mastering requisite skillsets for each product, then moving on to tap new opportunities. We gradually spread our wings to cover more geographies and enter new markets. Over the past 5 decades we have made 40+ acquisition to strategically position our business as a frontrunner in the Indian and global agrochemicals market. We are today recognized as the fifth largest post-patent crop protection products company and the fastest

growing company in the space. From a crop protection focused organization, we have offerings catering to the whole spectrum of a farmers' needs from crop protection to seed treatment and post-harvest solutions. We have a presence in over 138 countries.

At UPL, we believe our market success is a product of our organizational ethos of adopting a balanced approach to value creation. We have been focused to contributing to economic growth, environmental protection and societal progress. We have reinforced this fine balance between the three cornerstones of sustainability to emerge as a responsible global corporate citizen. Our unwavering commitment to ensure that no decision or operational activity is conducted in a lopsided manner has contributed to building the resilience of the organization.

Furthermore, our core business is to help farmers achieve greater yields and contribute to the global agenda of enhancing food security. Success of agricultural activities is closely intertwined with the wellbeing of the environment and the farmers. The agricultural sector further affects societies and communities at large. We understand these interdependences and the unique nature of the agricultural ecosystem. We have gathered a vast organizational knowledge repertoire over the years. I take immense pride in the consolidated skill sets, expertise, focus and vision that we have gained over the past 50 years. We have laid foundation for a new strategy that is rooted in a strong understanding of our own strengths and the foresight gained by our leadership team over the decades.



Over the past few decades we have witnessed a gradual decline in the quality of natural services which has had dire implications on the agricultural sector leaving farmers and communities despaired. Climatic variations and extreme weather events have often exacerbated the situation. Globally, this has been an area of great concern for policy makers and private sector players alike. Being a leading agrochemical company, we consider it our responsibility to improve the situation. Challenging times lie ahead for the agricultural sector. The global population is predicted to grow to 8.6 billion by 2030 and 9.8 billion by 2050. This will happen in conjunction with resource constraints: land and water. The global landscape is also grappling with challenges spanning from climate change, changing trends of pest disturbances and urbanization. This calls for global action to address the food security linked quandary. Close collaboration between all stakeholders in the food network is imperative. We have devised our OpenAG strategy in this effort. This strategy focuses on innovating and creating solutions for these challenges in an environmentally and socially conscious manner.

We have been dedicated to ensuring that our operational impact on the environment is progressively minimized. We have a programmatic approach to address our environmental footprint. At the core of this approach are four key elements; assess, ideate, target and achieve. The first step toward stepping up our environmental performance is to be cognizant of our impact on the environment. With a robust monitoring and tracking mechanism we carefully record our environmental footprint. This is followed by ideating to enhance performance. We then set targets to galvanize

action and track progress on our commitments to ensure success. We have taken a target of achieving 30% reduction in our environment foot print (compared to base year 2015-16) by year 2025, we have already achieved 12% of this target this reporting period. Our dedication to the triple bottom line approach to business has gained global recognition as a responsible corporate citizen.

While we keep the society and the environment at the core of our purpose, we take confident strides to our next phase of growth to be able to create value for the global food network in a manner that is sustainable and forward looking. I believe we are at the cusp of a new horizon of setting an exemplar for over our next decades of operation.

I look forward to the great times that lie ahead for all of us.

“

We believe our market success is a product of our organizational ethos of adopting a balanced approach to value creation.

We have reinforced this fine balance between the three cornerstones of sustainability to emerge as a responsible global corporate citizen.

”

Mr. R. D. Shroff

Chairman, Managing and Promoter Director





## VICE CHAIRMAN'S MESSAGE

### Dear Stakeholder,

As we celebrate the 50th anniversary of our business, I reminisce cherished memories, great victories, important lessons learnt, landmark numbers achieved and the smiles that we have been able to share over the years. As we cross the half century mark and enter a new phase of growth, UPL has geared up for a journey with the vision of creating enhanced value for the people who mean the most to us: Our Farmers. From our focus on farmers, we have embraced the whole food ecosystem to serve, subsequently contributing to the global sustainable development agenda.

UPL will remain committed to its key drivers, values and vision while adapting to the new world, to face new challenges and help the world transition towards a more sustainable future. When experience coalesces with fresh passion and ideas the results can be remarkable. With OpenAG we envision UPL to redefine possibilities and boundaries for the food ecosystem. We strive to blend technology, people and the environment in inventive ways to drive the best results for people, planet and profit.

The true meaning of the economic value we generate is realized only when intangible value of great measure is delivered to the people we wish to serve through our business. Subsequently, we are dedicated to always doing things better for our people; our farmers, our employees, our suppliers, business associates and all the lives' that we touch through our endeavors.

UPL has an intricately laid out CSR strategy which has helped us serve people beyond our operational bounds. We embarked on our CSR journey in year 1969, with inauguration of Gnyan Dham school. This was followed by establishing the Nirmay Hospital. Our key focus areas have evolved to cover a wider spectrum of issues spanning from education, farmer wellbeing to creating sustainable livelihoods. We have also supported causes such as improving sanitation practices in schools, safety programs, skill development and entrepreneurship in various geographies over the years.

Our people have been our greatest pillars of strength throughout this journey. We have each formed close relationship with our employees. The aspiration, energies and vision our employees bring to UPL has been one of our key success defining factors. We remain dedicated to ensuring each of them has a fulfilling and enriching experience while they work with UPL. We ensure their aspirations are heard, their ideas are given life and their talents flourish at UPL. Fostering a culture of collaboration, inclusivity and limitless creative ideation, I envision the joint synergies of the minds of our employees to create new possibilities and solutions to solve the most challenging issues of our times.

**Mrs. S. R. Shroff**

Vice Chairman and Promoter Director



## FROM THE DESK OF GLOBAL CEO



Dear Stakeholders,

UPL has grown, evolved and flourished while touching farmer lives worldwide over the past 50 years. Our past performance gives us a sense of pride and inspiration to achieve greater milestones. We have built the capabilities to serve more farms and widen our scope and horizon of service delivery. We have developed a strong organisational ethos enshrining the principles of shared value creation.

Globally, we are at the cusp of a new era faced with a myriad of trends. Positive shifts with technological progress and global connectedness leading to new possibilities while environmental and societal concerns threaten to undermine that progress. At UPL, we believe in taking a balanced view of looking forward to opportunities while being cognizant of our context of operation. While we aim to achieve great progress, at the core of our mission is the desire to help farmers feed the world, sustainably.

For H1 FY20, UPL Ltd witnessed strong financial performance with 9% growth in revenue and 11% growth in EBITDA.

But while our financial performance matters, the true value we generate is in the lives we sustain through our business. Innovation is the crux of our capabilities; we ideate, create and produce to meet farmer needs from sowing, nourishing, protecting to harvesting. We strive to stand with farmers, large and small, through our products and services. Our understanding of farms, farmer needs, and the environment coupled with our innovation driven strategy helps us to address the challenges of the global food system. We are dedicated to using our expertise to devise solutions for emerging challenges and needs.

Agriculture as a sector is highly dependent on natural

services. Being an agrochemical company, the wellbeing of the environment is imperative for our success. Farms flourish only when the right environmental conditions and sustainable systems exist to support them. Disturbing this fine balance can have dire implications for farmers and for society. So we strive to ensure the success of farmers by helping them minimise impact on the environment while maximising agricultural production. UPL itself works hard to continuously optimise our operations to ensure we maximise output while minimising resource usage, energy usage, waste, and environmental impacts.

With our new Open Ag strategy, we see the planet as one entity. In our quest of being a responsible global citizen, we are dedicated to contributing to the global sustainability agenda 2030 and global climate action efforts. We have aligned our business to deliver value across multiple Sustainable Development Goals (SDGs). Our stewardship in this regard has been recognised by multiple international platforms. We are proud members of the Dow Jones Sustainability Indices (DJSI) and have been recognised by the FTSE Russell 4 Good Index series. Our membership of platforms such as the World Business Council for Sustainable Development (WBCSD) helps us gain insight and direction in what we can do better. And we constantly look to partner with other similar-minded organisations so that we can learn from global best practice and work together to have greater impact.

Our belief in preserving and protecting the three spheres of sustainability has given UPL a new strategy and vision, galvanising us into action to help build a more sustainable food system and future for our planet.

**Mr. J. R. Shroff**

Global CEO of the Group and Promoter Director





## FROM THE DESK OF EXECUTIVE DIRECTOR

Dear Stakeholders,

This year we mark a momentous milestone in our journey of serving farmers and the global food system. As we mark the 50<sup>th</sup> year of our operations we stand at the cusp of a new horizon with a new strategy, vision and aspiration to serve the ever-dynamic food network. We are stepping afoot to our next phase of growth with the vision of aligning our operations to the emerging trends in the global landscape and delivering timely innovations to meet emerging needs and demands. Over the years we have consolidated our presence across the food value chain and today have capabilities covering high yielding seeds, crop protection, soil enhancement technologies, post-harvest solutions and farmer engagement initiatives. We have over 12,400 products to our merit, making us one of the Companies with the widest array of products in the sector. Our products blend cutting edge technologies with our organizational prowess in the field of chemistry, focus on resistance management and an ethos of ensuring the highest standards of product safety and quality. Moreover, our principles of sustainability are entrenched in our product and service portfolio which has translated into us entering the domain green and biological products.

In tandem with our strong product portfolio we have also expanded our operational presence and have achieved wide geographical coverage. We are on a continuous journey of finding new ways to serve the food system, this drive has taken the Company to explore cutting edge digital services and processes. We are now gearing up to provide

solutions that bring out the synergies of our technical prowess coupled with novel discoveries. We are making considerable investments in Artificial intelligence and Robotics sensor-based tools to ensure we enhance our capabilities of understanding our farms and farmers better. While we take strides forward, we envision walking up the ladder of progress with the communities we serve. And we strive to ensure that our growth story doesn't compromise the growth potential of our future generations. With this ethos our operations worldwide are built on the foundations of sustainability principles ensuring value creation for our people and the planet. Ensuring operational efficiency is one of the key facets of ensuring our operations are sensitive to the environment. We have always focused on optimizing our operations and supply chain to guarantee that the most optimal pathways are adopted. Manufacturing, operations and R&D will be our key thrust areas for operational efficiency.

At UPL, we are conscious of the risks and opportunities linked to the environment and society. We believe that having a robust environmental management system is imperative to build the resilience of our enterprise to emerging risks while capitalizing on opportunities presented by the transition to a more sustainable value chain. In this effort we are ISO 14001:2015 certified and strive to upgrade our environmental management systems continually.



Our employees and associates play a central role in ensuring operational excellence. At UPL, we ensure that our employees have an enriching work experience which contributes to their ability to dream and achieve greater milestones together with us. Their health and safety is one of our key thrust areas and we actively engage with our employees on various safety themes to enhance their engagement to ensure they embrace a proactive approach to health and safety. Moreover, we are ISO 45001:2018 certified which evidences our performance benchmark in this area.

Our commitment to sustainability has been recognized and applauded by various international platforms. I envisage UPL to set an exemplar in the agro-chemical sector as an entity capable of delivering great value of equal measure for each stakeholder we interact with through our business. With this all-inclusive and conscientious approach to business I am confident UPL will witness an upward growth trajectory with all our stakeholders joining us in the journey.

Mr. V. R. Shroff  
Executive Director and Promoter Director



Mr Vikram Shroff, Executive Director UPL featured on Forbes India Magazine as "Tycoons for Tomorrow".

# ORGANIZATIONAL STRUCTURE

Our organization has successfully completed 50 years of operation. UPL was established as a startup in the year 1969 as a red phosphorous manufacturer and today in the year 2019 UPL has embedded its name in the diversified and high barrier market as a leading crop solutions provider. We rank 5<sup>th</sup> amongst the crop protection companies worldwide. This was achieved through the translation of our values, mission and vision bolstered by a strong governance structure.

Today, we have access to 90% of the global market by having presence in more than 130 countries, where our major agricultural market and beneficiaries are farmers across Asia, Africa, Latin America, Europe and North America.

This year we have acquired Arysta Lifesciences to consolidate our presence and emerge as a leading natural products and bio solutions company.

Manufacturing Locations

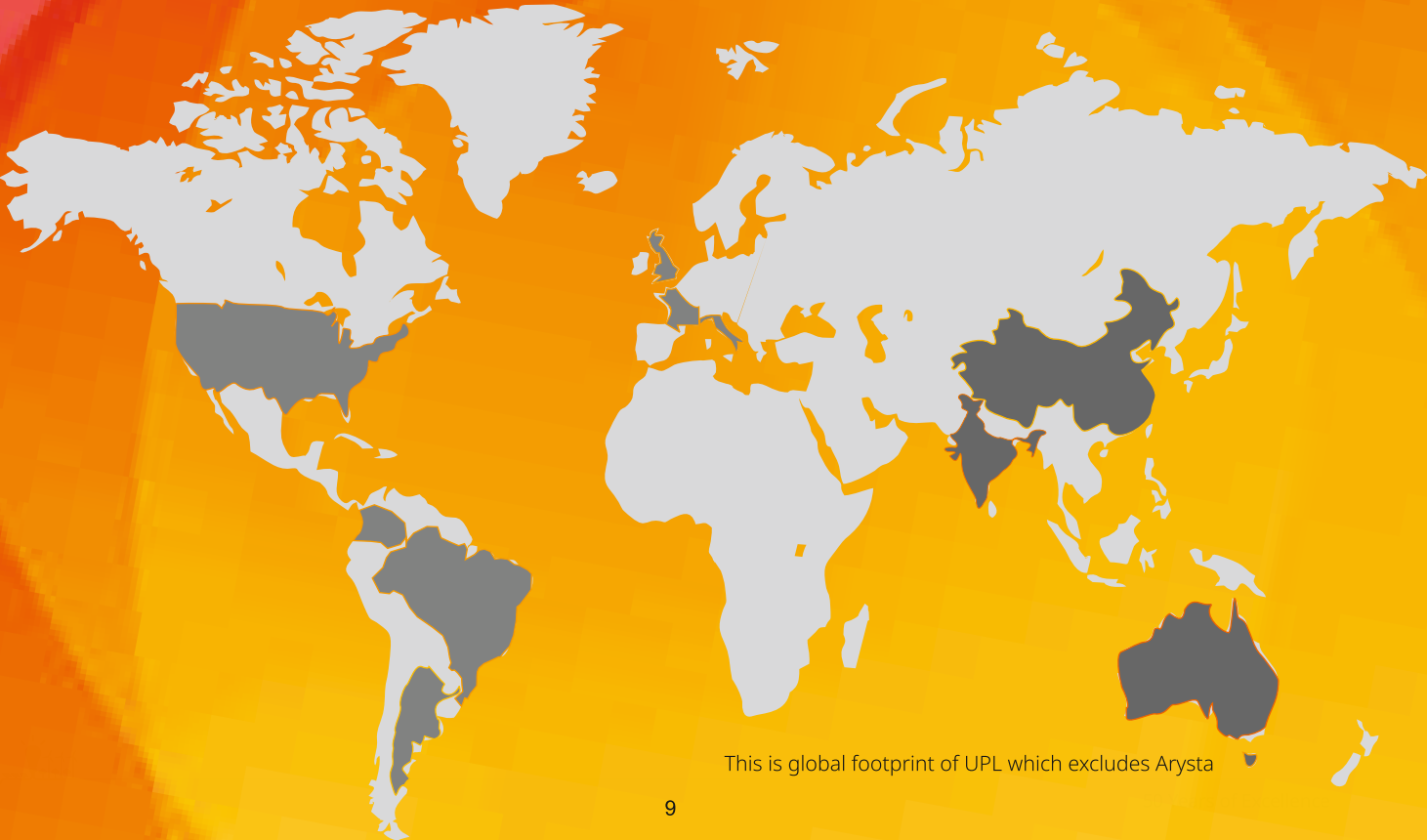
UPL - 34

- 26 Active Ingredients / Formulations
- 8 Seeds

Arysta

- 14 Formulation plants

## Global Footprint with main locations of revenue contribution



# PRODUCT PORTFOLIO

UPL has been evolving since inception. Our product portfolio is configured and developed conscientiously by aiming to be one-stop source for all the requirements of a farmer and ensuring to improve their farm's productivity and profitability. Our services are driven through our seven principles, which are stated as:

- Research and Development
- Manufacturing
- Packaging, Storage & Transport
- Responsible Use
- Container Management
- Integrated Crop Pest Management
- Disposal of Obsolete Stock



Our portfolio of complete crop solution products provides roof to several elements and pillars of farming- from seeds to post harvest solutions. This set of blended solutions can be classified into:

## 1. Seeds



Over six decades of experience in integrating plant genetics with advanced technology, Advanta Seeds, a UPL seed company, has been able to greatly contribute to sustainable food production by reaching to smallholder farmers in geographies with food shortage and high population growth. Advanta Seeds is providing farmers with high quality seeds through innovation and local expertise to ensure the farmers profitability and sustainable crop production. Aiming to improve agriculture viability; Advanta's unique, superior and proprietary germplasm combined with technology and bioscience capability gives the Company a leadership position in sorghum (grain and forage), corn, sunflower, canola, rice, wheat, soya, oats, pearl millets, mustard and alfalfa. Advanta Seeds strongly counts on engaging with and forging deep rooted relationships with local farmers by deploying world class crop technologies with biotechnology developing on adding value traits like:

- High quality oil
- High yield
- Disease & pest resistant
- Drought and salinity tolerance



Saving sorghum crops from significant pest damage from Aphids in, USA and Mexico

Providing genetics for nutritional Yellow Corn, in Mexico

Improving corn color for better eggs and meat quality in poultry in South America

Providing igrowth superior weed control to give farmers peace of mind

Improving quality and quantity of milk with nutritive forages for dairy farms from 5 kg to 10 kg

Educating farmers and giving them high-yielding sunflower hybrids to improve their income

### ADVANTA Creating Impact

Bringing state of the art genetics and new technologies in corn for most of sub tropical climate and regions with increasingly higher temperatures

Improving sorghum crops withstanding drought and high temperatures in Russia

Providing the best genetics for vegetables like Okra to give farmers and their children a better future

Bringing innovation by launching new rice hybrids in India and South East Asia

Working on a new technology in Canola to give farmers crops resistant to new weather and stress conditions, TruFlex



Access to Seeds  
Index

5<sup>th</sup> in the  
world

4<sup>th</sup> in South  
& Southeast  
Asia

**leading seed company, ranked by  
Access to Seeds Index 2019, to enhance  
the productivity of smallholder farmers  
and grow more nutritional food.**

## 2. Crop Protection



The crop protection products sector is rapidly developing industry. The planet must ensure food security for population of more than seven billion while facing reduction in cultivable land resource. With increasing population, pressure on the farmer to increase yields from finite set of land is ever-increasing. Being among the leading global producers and exporters of crop protection products, we are committed to upgrade crop

adaptivity and food security through our offerings. We are providing the agriculture sector to resolve pre and post-harvest risks by our mixtures of herbicides, insecticides, acaricides, fungicides, adjuvants, seed treatment and fumigant technologies. Our crop protection expertise is exhibited by our sustainable growth performance and product quality.



### 3. Plant Stress and Stimulation (PSS)



Observing the need for innovations in the field of eco-friendly products, UPL is associating with some of the leading companies in the market to provide a powerful range of crop protection biologicals. Our biological products are derived from naturally occurring microorganisms, plant extracts, or other organic matter. We are building a powerful portfolio of biological solutions that addresses modern agricultural needs. These solutions are designed to make the crops more resilient and robust by inducing plant biological efficiency at very stage of their growth. The PSS portfolio offers growth vitality technology, NUE/Fruit set technology, fishing technology and anti-stress technology.

Our programs are already leading the way, with the integration of naturally-derived crop production tools and conventional crop protection chemistries to create novel, new crop solutions that meet the evolving demands of the entire food chain. BioProtection, BioStimulation and Bionutrition form the pillars of our Biosolutions.

### 4. Post-Harvest Solutions



Every year, humongous amount of food is wasted or lost during the journey of grains, fruits and vegetable to consumers. We offer detailed post-harvest solutions across the agri market sector to improve marketability and wages of farmers. In post-harvest solutions, we highly focus on:

- Grain Storage:

Our phosphine fumigation method for pest control has been acknowledged as the most effective in the world. UPL's QuickPhos™, coupled with its principal ingredient aluminium phosphide, is a solid potent fumigant. MagnaPhos™ active ingredient comprises Magnesium Phosphide with the palate of its ammonia-free formulation and fast-gas release being its most popular presentations. The QuickPHlo-R™ system is ideal in state-of-the-art application technologies and is under patent in most countries.

- Fruit Storage:

DECCO (DECay Control) for fruits and vegetables is an effective post-harvest system trusted by farmers and packers across the world for decades. All ingredients used in DECCO manufacturing are approved as food-grade by the F.D.A, EU and P.F.A in India.

- Potato Storage

In case of Potato crop, the "OORJA" post harvest technology has increased the shelf life of potato by 200%, supporting the potato processing industry in India to use potato till up to 9 months from storage. 10% of India's total potato production is treated with "OORJA" post harvest technology every year. Apart from additional income to farmers (Vs untreated potato) and energy savings in cold stores, Oorja technology also helped in saving 5% of treated potato in storage thereby reducing waste which is worth more than Rs 250 crore per annum.

- Innovation:

Creating smart protection by maintaining the texture, flavour, appearance and healthiness of produce. We are continually motivated to upgrade our formulations, products and equipment services and invest substantial R&D resources.

- Research & Development:

Our technology and formula like Decco FullCover, Decco NaturCover, Decco ArcAqua enhance the food safety, commercial life of fruits and vegetables, reduce waste generation, prevent fruit dehydration and coatings.



## 5. Soil and Water Technologies



We also provide products that takes account of the plant growth, soil quality and environment-

- Delivering superior plant formulations based on mineral and non-mineral nutrients to the plant in the most technological efficient manner for agriculture, turf & ornamentals, nursery, industries and home & gardens.
- Zeba – a starch-based polymer – which, when applied to the soil, helps retain soil moisture and nutrients in the crop rhizosphere, released only following plant demand. The product enhances soil porosity and enhances soil health.

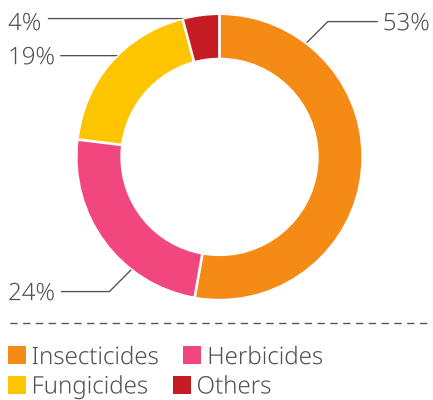
## 6. Aquatics



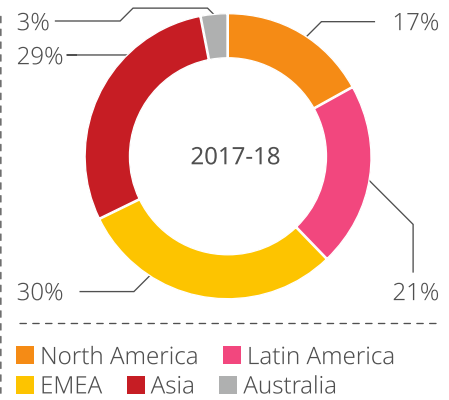
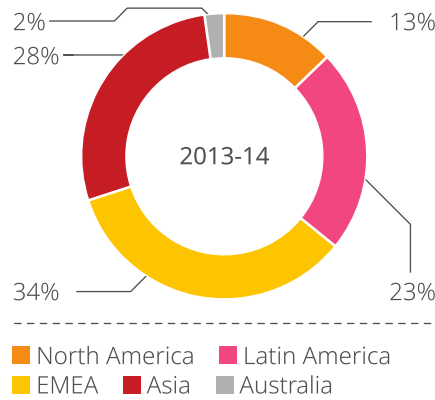
To maintain the balance and counter the excessive growth of weeds and algae; we offer products that are non-toxic to humans and fishes (used according to the label). These products are designed to interfere with plant processes and therefore have no impact on fish or humans. The products and solutions focus on aquatic plant and algae management which includes algicides and herbicides in irrigation canals, ponds and freshwater lakes. It provides control against emergent plants, floating leaf plants, submersed, algae and pond weeds. Our digital tools- UPL Aquatics, Cascade-Teton app, BioBase UPL treatment tool help find the right aquatics solutions.

## Overview of Markets Served and Product Mix

Domestic market segmentation by type of pesticides



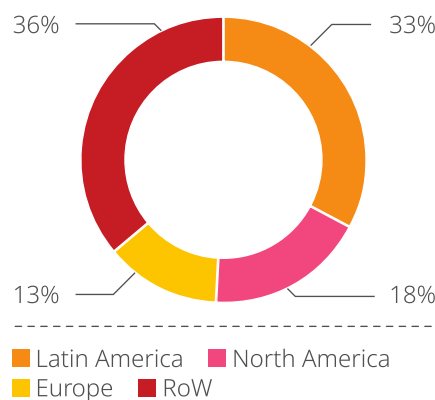
Region-wise share of exports of India



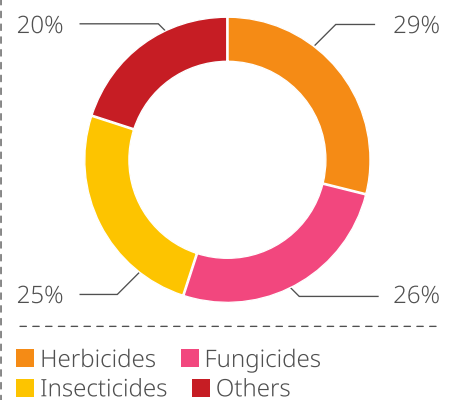
### UPL

- Stronger presence in India, Americas and Western Europe
- Industry-leading manufacturing capabilities
- Diversified portfolio across the value chain
- Strong registration and product development capabilities
- Robust Balance Sheet and track record of more than 40 successful mergers and acquisitions

### Geographic mix



### Product mix



# CORPORATE GOVERNANCE

Good governance is a vital pivot for corporate success. Our governance framework encompasses a holistic approach addressing all spheres of our interaction: with the economy, society and the environment. Our approach to governance employs checks and measure to instill robustness in the system and transparency in all our dealings.

## Management Approach

UPL was established when it considered “Red phosphorous was only being imported in India” as an opportunity. Looking at the need and urgency, our current Chairman and Managing Director R. D. Shroff developed and manufactured the product using an indigenous technology. With the leadership, vision, mission, values, integrity and ethical practice-United Phosphorous Limited transitioned to a leading crop protection products Company. The company's name was changed to UPL Limited. It excelled at and ensured sustainable growth year-on-year. This required highest standards of governance to which our stakeholders can look up to. Our business is growing year by year, for which we need robust governance mechanism to protect their interests and enhance competence. Today, our corporate governance framework allows us to imbibe the culture of ethics, transparency and integrity and conduct our operations with great interest. It acts as a promoter to build a collaborative and positive environment with our stakeholders and mitigate all kinds of potential risks.

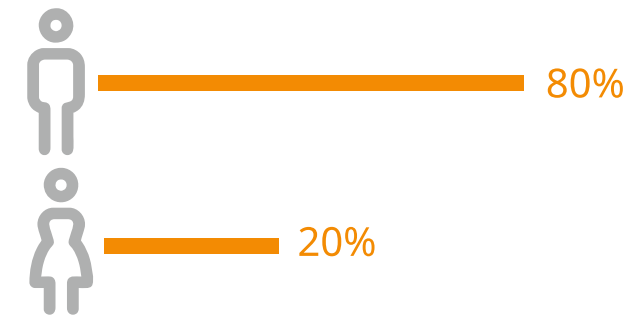
The Company has well defined policies and has constituted several committees as part of its governance framework in order to ensure superlative and sustainable performance as reported in the annual report. Our Code of Conduct policy expresses our commitment towards conducting the business ethically. It extends to all our employees, customers, suppliers, communities, environment and shareholders. Our whistle blower policy allows our stakeholders to convey their concerns about illegal, unfair and unethical practices freely. Whereas our vigil mechanism allows our employees and directors to report concerns about any unethical behavior, actual or suspected fraud, bribe, corruption, violation of the Company's code of conduct or ethics policy. The policies can be viewed at [website](#)



“ Our corporate governance framework imbibes a culture of ethics, transparency and integrity ”



### Board Gender Diversity



### Board Diversity



The Board governs the pace of current operations and future development. They promote values, review goals and determine policies for the company.

Accounting all the elements of good governance, as on 31st March 2019- the Board. As UPL is a global company having a market presence in more than 130 countries, diversity in our Board helps us to assess our risks and opportunities in a universal manner and considers the best interests for all stakeholders. The members of the board are experts in the domains of chemistry, social upliftment, agri-inputs, finance, economics, food policy, metallurgy, petroleum, cement industry etc. hence, bringing versatility to the table and address environmental, social and governance related criticalities through a strategic approach. Jointly the Board shoulders various strategic decisions critical for successful business operations. The average tenure of Board of Directors is 5 years.

1. Mr. R. D. Shroff  
Chairman, Managing and Promoter Director

2. Mrs. S. R. Shroff  
Vice Chairman and Promoter Director  
Stakeholder Relationship Committee, CSR committee

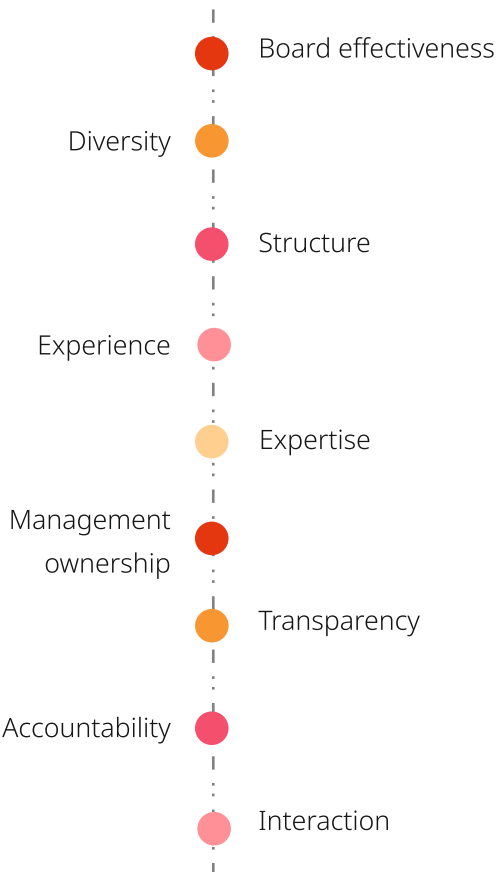
3. Mr. J. R. Shroff  
Global CEO of the Group and Promoter Director

4. Mr. V. R. Shroff  
Executive Director and Promoter Director

5. Mr. A. C. Ashar  
Director – Finance  
Stakeholder Relationship committee

6. Mr. Pradeep Goyal  
Independent Director  
Audit committee, Nomination and Remuneration committee, Stakeholder Relationship committee, CSR committee

### Elements of Good Governance



7. Dr. Reena Ramachandran

Independent Director

Nomination and Remuneration committee

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8. Mr. Vinod Sethi

Independent Director

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9. Mr. Hardeep Singh

Independent & Non-Executive Director

Audit committee, Nomination and

Remuneration committee

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10. Mr. Vasant P. Gandhi

Independent & Non-Executive Director

Audit committee

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In accordance with the provisions of section 152 of the Companies Act, 2013, and Articles of Association of the Company, Mr. Jaidev Rajnikant Shroff (DIN: 00191050) Director of the Company, retires by rotation at the forthcoming Annual General Meeting of the Company and being eligible, offer himself for re-appointment. The information of Directors seeking re-appointment as required pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is provided in the notice convening the 35th Annual General Meeting of the Company. All the independent directors have given declaration that they meet the criteria of independence laid down under section 149 (6) of the Companies Act, 2013 and Regulation 16(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Details regarding membership, competencies, other directorships, committee chairmanships & memberships and performance of our board of directors can be viewed in our annual report FY 2018-19.

We have also incorporated a Global Leadership Team responsible for the implementation of the organizational goals. This team ensures pan-

organizational policy coherence and cross boundary integration of the organization. Please find further details at [website](#)



## Management Committees

Our organization supplies products globally, therefore, we need to be conscious of the fact that the management and the employees need to work ethically to achieve success. To keep our operations regulated, we have management committees who facilitate decision making under the guidance of Board of Directors. The chair of each committee reports to the Board during committee meetings. Possessing the expertise and strategic temperament, they have a role in carrying out functions independently and inspecting on controls and risk management. The details on each committee can be found in annual report 2018-19.



## Sustainability Committee

Our sustainability committee is led by our executive director. The Committee comprises of functional heads. The core purpose of this committee is to ensure the Company board's involvement in sustainability themes linked decision making to ensure a cross functional and pan organizational involvement in sustainability.





### Audit Committee

The Board of the Company has constituted an Audit Committee, comprising three Independent and Non- Executive Directors. It is broadly responsible for UPL's financial reporting process and disclosure of UPL's financial information to ensure that the financial statements are correct, sufficient and credible. The committee also reviews Company's financial performance and reports prepared by internal audit department. They also work on making recommendations for appointment and look at remuneration and terms of appointment of auditors of the Company.



### Stakeholders Relationship Committee

The Board of the Company has set up a Stakeholders Relationship Committee, composed of one Independent, one Promoter and one Executive Director to investigate the redressal of grievances of security holders including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends.



### Nomination and Remuneration Committee

The Board of the Company has constituted a Nomination and Remuneration Committee, comprising three Independent and Non-Executive Directors. The committee presides on the formulation of criterias for determining qualifications, positive attributes and independence of a Director. It also devises and suggests a policy to the Board for identifying appropriate candidates with diversity for Directorship, who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board for their appointment and removal.



### Risk Management Committee

The committee is appointed to identify and mitigate business risks in a proactive manner and at the same time it also enables the management to take advantage of any upcoming business opportunity. The committee comprises of three Executive / Promoter Directors. Senior executives from different divisions of the company regularly provide inputs on potential risks to the committee who devise mitigating plans for the identified risk. There is continuous monitoring by the committee to ensure that the mitigation plans are effectively met in case such risks arise.



## CSR Committee

Abiding to our philosophy of Doing things better, we believe in sustainable growth of communities. We have setup a CSR committee composed of two Promoter Directors and one Independent Director. The committee is the foundation of all our CSR programmes, from making blueprint to executing them.

## Board Performance Evaluation

In line with the provisions of the Companies Act 2013 and Regulations 17(10) and 25(4)(a) of the Listing Regulations, the evaluation process for performance of the Board, various Committees and Directors is carried out. A structured questionnaire is prepared by taking inputs from the Directors covering various aspects of the Board functioning, Board culture, duties, responsibilities and performance by Individual Directors, their adherence to the Code of Conduct, reliability and timeliness of flow of information, independence of judgement etc. Evaluation of Independent Directors is carried out by considering various parameters such as Directors contribution, attendance, expertise, knowledge of the subject, decision making capability and other related factors. Also, to improve the degree of engagement with the management, the directors are also asked to contribute their suggestions for areas of improvement.

## Nomination and Remuneration process

To ensure highest level of corporate governance and with the advocacy of Nomination and

Remuneration Committee, the Company has adopted the Nomination and Remuneration policy. The policy can be viewed at [website](#)



The policy lays down:

- Several criteria for selection of Directors and senior management
- Entitlements of remuneration to Non-Executive Directors such as sitting fees, commission and other reimbursement

The criteria for selection of directors and senior management are mainly qualifications, experience, integrity, independence of the directors, etc. The remuneration to Non-executive Directors consists of sitting fees for attending Board/Committee meetings, commission and other reimbursements. As per the approval given by the members, the said commission shall not exceed 1% of the net profits of the Company. All the Non-executive, Non-Promoter Directors are paid commission on uniform basis. The Independent directors are not entitled to any stock options under the Stock Option Scheme of the Company.

Remuneration to the Managing Director and other Executive Directors will consist of monthly salary, allowances, perquisites, bonus, commission and other retiral benefits. In respect of senior management, the remuneration will be based on the performance, working of the Company, targets achieved, KPI, industry benchmark and current compensation trends in the industry.



The appointment of executive directors is for a period of five years. The service agreement provides for a notice period of three months on either side. Furthermore, additional details can be found in our latest annual report.

## Risk Management

The risk management framework broadly constitutes of a well-defined risk management process and risk management institutional structure. We also have a risk management policy in place which is approved by the Board of Directors, which monitors foreign currency risk on a continuous basis. Senior executives of the Company, COO, CFO, Executive director and global CEO are responsible for risk management. Pursuant to Regulation 21 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015, a Risk Management Committee is appointed to review the status of all corporate and plant level key risks including economic, environmental and social.

### Objectives of the risk management policy are:

- To identify and assess various business risks arising out of internal and external factors that affect the business of the Company.
- To work out methodology for managing and mitigating the risks.
- To establish a framework for company's risk management process and implement the same.
- To follow best industry practices to ensure total compliance of all the regulatory matters.
- To take adequate steps for smooth running of business, arrange for cover against currency fluctuation for imports and exports and assure sustainable and profitable growth for the Company.

### Risk management process:



Sustainability challenges and climate change are posing serious risks to our societies, public policies, regulatory frameworks, business environments and investment outcomes. We at UPL always believe that wherever there is a risk there is room for innovative ideation and an opportunity for growth.

Risk	Impact	Mitigation	Result
Competition Risk	Increased competition might affect the Company's prospects.	<ul style="list-style-type: none"> <li>The Company's wide product portfolio enhances its ability to address the multiple needs of customers across the global competitive crop protection products market.</li> <li>Access to cutting-edge technology increases UPL's productivity and reduces operational costs.</li> <li>The Company's strong product registration team across the globe ensures that the pipeline of new product registrations remains plentiful.</li> </ul>	UPL has >12,400 product registrations across the globe.
Geographical Risk	Slowdown in product offtake in a particular geography, impacting the Company's profitability.	<ul style="list-style-type: none"> <li>UPL is present in 138 countries across the globe and is supported by state-of-the-art manufacturing units across 48 locations globally.</li> <li>The Company has a strong presence in key agricultural markets across Asia, Africa, Latin America, Europe and North America.</li> </ul>	83% of the Company's revenues came from international markets.
Industrial Risk	Demand slowdown in downstream industries could slow the growth and lead to inventory pile-up.	<ul style="list-style-type: none"> <li>The Company is present across all key geographies and multiple crop segments, enabling it to de-risk itself from any regional or crop-specific slowdown. With food demand rising across the globe, reducing crop loss is the need of the hour.</li> <li>The Company offers solutions across the value chain starting from seeds to seed treatment products to pre – and post-harvest solutions. It introduced value added solutions like Adarsh Farm Services and Adarsh Kisan Centre, among others, to emerge as one-stop solution provider for farmers around the world.</li> </ul>	During periods when most peers reported lower growth or contraction, UPL consistently increased its revenues
Liquidity risk	Lack of adequate capital could impact the daily operations of the Company.	<ul style="list-style-type: none"> <li>UPL's cash profit reduced from INR 2,980 crore during FY2018 to INR 2,653 crore during FY2019.</li> <li>The Company's working capital cycle stood at 95 days of turnover equivalent during FY2019 (84 days in FY2018).</li> </ul>	The Company's current ratio and quick ratio stood at 1.73 and 1.14, respectively, during FY2019.
R&D Risk	Inability to introduce products regularly could impact business sustainability.	<ul style="list-style-type: none"> <li>The Company's 500+ strong R&amp;D team works relentlessly on launching innovative formulations, mixtures and combinations; resulting in a steady stream of post-patent products, which offer greater efficacy than those offered by peers.</li> <li>The Company received 1,023 patents.</li> </ul>	The Company's Innovation Rate in FY2019 was 17%



Risk	Impact	Mitigation	Result
<b>Marketing Risk</b>	Inability to market products successfully could decelerate growth.	<ul style="list-style-type: none"> <li>To be closer to customers, UPL set up formulation facilities near key markets, backed by strong distribution channels, ensuring that the Company's products are well-recognised all over the world.</li> <li>UPL analyses grassroots realities to strengthen demand forecasting.</li> <li>UPL has strengthened its branding and marketing competence to enhance user confidence.</li> </ul>	The Company invested judiciously to promote brands in FY2019.
<b>Margins Risk</b>	A decline in profitability could adversely impact the long-term prospects of the Company.	<ul style="list-style-type: none"> <li>The Company's unflagging commitment to profit optimization ensured that the Company was able to maintain margins even in difficult times</li> <li>The Company embarked on cost optimisation initiatives, which helped maintain profits.</li> <li>Bulk volume purchase and better negotiation with suppliers helped the Company reduce raw material costs and improve the bottom line.</li> <li>The Company's backward integration initiatives allowed it to surge ahead of sectoral peers.</li> <li>The Company's decision to set up active ingredient manufacturing facilities in India allowed it to leverage the benefits resulting from lower capex and labour costs.</li> </ul>	The Company's proforma EBITDA margin increased by 60 basis points
<b>Price Risk</b>	The Company's product might be outpriced in a competitive marketplace, resulting in the loss of market share.	<ul style="list-style-type: none"> <li>UPL capitalised on the cost-effective availability of labour in India and sizeable production capacities that allows it to make most of the advantages stemming from superior economies of scale.</li> </ul>	During FY2019, UPL optimized its manufacturing costs on the back of strategic improvements to its manufacturing processes.
<b>Forex Risk</b>	Currency fluctuations could significantly dent the Company's bottom line.	<ul style="list-style-type: none"> <li>UPL takes adequate forward covers for open exposures.</li> <li>The Company's huge export volumes act as a natural hedge.</li> <li>UPL transacts in several major currencies such as the US dollar, Euro, Japanese yen and British pound.</li> <li>The Company uses a plain forward cover to hedge forex volatility.</li> </ul>	The Company succeeded in protecting its margins.



Some other significant business risks identified are Input Availability Risks, Acquisition Risk and Cyber security risks.

For proper internal control system, internal audits are conducted which has a crucial role to both, the management and to the audit committee of the board. It helps us in providing an objective view and re-assurance of the overall internal control systems and effectiveness of the risk management processes and the status of compliances with operating systems, internal policies and regulatory requirements across the Company including its subsidiaries. Internal audit also assesses opportunities for improvement in business processes, systems and controls and provides recommendations designed to add value to the operations.

The Company has also put in place appropriate 'Internal Control Over Financial Reporting' (ICFR) framework and ensured that the same is operating effectively. This ensures proper monitoring of internal controls and periodic reporting to the Audit Committee / Board of Directors.

UPL is currently a part of the following associations and membership

- |   |  |
|---|--|
| ● Ankleshwar Industries Association                                   | ● Association of Small and Medium Chemical Manufacturers(ASMECHEM)       |
| ● Jhagadia Industries Association (JIA)                               | ● The Associated Chambers of Commerce and Industry of India (ASSOCHAM)   |
| ● Vapi Industries Association (VIA)                                   | ● Alkali Manufacturers Association of India (AMAI)                       |
| ● Indian Chemical Council (ICC)                                       | ● Basic Chemicals, Cosmetics & Dyes Export Promotion Council (CHEMEXCIL) |
| ● Crop care federation of India (CCFI)                                | ● World Business Council of Sustainable Development (WBCSD)              |
| ● Federation of Indian Chambers of Commerce & Industry (FICCI)        | ● Alliance for a Green Revolution in Africa (AGRA)                       |
| ● The Energy and Resources Institute (TERI)                           | ● Global Agribusiness Alliance (GAA)                                     |
| ● Confederation of Indian Industry (CII)                              | ● World Economic Forum (WEF)   |
| ● Pesticides Manufacturers & Formulators Association of India (PMFAI) |  |
| ● Indian Merchant Chambers  |  |



# AWARDS AND ACCOLADES



- **CSR Project of the year Award [ENVT]** Large Impact by India CSR [CSR leadership summit] for UPL Social Forestry
- **Certificate of Honour** by Gujarat Safety Council
- **1st Runner Up and Challengers Award** at Frost & Sullivan - TERI Sustainability 4.0 Awards 2018 for Manufacturing and Environment Sector
- **"Gold Award-Brands for Environment"** for Top 10 Environment Friendly Factory in the country by Vietnam Association of Environmental Economics
- **"Gold Award-Friendly Green Factory"** for Top 20 Clean and Green Factory in country by Vietnam Association of Environmental Economics
- **"Gold Award Sustainable development"** for Top 20 Factory for sustainable development, innovation and systems in country by Vietnam Association of Environmental Economics
- **Golden Peacock** Occupational Health & Safety Award – 2018
- **Gold and Bronze-National** Award for Manufacturing Competitiveness (NAMC) by International Research Institute for Manufacturing (IRIM)
- **Silver- Best Kaizen - Implementation of FTNIR** for increasing productivity of MUP (Glufosinate Ammonium tech solution) by Quality Circle Forum of India
- **Gold-International Convention on Quality Control Circles** by Singapore Productivity Centre
- **Gold Certificate of Merit at India Manufacturing Excellence Award (IMEA)** by Frost & Sullivan
- **Best Tech Award Supporting Energy Efficiency** by Transformance Business Media
- **Vikram Shroff** featured on Forbes India cover page as Tycoons of Tomorrow
- **Rajnikant Shroff** was honored with the Mexican Order of the Aztec Eagle
- Received **FTSE4Good** logo recertification

# STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT

## Introduction to Stakeholder Engagement

Our stakeholders are individuals, groups or entities who are directly impacted by our activities and decisions, and those who can influence our operations and performance. These stakeholders primarily influence the decisions which are taken for the organization. We have been sticking to our principles of ethical and transparent business practice for more than five decades, and more to come by connecting with our global diverse stakeholders regularly via several modes of communication streams. We believe that stakeholder engagement is an ongoing process between the company and its crucial stakeholders. Such sessions and consultations help us to improve and strengthen our performance across various business areas. On a periodic basis we conduct live interactions formally and informally to retrieve transparent and honest perspectives.







## Our Approach

At UPL, the engagement process is robust and agile with the identified crucial stakeholders. The engagement follows a process of stakeholder identification, prioritization and communication. Periodically, we conduct and organize focus group discussions at different locations and offices of the company by suitable and convenient mode of interaction with respective stakeholder groups.

Based on the influence and impact of a stakeholder group or individual on the business operations, stakeholders are prioritized. Later the exercise provides a platform for the stakeholders and the Company to disclose and address their concerns, issues and ideas.

We engage with both our internal and external stakeholders globally by effective communication means. Our internal stakeholders comprises of our Board of Directors and Senior, Middle & Junior management. On the other hand, our external stakeholders are majorly represented by our suppliers, distributors, community members, academia experts and customers.



Stakeholder Group	Mode of Engagement	Frequency of Engagement	Key Concerns
Employees (Internal) 	<ul style="list-style-type: none"> <li>Annual performance evaluation mechanism</li> <li>Grievance redressal mechanisms</li> <li>Employee satisfaction surveys</li> <li>Leadership talks</li> <li>Newsletters, safety communications, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> <li>Monthly</li> <li>Quarterly</li> <li>Annually</li> </ul>	<ul style="list-style-type: none"> <li>Frequent HR interactions</li> <li>Infrastructure development</li> <li>Policy reviews</li> <li>Skilled workforce</li> <li>External trainings</li> <li>Work life balance</li> </ul>
Customers (External) 	<ul style="list-style-type: none"> <li>Marketing activities</li> <li>Brochures and notifications</li> <li>Satisfaction surveys</li> <li>Complaint mechanisms</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> </ul>	<ul style="list-style-type: none"> <li>Subsidized products for farmers</li> <li>Demonstration and information on usage of product</li> </ul>
Suppliers (External) 	<ul style="list-style-type: none"> <li>Suppliers meets</li> <li>Training programs</li> <li>Events and activities</li> <li>Workshops</li> </ul>	<ul style="list-style-type: none"> <li>Annually</li> </ul>	<ul style="list-style-type: none"> <li>More frequent interaction</li> <li>Establishing long term association</li> </ul>
Regulatory Bodies (External) 	<ul style="list-style-type: none"> <li>Meetings</li> <li>Official communication</li> </ul>	<ul style="list-style-type: none"> <li>Regular Basis</li> </ul>	<ul style="list-style-type: none"> <li>Compliance to regulations</li> </ul>
Investors/ Shareholders (External) 	<ul style="list-style-type: none"> <li>Annual reports</li> <li>Investor meets</li> <li>Annual general meetings</li> </ul>	<ul style="list-style-type: none"> <li>Annually</li> <li>Need based</li> <li>Ongoing</li> </ul>	<ul style="list-style-type: none"> <li>Business growth and strategy</li> <li>Governance practices</li> </ul>
Local Community (External) 	<ul style="list-style-type: none"> <li>Visits</li> <li>Meetings</li> <li>Need assessments</li> <li>Impact assessments</li> <li>CSR teams/ volunteers</li> </ul>	<ul style="list-style-type: none"> <li>Annually</li> <li>Quarterly</li> <li>Ongoing</li> </ul>	<ul style="list-style-type: none"> <li>Health and sanitation camps</li> <li>Educational infrastructure</li> <li>Promote more self-help groups (SHG)</li> </ul>

Mitigation plans for all the identified concerns for each stakeholder group have been elucidated in our management approach of each identified material topic linked to the identified concerns.



## Introduction to Materiality

Materiality assessment is the foundation of sustainability reporting. It helps the organization identify and define the key material topics for the business and stakeholders based on the sustainability: economic, social and environmental parameters. This process supports the long-term goals and sustenance of the organization with business strategy, performance review & management and reporting.

Materiality assessment allows a Company to:

- Interact and strengthen the bond with stakeholders
- Align the business strategy with sustainability and stakeholder concerns & ideas
- Identify key risks and opportunity
- Improve operations and focusing on strategies and objectives
- Provide the impetus needed to drive internal buy-in for sustainability agenda

## Materiality at UPL

UPL is adopting the materiality assessment done during 2017-18 for this reporting year. Our materiality assessment approach is steered by the Global Reporting Initiatives (GRI's) Standards, sustainability reporting framework. The material topics were judged based on following four parameters:

- The scale of the material topic
- The significant impact on UPL's stakeholders
- The level of influence UPL has on the topic
- The potential impact on UPL's services, on sourcing and customers

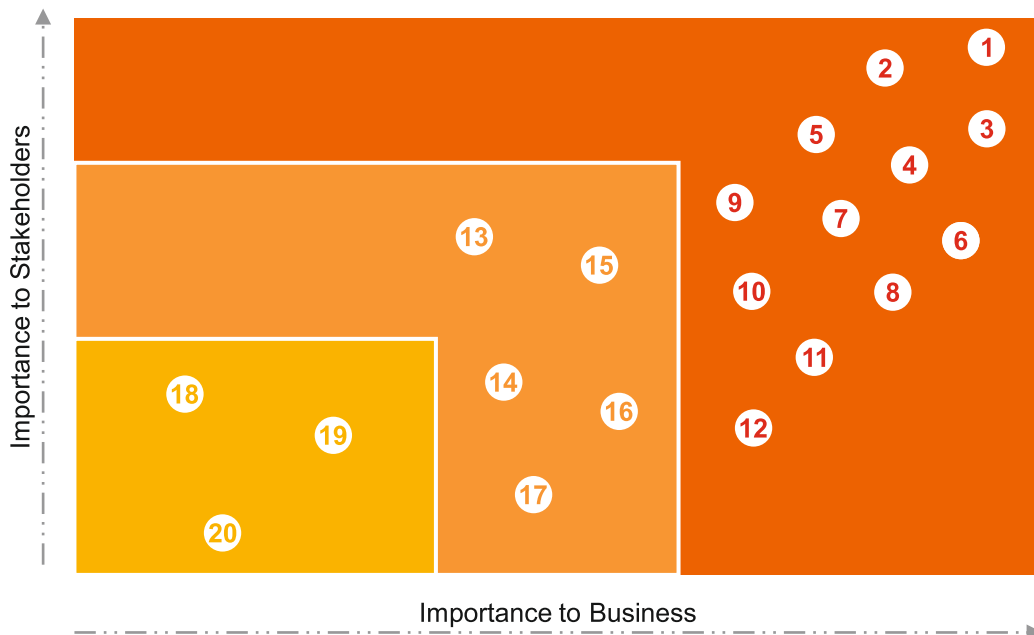
## Identification, Interaction and Assessment of Material Topics

Determination of material topics were influenced by several internal and external factors. This was supported by in-depth secondary research of peer reports, sector specific guidelines by GRI, topics brought by the organization itself and the Company's overall mission and objectives. This exercise helped us to prepare a pool of material topics which were specific to UPL. The topics pooled were further processed and filtered by inculcating inputs from key internal and external stakeholder interactions. Each stakeholder brought their ideology which assisted us to broaden our view on sustainability parameters. We connected with our oversea employees via video conferencing. Also, we collected feedback from the senior management, to integrate the business strategy with the key material issues. This entire exercise aided us to attain the list of material topics mentioned ahead in the report.



## Materiality at UPL

Following the exercise, the key material topics identified and prioritized are as follows :



1. Product Stewardship
2. Supply Chain Management
3. Occupational Health & Safety
4. Operational Excellence
5. Corporate Governance and Business Ethics
6. Waste Management
7. Emission Reduction
8. Competitive Behavior
9. Emergency Preparedness
10. Human Rights Issues Across Value Chain
11. Water Management
12. Energy Consumption and Efficiency
13. Spill Management
14. Employee Retention
15. Community Development
16. Diversity at Workplace
17. Biodiversity
18. Financial Assistance Received from Governments
19. Procurement Practices
20. Local Employment



From the Identified material topics, the ones which were identified the most crucial are:

Material Topic	GRI Aspect	GRI Indicator	Impact
Product Stewardship	Non GRI	102-43, 102-44	Inside and Outside
Emission Reduction	Emissions	305-1, 305-2, 305-3, 305-4, 305-5, 305-6, 305-7	Outside
Operational Excellence	Non GRI	103-1, 103-2, 103-3	Outside
Talent Management	Non GRI	103-1, 103-2, 103-3	Inside
Corporate Governance and Business ethics	Governance	102-18, 102-19, 102-20, 102-21, 102-22, 102-23, 102-24, 102-25, 102-26, 102-27, 102-28, 102-32, 102-33, 102-34, 102-35, 102-36, 102-37, 102-38, 102-39	Inside
Energy Management	Energy	302-1, 302-2, 302-3, 302-4, 302-5	Inside and Outside
Waste Management	Effluents and waste	306-1, 306-2, 306-3, 306-4, 306-5	Inside and Outside
Occupational health and Safety & Emergency Preparedness	Occupational health and safety	403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-8, 403-9, 403-10	Inside and outside
Human rights issues across value chain	Human Rights assessment	412-1, 412-2, 412-3	Inside and Outside
Water Management	Water	303-1, 303-2, 303-3, 303-4, 303-5	Inside
Competitive behavior	Anti-competitive behavior	206-1	Inside
Community Development	Local Communities	413-1, 413-2	Outside
Supply Chain Management	<ul style="list-style-type: none"> <li>Supply chain</li> <li>Supplier environment assessment</li> <li>Supplier social assessment</li> </ul>	308-1, 308-2, 414-1, 414-2	Inside and Outside





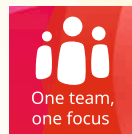
## Our contributions to global economic progress

Agriculture is a crucial component of the global economy and finds itself at the nexus of multiple developmental goals. Being an agrochemical company, we at UPL are well positioned to contribute to the growth and transformation of this sector. We strive to bring into the market new innovations and technologies to stimulate the progress of farms and farmers in a manner that is meaningful and sustainable. Over the years we have defined our market success as the accomplishments we have made towards the progress and prosperity of farmers. From serving farmers in India, we today span the globe serving farmers of all sizes and across geographies. As we embark on the next phase of business growth, we envisage to be able to reach more farmers, touch more lives and drive global prosperity and food security. We have defined a new paradigm of leveraging global networks and synergies within the food system to enable us to realize this vision.

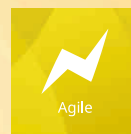
# Economic Performance



We see no bounds and no limits to our abilities to innovate and contribute to the global food system. We are open to forge new partnerships and explore the breadth and depth of the agriculture network to find ways to serve our farmers worldwide.



We have a shared goal of delivering quality products for our farmers. We encourage cross functional integration to create new possibilities and channelize synergies of our multi-disciplinary capabilities towards staying one step ahead.



We believe an innovation, product or service is worthwhile only when it is delivered in a timely manner. Hence, we are agile to adapting and addressing emerging needs of the global food system.

# Product Stewardship

## Designing and delivering products that create shared value for all our stakeholders.

Over the past 50 years we have built strong relationships with farmers based on trust and their belief in the superiority of our products. Today, our farmers and partners count on us to be ready with solutions to the unchallenged and emerging needs facing them. In turn, the onus on our Company is to build internal systems with the capabilities to anticipate needs, the context of those needs and deliver innovative and cost-effective solutions in time. Creating products which are essentially farmer-centric and driven by our research and innovative acumen is one of our key market differentiators. For us, the relevance of a product to cater to the demanding needs of farmers, the ease of application, the safety of the product to farms, farmers and the food ecosystem. This thought process is imbibed in the product and is strengthened with the highest standards of product quality which reinforces the confidence of our farmers and business partners in our products and services.

Our products are in perfect harmony with farms and the lives of our farmers beyond the scope of our operational limits. At UPL, we manufacture products which more than meet the expectations of our farmers right from sowing to harvesting with an ongoing mission to enhance the value delivered to our partners while minimizing the impact on our natural ecosystem. In our single-minded commitment towards being responsible and upholding the highest level of integrity through the product development and delivery stage, we adopt a systematic approach to our product management process.

A life-cycle approach to product stewardship is an intrinsic part of our DNA and it is this credo that guides all our product linked endeavours. We have identified 7 key aspects that define a product's life and success, which are covered by the guiding principles. These principles touch various stages of the product life-cycle to maximize the economic and the societal values generated while minimizing the impact on the environment. Our product stewardship is also closely tied to our operational efficiency and excellence.

We have put in place a cross-functional integrated approach to ensure that the core principle of product stewardship is inseparable from our operational activities. Every product idea passes through a step-by-step scrutiny, which includes the kind of technology in sync with the strategic business opportunities, preliminary characterization of optimal solutions, identifying and optimizing the complete chemical potential and validation in laboratories and in the field, dossier building and submission and then the preparation for commercial product launch in anticipation of the stringent registration criteria.

Internal controls and quality maintenance procedures within our product manufacturing systems are periodically reviewed against performance to understand the scope of improvement to maximize operational efficiency and value. Our employees, farmers and business partners have easy access to multiple channels to separate the best from the mediocre in our product portfolio. This leverages a mutually beneficial relationship between different people and groups to ensure that bottle-necks in our service delivery are ironed out and the products that evolve over time delivers the goods when it comes to meet the ever-demanding needs of our farmers.



## Anti-Counterfeit Awareness:

Counterfeit and illegal pesticides are untested, unauthorized and are introduced by criminal networks. These pesticides can pose significant risk to human health and the environment. The outcome of which could lead to the trade ban for the pesticides, thus certainly damaging the reputation of a genuine company and in turn the farmer suffers by paying a heavy price in terms of an onslaught by pests on his crops. When such dubious pesticides are used and the result can lead to a massive destruction of the crop, ruining the farmer's livelihood. These pesticides may have severe effects on the health of the farmers due to lack of information on their usage as well as personal protective equipment's. Illegal and spurious pesticides can increase the development of insect resistance and can pose environmental risks to wildlife, water and soil.

To ensure protection against counterfeit and illegal pesticides, the buyer must take the following precautions:

- Be vigilant against duplicate or fake products
- Buy products only from licensed dealer or distributor or retailer outlets
- Avoid buying from unknown suppliers and bargaining with them
- Ask for an original bill or receipt or cash memo that includes the accurate purchase details
- Check out the tampering of package/bottle seal
- Check out the manufacturing and expiry dates of the product
- Check out the registration number and the Active Ingredient (AI) content
- Call the customer care number for more information

We at UPL Limited are vigilant against counterfeit and illegal products and perform frequent random checks at the marketplace. Moreover, UPL is also a part of various global pesticide industry associations and unions, which are discussing and driving the stewardship programmes against counterfeit and illegal products.

## Our Innovation driven growth:

1,023

Patents  
Granted

12400+

Product  
registrations

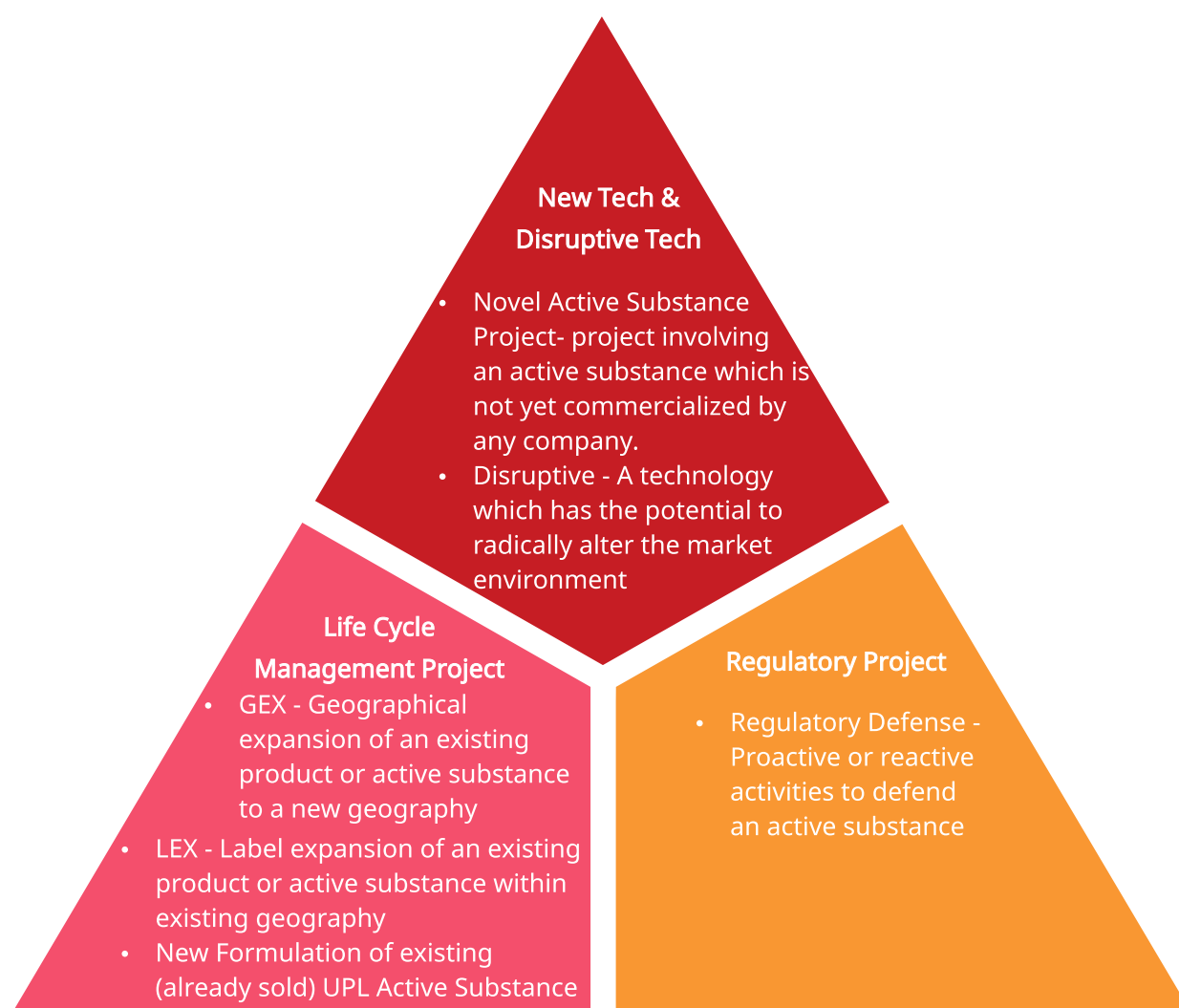
At UPL, we ideate and innovate to bring novel strategies and products to the global food system. We make substantial investments in our R&D activities each year. Our concerted efforts have translated to UPL generating 1,023 patents and over 12,400 product registrations over the years. We have over 25 R&D facilities located across 4 continents where our team of highly experienced and dexterous scientist give life to their creative energies to provide solutions to challenges faced by farmers worldwide. We have forged partnerships with leading research institutions, universities and commercial partners to enhance our research prowess. We are one of the market pioneers in the biological solutions domain, we have anchored farmers across the globe to reap the benefits of using biocontrol and bio stimulation-based interventions to enhance yield and resource efficiency.

Our R&D teams focus on providing a position of cost leadership to the Company by maximizing output with minimal resource utilization. Our tenets of sustainability, product safety and green chemistry are deeply rooted in our innovations. Every product undergoes multiple tests on its chemical properties, toxicity, impurity profile, bio-efficacy, residue and packaging among other aspects. We carefully consider the toxicological, eco-toxicological and environmental profiles of our products before commercialization. The documented results of these tests are then submitted to regulators for various regulatory approvals.



We abide by the beyond compliance approach. At UPL, compliance linked activities are a means of cementing our values and inspiring operational excellence. Given our R&D focus, we generate patents each year. We respect the Intellectual Property (IP) of all other parties and ensure the highest standards of compliance are followed with respect to IP protection.

## Product Life Cycle Management



## Our R&D focus aligned to sustainability



### Water Dispersible Granule based formulations

Water dispersible granules are considered safer options as they do not form dust at any stage. Earlier, Mancozeb was sold as 75 wettable powder. The powder used to cause formation of dust during manufacturing and packaging. We have now shifted to a water dispersible granule-based formulation for Mancozeb. Similarly, we have introduced Shagun as WDG combination herbicide in the market.

### Low Tox Formulations

We design and develop products to ensure a low toxicological profile. For all formulation, ingredients and processes are selected in a manner that reduces the overall toxicity of the product. For e.g. The process of encapsulation of the active ingredients ensure lower toxic impacts of the product. Similarly, some of our products are packed in water soluble bags e.g. acephate based formulation product named Perito to avoid direct contact; this also contributes to no dust product.



### Water based Formulations

Liquid formulations can be prepared in water or in inorganic solvent. However, organic solvents are known to cause environmental pollution given their volatile nature. AT UPL, we are gradually shifting away from solvent based formulations to water-based formulations. Furthermore, among solvents we are choosing vegetable oil-based solvents over aromatic solvents.



### High Loading Formulation

We strive to make formulations with high loading of active ingredients. Subsequently, the excipients/inert ingredients are less in the formulation. This will result in less amounts of inert ingredients going into soil and environment.



# Achieving water management through product stewardship: ZEBA

India entered the league of water deficient nations during the 2011 census. A nation is considered water deficient if the per capita availability falls below 1700 cubic meters per person. For reaching out to the need-Zeba was launched.

It is a patented, starch-based, superabsorbent soil enhancement designed to keep a constant supply of moisture available to germinating seed, seedlings, and plants throughout the growing season.

It acts like a sponge to water where it binds and releases water and soluble nutrients keeping more moisture and fertilizer in root zone where it can be used by plants, thus creating a healthy microenvironment. Over time, Zeba is broken down and consumed by naturally-occurring microorganisms in the soil, leaving no residue behind. Zeba is available in different sizes for optimum performance for different crops and parameters. We have owned the patented process and made it available worldwide.



## Properties of Zeba:

- Made from natural cornstarch
- It absorbs over 400 times its weight of water
- Net-like structure that enables it to attract and hold on to water
- Moisture bond with ZEBA is weaker than the absorption force of the roots
- It also holds nutrients dissolved in water
- Biodegradable and environmentally friendly
- Simple usage
- The granules easily rehydrate and store more water as moisture enters the soil

## Benefits of Zeba:

- Reduces stress caused by heat and lack of moisture during hot and dry periods.
- Reduces nutrient leaching.
- Promotes greater plant root and biomass development
- More consistent plant size and crop quality across fields
- Increased soil porosity
- Longer irrigation intervals
- Water cost savings

We performed an analysis of Zeba on Mustard and Pigeon Pea growth being a climate resilient technology. We observed that yield with Zeba of Pigeon Pea stood out to be 65% more and Mustard to be 22.8% more than the conventional means.

## Our integrated approach to solutioning

From a Company focused on crop protection formulations UPL has grown and evolved to emerge as an integrated crop solution partner with the objective to contribute to the global food security challenges. These global challenges have provided UPL with both; an immense opportunity and an onerous responsibility of ensuring food for all. To strengthen the Company's positioning to serve the global food system, UPL offers the whole gamut of products from seeds, seed treatment, crop protection formulations and post-harvest solutions.

We have achieved diversification both in terms of products and geographies served; today UPL products are marketed in over 138 countries and has direct access to distribution in over 40 countries. This approach has hedged product and market linked risks leading to UPL gaining the capabilities to further serve the food system.

### EVOLUTION OF THE PRODUCT PORTFOLIO



#### UPL 1.0

1969 : The Beginning

Phosphorus based industrial chemicals



#### UPL 2.0

1980 : Growth through product diversification

- Diversified into agrochemicals & speciality chemicals
- Post patent portfolio



#### UPL 3.0

2000 - 2018 : End to end global agri input presence

- Patented, proprietary, post-patent
- Seeds to pre and post harvest
- Products across segments: Herbicides, Insecticides and Fungicides



#### UPL 4.0

2028 : Crop Life Cycle & Farmer Relationship Management

- |                           |   |
|---------------------------|---|
| • Seed                    | • Post Harvest                                |
| • Soil Health             | • Crop Life Cycle Relationship                |
| • Nutrition & Stimulation | • Food Chain Partnerships                     |
| • Crop Protection         | • Present in almost all agricultural markets. |
| • Bio Solutions           |   |
| • Finishing               |   |



## Our approach to Quality Management: Setting higher benchmarks each year

Once we design and develop products the most important aspect of our product success is maintaining the highest standards of quality. Quality of our products is one of the key thrust areas for retaining our customers and partners. The reliability and brand recall we have built over the years is closely linked to the robust quality control systems. We have an integrated quality management system which encompasses multiple checks and measure to ensure our legacy of being recognized for our product quality is maintained with every product delivered. We are equally taking care on packaging quality along with product quality up to the end user door step.

We have a dedicated team of employees responsible for quality assurance. A cross functionally integrated quality management system has been established to ensure quality is built into the product at each stage of the product's life cycle. Each functional line has a designated quality assurance lead closely monitoring quality of the product. The team is centrally managed at a pan organizational level by the safety and quality head. Training on quality linked themes is periodically given to designated employees to align internal quality management to global best practices.

With the vision to enhance the effectiveness of our quality management system, digitization of the system has been undertaken. The Laboratory Information Management System (LIMS) has been implemented in all the laboratories. The whole gamut of quality assurance linked activities from sampling, monitoring, measuring and reporting is run through SAP via LIMS. This transition of the system to a digital platform has enhanced the rigor

of the process, increased transparency and accountability.

Our farmers play an important role in helping us in our journey of setting higher product quality linked benchmarks each year. Their feedback helps us identify areas of improvement and action. We also have surveillance system consisting of a card-based intervention which monitors counterfeiting of our products. The card consists of coordinates of the UPL response team that is responsible for management of counterfeiting.

## "ISO 9001:2015 certified Quality Management Systems"

### Farmers first

## Our customer centric approach to become the market first choice

Farmer aspirations and expectations are at the forefront of our agenda. At UPL our model of servicing our farmers focuses on standing with them throughout the crop's life cycle. From preparing the farm, to sowing the seeds, nurturing the crops, harvest and post-harvest activities, we ensure our support is constant in all their efforts, trials and tribulations. A fine blend of science and intuition is said to be key to farming success. We provide the science and inform their intuitions through our service portfolio. Some of our services:



Farmer Engagement initiatives

Adarsh Kisan Centre:



A remote advisory contact center for farmers in India. Enables farmer to dial a toll-free number provided on all product packaging for any queries and complaints. Through these centers we also provide SMS updates on important topics to registered farmers daily.

Adarsh Farm Services



Focuses on providing farm mechanization technology and services.

UNIMART



Unimart is an one-stop solution center providing expert advice, quality products along with necessary guidance to enhance farming practices.

We have established multiple channels of communications to ensure their voices are actively heard. UPL serves diverse farmlands experiencing the whole spectrum of soil and climatic conditions. This translates to us receiving diverse perspectives, experiences and feedback that help us strengthen our diversified portfolio positioning. Our engagement mechanism encompasses farmer feedback surveys, satisfaction surveys and complaints mechanism. When we receive a complaint, we ensure agile turn around and target resolution of the grievance within 48 hours of receiving the complaint.



## OPERATIONAL EXCELLENCE

Our operational excellence strategy plays a crucial role in maintaining our position of cost leadership in the market. At UPL our position of cost leadership is a product of operational efficiency, resource usage optimization, technology uptake and capitalizing on the synergies present within operations to optimize delivery time. We use advanced statistical tools and engineering concept-based tools to optimize process efficiency and effectiveness. The core activities of our approach to operational excellence include understanding the process, identification of process hotspots, running simulations/dry runs and deployment of interventions to enhance process efficiency. At UPL, this is a continuous cyclical process as every new technological discovery gives way to improved process efficiency and opportunities for resource conservation. While we help our farmers do more with less, we ensure we abide with the same motto in our operational activities.

The operational reforms are implemented by four key teams, called as the “improvement cells”. These teams bear the onus of relentlessly finding ways to optimize our manufacturing capabilities to anchor competitive pricing in the markets while preserving our natural services and the environment. These teams actively assess past interventions and process charts to develop enhanced process capabilities.

### Maxpro

This improvement cell focuses on ensuring seamless transfer of technologies and processes to manufacturing facilities. Maxpro also focuses of devising operational strategies to retain a position of cost leadership in the market. The core activities of this cell includes:

- Process intensification for yield improvement and raw material specific consumption reduction: This is achieved through detailed process study combined with establishing mass and energy balance. Design of Experiments (DOE) concepts are also employed to anchor process optimization efforts.
- Scale up engineering for seamless transfer of Technology
- Optimization of separation processes by ASPEN & CFD Simulation and Modeling

### Maxpro+

Maxpro+ works on variability reduction of process, improving process capability and productivity without major investment. The core methodology used by this cell includes:

- Best of best concept gap analysis between average & BOB capacity
- Idea generation through performance dialogue to Debottleneck
- Implementation of ideas with unit teams
- Use statistical tools for correlation of output parameter with contributing factors & improve process capability
- Lean concept for productivity improvement- Value stream mapping, time & motion study, layout simplification, manpower productivity, Lin balancing VA & NVA activities, SMED.

Apart from our improvement cells other departments also actively participate in making our operations more efficient and ecofriendly, an example from our procurement team is highlighted further.



## Energy Cell

The energy cell is a dedicated department looking into enhancing energy conservation efforts at a pan organizational level. The team identifies new technologies and avenues to enhance energy conservation. The team also embeds energy efficiency considerations while procuring significant energy consuming products & services. Managing utilization of energy resources efficiently, upgradation of equipment as appropriate and employment of cleaner and more efficient technology are also under the purview of this cell.

## Green Cell

The green cell oversees environment related technical issues at manufacturing sites in India. This cell is also responsible to ensure current technological uptake to ensure remediation activities are aligned to global best practices. The key focus areas of the green cell are:

- Liquid waste treatment
- Solid waste treatment
- Air pollution control

The green cell has undertaken various initiatives including scale ban, volute press, Dissolved Air Floatation (DAF), Moving Bed Bioreactor (MBBR), surface jet aerator, further details can be found in the environmental section.



Green Cell Lab



# Optimization of Specification for Corrugated Boxes

## Category

- Corrugated boxes (UPL India spent INR 42 crore)
- Scenario before the initiative.
- All sites of UPL India (Technical and Formulations). UPL consumes approx. 8400 tonnes of Kraft paper for corrugated boxes

## Tool

- Procurement driven inhouse developed Excel Based tool using Simplex Method of Operations Research with support of a third party

## Objective

- Reduce the weight of the box without compromising the quality thereby reducing paper consumption leading to cost reduction and sustainability benefits. Reduce weight of box in the range of 5 % to 15 %.
- Expected reduction in tonnage of paper 650 tonnes. Cost saving of approx. INR 3.25 crore on an annualised basis

## Process

- ABC analysis done to identify the top spend corrugated boxes across all sites of UPL
- Theoretical calculation done to identify the compression strength required based on Box weight and stacking norms with a safety factor in built in the calculation.
- Current specifications fed in the Optimization toll with logic set that alternate paper combination to be worked ensuring that the weight is reduced however the Bursting strength and compression strength is not compromised.
- Manual intervention to reduce complexity in the proposed specification i.e. too many paper combinations in a box, not a standard specification identified by the tool.
- Sample arranged with optimised and ratified specification.
- Necessary lab tests by Packaging development team to establish the desired performance form for the box of optimised specification.
- On successful trials item code and BOM changed to ensure commercial implementation.



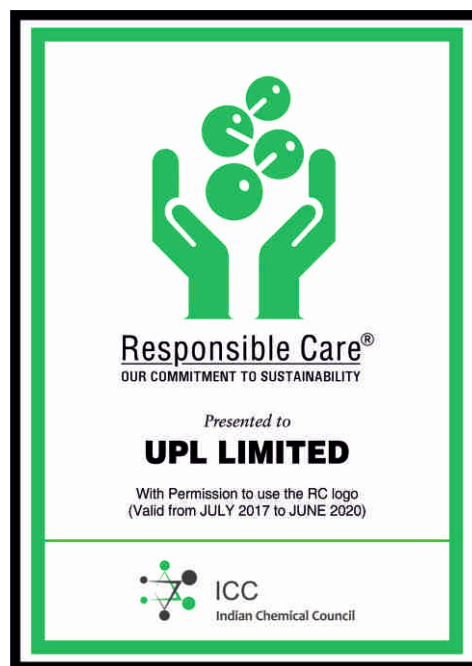
## RESPONSIBLE SUPPLY CHAIN MANAGEMENT

### Creating a Responsible Network of Partners

Our vision to emerge as a responsible business with sustainability at the core of our purpose has galvanized us to look at sustainability beyond our own operational boundaries. We are conscious of the partnerships we build and the value systems we consequently integrate in our value chain. At UPL we have a mindful approach to the suppliers we engage with and the attributes of the supplies we procure. We abide by the principles of sustainable procurement and safeguard organizational culture of sustainability in our supply chain. We are also proud signatories of the Responsible Care Initiative which provides us with guiding principles to continuously step up our sustainability practices.

Our code of conduct covers suppliers and defines the values that we envisage our supply chain partners share with us. The code covers themes of ethics, confidentiality, safeguard of intellectual property, compliance to relevant laws and regulations, ensuring well-being and safety of employees, strict policies against sexual harassment and human rights provisions, avoidance of conflict minerals and procurement from civil war zones.

We have dedicated teams that are responsible for ensuring responsible practices are upheld throughout the supply chain. We understand the expectations, feedback and aspirations of our supplier and vendors through multiple platforms.



This two-way communication ensures alignment of our organizational strategy and values. Our supply chain management strategy strives to ensure reliability and our culture of sustainability is maintained. In terms of reliability of the supply chain we have identified alternate sourcing partners for all our key supplies. In efforts to de-risk our operations to input availability risk we have adopted higher levels of backward integration. Subsequently, we have emerged as an integrated crop solutions provider with capabilities across the value chain from R&D, registration, manufacturing and marketing. Acrolein is an important raw material for glufosinate, it is a hazardous chemical requiring special conditions for transport and storage. We have established an acrolein plant close to our glufosinate plant, this has enabled us to transport material through pipeline. This has streamlined the logistics and storage while also minimizing our carbon foot print and cost required for transportation. Hence our backward integration across the value chain has helped us optimize operations at the supply chain level to minimize environmental impacts while maximizing output towards our quest of emerging as cost leaders in the market.



We assess our supply chain to ensure we optimize logistics in a manner that is cost effective and reduces our carbon footprint. Locally sourcing our supplies is one of our key thrust areas in our sourcing strategy. Local sourcing has multiple benefits the most prominent being an opportunity for us to build local capabilities and create local livelihood opportunities. Consequently, enabling us to closely engage with local enterprises and tap into the potential of the local industrial ecosystem.

Understanding our supplier's social and environment linked value and belief systems is very important to safeguard our sustainability ethos. We conduct supplier screening and audits to ensure that our supplier's practices align with our expectations and vision. Actively engaging with our supply chain partners is a vital component of our supply chain management strategy. We engage with our suppliers and vendors regularly and conduct audits to ensure their practices are in line with our vision. Supplier meets are conducted periodically where we share our initiatives across social and environmental domains. We also mutually share global best practices through these meets. Through interactive sessions we learn what is important for our suppliers, their organizational vision and use this platform to address grievances and encourage our suppliers to enhance their performance on EHS parameters.

## Supplier screening & audits: Understanding our suppliers better

One of the activities that helps us align our values of environmental and social stewardship with our supply chain, is conducting supplier screening wherein each of our suppliers are assessed using a balanced scorecard methodology. Supplier

screening is conducted before onboarding a supplier and includes a site inspection conducted by representatives from our quality assurance, purchase and technical teams. Suppliers are evaluated on their environment, health and safety practices, compliance to regulatory requirements, human rights practices among others. This process guarantees that we partner only with suppliers who share our values of sustainability. Post onboarding every supplier is expected to abide by the values and principles encompassed in our supplier code of conduct. To ensure consistent performance on sustainability we engage with our suppliers through audits. Our supplier audits assess suppliers on their purchase systems, status of environment and energy management certifications, health and safety standards and quality management systems. We also touch more specific issues such as the waste streams they generate and their waste management practices, effluent treatment plants, hazardous systems control, inventory control systems etc. Our audits go beyond a tick boxing exercise to understand internal controls and mechanisms. We see our audit process as an opportunity for our suppliers to discover new facets of their operations where improvement measure can be taken. Our supply chain structure and partners have remained the same as the last reporting period. As our supply chain structure remained the same no onboarding exercise was conducted. Further, as our supplier abide by our code of conduct we ensure that they share our values of sustainability, any breach with this regard is treated very seriously by us.

This reporting period 40% of our supplier spend was on local suppliers.



# The story of our partnership with Campo Limpo

20 L HDPE Bottles are widely used for packaging in our Ituverava factory, Brazil. In the process of choosing a sourcing partner we came across “Campo Limpo”. Campo Limpo developed a recycled Jug “Ecoplástica®”, this technology allows the use of 85% recycled resin and 15% virgin resin. The virgin resin used guarantees technical properties. The recycled resin (called RPC used in the bottles) is derived from jugs discarded by farmers. These discarded jugs are collected by Campo Limpo's partner institute “Inpev”.

Recognizing the inventive and sustainable nature of these bottles we were keen on forging a partnership with Campo Limbo. However, we faced a logistics challenge: Campo Limpo facility was over 100 Km away from our manufacturing facility. The logistics of the partnership forged was streamlined and optimized by Campo Limpo setting up a facility close to our own manufacturing facility.

## Key Highlights

1,700,000 (20 L) bottles (UPL Production) will potentially save the economy of 4,000 Oil barrel's or 786,250 m<sup>3</sup> of natural gas, or 8,765 of trees.





## Channelizing energies back to where they belong

The dynamic natural environment presents both opportunities and challenges to our business. We have developed strategies to ensure the resilience of our operations to current and upcoming environmental risks. While effective environmental risk management is imperative, we strongly believe that the global transition to a more sustainable future provides immense opportunities to our business. Aligned to our legacy we are on a continuous journey of finding new ways to minimize our impact on the environment. Given our innovation driven growth strategy we envision to deliver inventive and novel products for the global food system in a manner that is sensitive to the current global environmental landscape and the needs of the future generations.

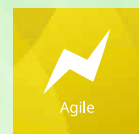
# Environmental Performance



Our vision is to deliver value to the global food ecosystem while preserving our shared natural resources. We strive to create a win-win situation for our farmers, society and the environment.

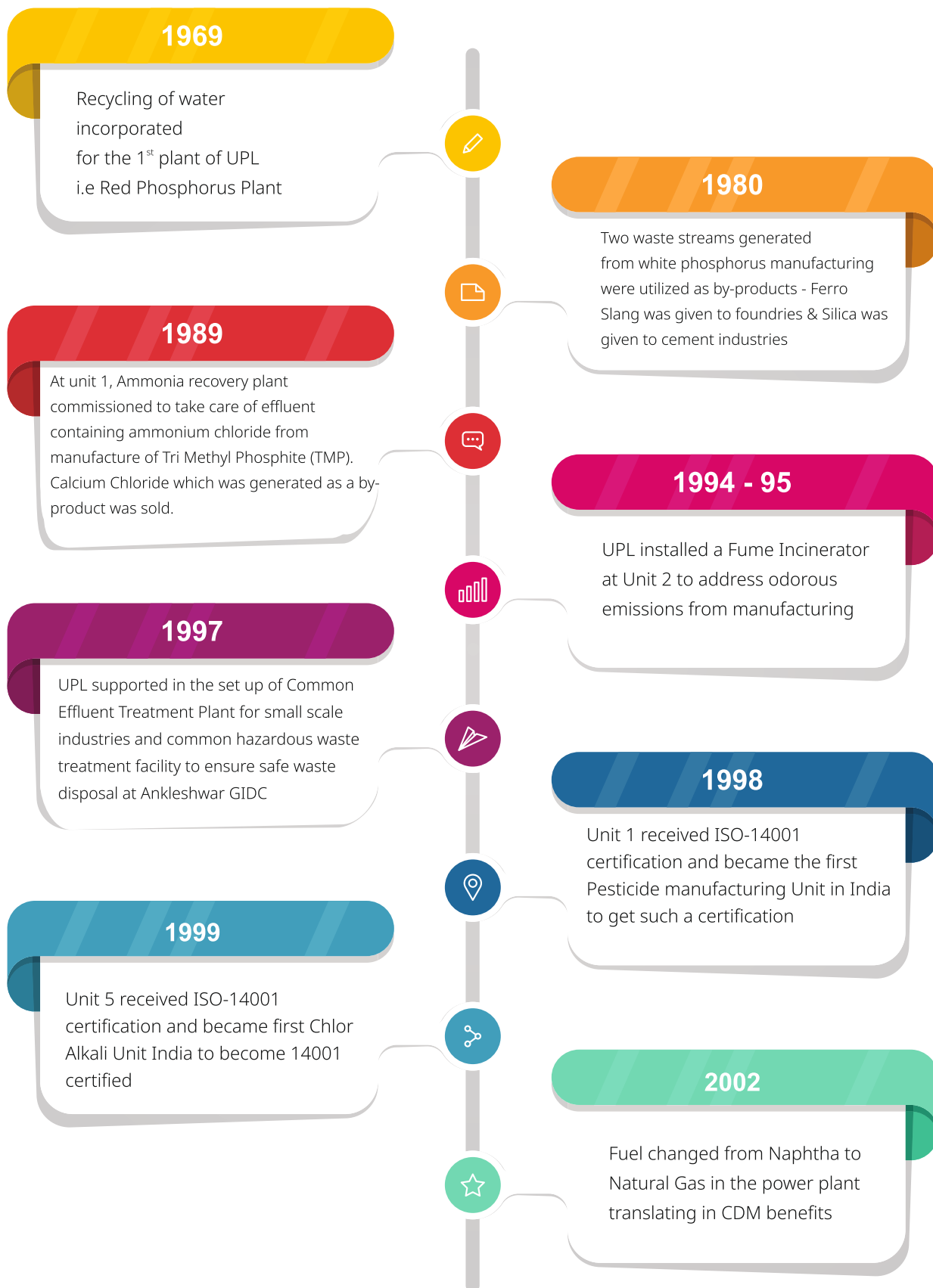


We cope with environmental risks while guaranteeing our operations do not further impair the health of the environment. With our belief of "nothing is impossible" we are confident of devising solutions that minimizes our impact on the environment.

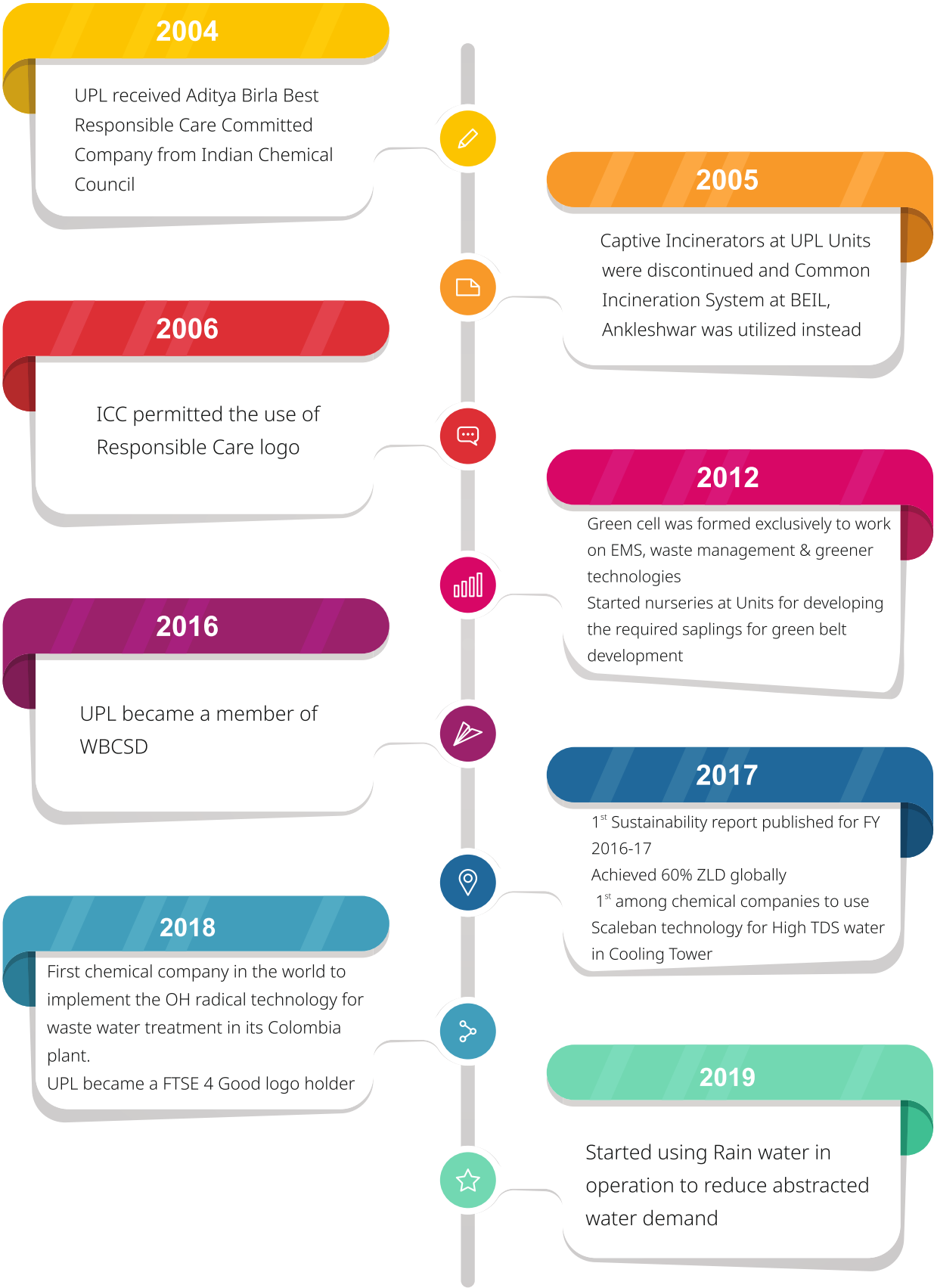


We are agile to adapt to the needs of our dynamic natural environment and the rapidly evolving regulatory landscape.

# UPL Environmental Milestones from the Past 50 Years



# UPL Environmental Milestones from the Past 50 Years



# UPL SUSTAINABLE DEVELOPMENT PLAN

## Management Approach

UPL is a responsible organization that understands the importance of reducing environmental footprint which is beneficial for businesses, environment and society. With a strong focus on sustainability by embedding it in our business strategy, we actively monitor our environmental performance which help us take actions.

We have a strong risk management system through which we identify short and long-term environmental risks associated with our business. This system helps us identify and take active measures against potential environmental risks.

Currently, we have identified energy, water and waste management, carbon emissions and environmental compliance as important thrust areas. We have developed adequate systems to tackle these issues and our approach is visible from our Environment policy, which promotes environmental awareness among employees & community, conservation of natural resources by their responsible use and many more.

To monitor our environmental performance, we challenge our self as an organization on a daily basis and try to do better compared to previous day. This approach has helped us to set a target of 30% reduction in environmental footprint by 2025 and we are heading towards our target confidently with all the support from our stakeholders.

We at UPL also monitor the approach of management towards environmental footprint reduction and pertaining to this every department has environmental KPI's linked to their yearly performance. This ensures a competitive and healthy atmosphere around the organization where every department actively works to reduce their environmental footprint which eventually helps in reducing the overall footprints of UPL.

This approach is also beneficial to understand any fault in our approach towards risk associated with environment so that corrective actions can be taken at correct time.



Good governance practices is a cornerstone for defining the success of environmental stewardship efforts. We have a well-defined governance framework that ensures the ethos of environmental conservation is entrenched in the operational activities. UPL has a dedicated Environment Management team that is responsible for ensuring the good performance of our organization on environmental parameters. We also have a sustainability committee composed of board members and representatives of the Department Heads. This ensures the direct involvement of the Company's Board in environmental stewardship. Furthermore, two dedicated teams called the "green cell" and the "energy cell" have been established to ensure focused efforts in resource conservation and environmental protection.

Compliance to all the latest environmental legislations is monitored and ensured by a dedicated cell called Corporate Environment Team that is responsible for environmental compliance. Through there are designated teams defined to monitor and enhance UPL's environmental performance, a cross functionally integrated approach is encouraged. During the reporting period we have had no instance of noncompliance to any environmental regulatory requirements. When it comes to environmental compliance, we have embraced a beyond compliance approach. Consequently, our systems ensure alignment to global best practices.

We convene half yearly environment management team meetings where we discuss progress made on various environment parameters. We also develop strategies for environmental performance enhancement through these meetings.



## Environmental Policy

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

- Adopt structured approach toward sustainability
- Implement the code of practices of responsible care
- Initiative to achieve international benchmark in pollution prevention
- Comply with all applicable statutory & other requirement pertaining to Environmental Management System
- Follow the international environmental policies, best practices, efficient Technologies to improve our environmental performance
- Utilize the natural resources to meet the need of present without compromising the need of future generations.
- Conserve the natural resources by their responsible use & achieve reduction in our environmental footprint.
- Create culture of practicing environmental management system, procedures among employees to all level.
- Promote environmental awareness among employee & Community.



"The data presented in this section covers our National locations - Vapi, Ankleshwar, Halol, Jhagadia, Jammu, Haldia, Tarapur and International locations - Colombia, Brazil, Argentina, Netherlands, United Kingdom, France, Vietnam."



## Our Climate Strategy

Farmers worldwide have started to experience the impacts of climate change real-time. With erratic fluctuations in weather patterns, change in average temperature and rainfall, extreme weather events wreaking havoc, changing demographics of pests and vectors, altering growing seasons the global food system is grappling to feed the growing global population in a constrained and dynamic environment. We at UPL, understand the predicament the global food network and the impending risks linked to climate change to the agricultural sector. Having a business footprint in over 138 countries we are dedicated to being responsible global citizens and actively contributing to global climate action. Our climate strategy touches on both climate change adaptation and mitigation:



### 1

#### Climate Change Mitigation

**Energy and emission management:** Energy consumption and emissions of GHG directly contributes to global warming. In our efforts to contribute to the 2°C vision of the Paris Agreement. We are committed to ensuring conservation of energy and decarbonizing our operations to reduce our carbon footprint at the operational and supply chain level.

### 2

#### Climate Change Adaptation

**Enhancing the resilience of our operations to the physical impacts of climate change: Water management:** Water scarcity will be one of the key channels through which manufacturing sectors worldwide will start to experience the physical impacts of climate change. Water conservation and water optimization across the value chain will play a pivotal role in defining the resilience of a business in the times to come. At UPL we have put forth concerted efforts to build the resilience of our operations to water scarcity while contributing to global efforts of conserving the resource.

#### Helping farmers adapt to climate change

By offering products enabling resilience to climate change and resource conservation  
Advisory services to enable climate smart agriculture



# Energy & Carbon Emission Management

We are experiencing climate change of unprecedented scale and magnitude and the contribution of mankind to this global challenge has been unequivocally evidenced (IPCC). World leaders came together in the historic Paris COP with a shared vision of steering the world to a 2-degree future. As part of our climate strategy we are dedicated to contribute to global climate change mitigation efforts.

We closely monitor our energy consumption and carbon foot print in this effort. This reporting period we witnessed a total energy consumption amounting to 75,25,632 GJ. Our specific energy consumption stood at 13.41 GJ/ ton of production. We also monitor our carbon footprint. This reporting period we recorded a total of 7,73,354 tCO<sub>2</sub>. Our specific carbon footprint was found to be 1.32 tCO<sub>2</sub>/ ton of production. Through our initiatives we were able to save 11857 GJ of energy and were able to abate 8179 tCo<sub>2</sub> of carbon emissions. Moreover we have been able to achieve a 12% reduction in specific CO<sub>2</sub> emissions compared to the baseline year 2015-16.

Energy Source	GJ	tCO <sub>2</sub>
Coal	6240062	590310
Natural Gas	375059	21041
Furnace Oil	157251	12171
HSD	14129	1047
Grid Electricity	708333	143225
Steam	566	5560
Wind Energy	30232	0
Total	7525632	773354

Carbon Emission (All Units in tCO<sub>2</sub>)  
(tCO<sub>2</sub>/Annum)

Direct Emission	624569
Indirect Emission	148785
Total GHG Emission	773354

Air Emission Parameters (All Units in Tonnes)

SO <sub>x</sub>	161
NO <sub>x</sub>	310



## Energy conservation by enhancing energy efficiency

We have a dedicated energy cell that works towards the uptake of current technologies and other interventions to enhance energy efficiency. Energy Cell is presently focusing on identifying and implementing projects which reduce specific consumption of Electrical, Thermal and Water resources. The cell uses cutting edge technologies and innovative ideas to continuously reduce the specific energy consumption. Our idea generation process encompasses analysis of theoretical consumption, gap analysis studies, temperature profiling, energy bill analysis, process heat integration through Pinch, Heat recovery and adoption of best technology available for the process.

## Decarbonizing operations

Shifting fuel mix to more sustainable options:

We are slowly shifting our fuel mix to more cleaner fuels. In this effort we are increasing our reliance of natural gas in our facilities. Moreover, we are shifting to renewable sources of energy and have signed a power purchase agreement with renewable energy providers. For year 2018-19 we have utilized electricity generated through wind of total 4.2 MW installed capacity. For year 2019-20 we have planned to enhance our renewable power purchase capacity upto total 17MW including solar and wind energy.

Elimination of primary pumps used for chiller by channeling the flow of hot water from the plant directly with the help of gravity to the chiller instead of storing it in the hot water tank at a higher head potential. The main benefits of this project are:

**Power saving per Annum: 357264 kWh**

**Carbon emission reduction: 293 tCO<sub>2</sub>**

**Cost Saving: Rs. 23 Lakh**



Waste heat recovered from thermopysphone steam at CS2 plant, condensation heat was rejected to cooling tower. By means of introducing heat recovery condenser in series with existing condenser, waste heat is utilised to preheat deaerator feed DM water.

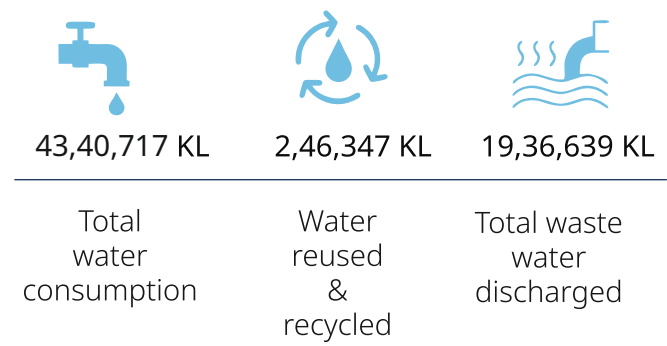
**Steam saving : 455 kg/hr, Energy saving: 10571 GJ**

**Carbon emission reduction : 1000 tCO<sub>2</sub>**

**Cost Saving : Rs. 45 Lakh**

# WATER MANAGEMENT

Agriculture currently accounts for 70% of global fresh-water use (medium confidence) according to IPCC's special report on land and climate change. Being an agrochemical company, we strive to reduce not just our operational water footprint but contribute to reducing the water footprints of farms worldwide. We have developed novel products that help in water conservation in the farms. Robust water management system also forms a part of our climate strategy to ensure the resilience of our operations to water scarce periods. We also drive awareness among our customers to ensure they share our values of water conservation and choose interventions that help them conserve water.



Water withdrawal sources : Municipal water and Ground water

60 % of our plants are Zero liquid discharge (ZLD) facilities. In fact, we are the first agrochemical Company to make a technical manufacturing facility Zero liquid discharge (ZLD).We discharge treated Effluent into deep sea, rivers and Common Effluent Treatment Plant (CETP), we discharged a total of 19,36,639 KL of water. This reporting period we recycled 2,46,347 KL of water which is equivalent to 6% of the total water we consumed in this period.

This year we have achieved a 5% reduction in specific water consumption and a 12% reduction in specific effluent discharge compared to baseline 2015-16.

We have set a target of reducing our water consumption by 30% by year 2025 compared to the baseline year 2015-16.



Multipronged approach to reduce our water footprint



Promote the use of harvested rain water in processes



Develop 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



Periodic internal/external audits to find root cause of excess water demand



Recovery of valuable material (e.g. product, by-product) from effluent stream

60% of our manufacturing facilities are "Zero Liquid Discharge"



## Our Initiatives Under Water Management Plan

### Rain Water Harvesting

In FY 2018-19 we have installed full-fledged rain water harvesting system with a capacity of harvest 10000 m<sup>3</sup> of rain water in monsoon season. All systems are rooftop-based rain water collection systems except Halol where it based on surface runoff. All harvested water will majorly used in cooling towers, Utilities and other non-drinking domestic purpose like washing, gardening, toilet flushing etc.



The following are initiatives undertaken by the Green Cell:

### Volute Press

Volute Press is a unique product which was originally developed in Japan. This sludge dewatering technology offers many advantages over current sludge handling systems. UPL has installed volute sludge dewatering press with a capacity of approx. 800 Kgs dry solids/ hr at different manufacturing sites.

Advantages

- ▶ Continuous and clean operation without regular manual intervention
- ▶ Produces high-quality filtrate with very less TSS (i.e. high solid recovery)
- ▶ Extremely low power consumption—up to 95% less than many other dewatering processes
- ▶ Low noise and odor generation
- ▶ Low wash water consumption

### Scaleban

This technology is an excellent aid in achieving the Zero Liquid Discharge (ZLD) goal. With application of Scaleban system, cooling towers can be operated at higher TDS hence ETP treated water/ effluent can be used as cooling tower makeup water and thus reducing raw water consumption without requiring any extra energy input for its operation. UPL has installed Scaleban system to recycle approx. 300 KLD process effluent as cooling tower make up water at different manufacturing sites.

Advantages

- ▶ Very Less capital and operational expenditure compared to conventional technologies
- ▶ Can Handle higher COD and TDS water efficiently
- ▶ Quick installation & commissioning without occupying any extra footprint
- ▶ No major infrastructural changes are required for installation



# Our Initiative Under Water Management Plan

## Dissolved Air Flootation

DAF technology is a modern version of conventional primary effluent treatment, where suspended solids are removed by dissolving atmospheric air in wastewater under pressure and then releasing the air in flotation tank basin. The released air forms tiny bubbles causing the suspended matter to float on the surface and in turn can be removed from wastewater using a skimming device. UPL has installed DAF system to treat 1120 KLD process effluent at different manufacturing sites.

### Advantages

- ▶ Very compact system which reduces the area footprint significantly.
- ▶ Quick installation & commissioning
- ▶ Higher suspended solids removal efficiency with ability to handle bulking floating solids
- ▶ Lower CAPEX and OPEX

## Moving Bed Biofilm Reactor(MBBR)

MBBR system is a form of activated sludge process where biological sludge is immobilized on plastic carriers having very large internal surface area. The aeration system keeps the carriers with activated sludge in motion and thus providing a larger and wider contact between microorganisms and wastewater for efficient wastewater treatment. UPL has installed MBBR system to treat 1120 KLD process effluent at different manufacturing sites.

### Advantages

- ▶ Compact system with lesser area footprint compared to conventional Activated sludge process
- ▶ Higher F/M loading with reduced retention time
- ▶ Less biological sludge generation and no biomass recycling required
- ▶ Faster installation & commissioning

## Surface Jet Aerator

The Surface Jet Aerator is a horizontal aerator used in effluent treatment plants for higher oxygen transfer efficiency to increase dissolved oxygen (DO) concentration in bioreactors. This is achieved by aspirating wastewater and air in the form of a jet. Increased DO levels promote biological growth and pollution load treatment efficiency. UPL has installed 30.5 HP capacity jet aerator at one of its biggest manufacturing sites.

### Advantages

- ▶ Compact system with lesser area footprint compared to conventional aeration systems
- ▶ Reduced maintenance and OPEX
- ▶ Less sludge deposition and formation of dead pockets
- ▶ Faster installation & commissioning



# Waste Management



As we serve the agricultural sector, we are cognizant of the importance of land as a resource and its scarcity. Our approach to waste management ensures that we minimize the amount of waste reaching the landfills. We strongly believe that waste is precious, and value can be derived from it by leveraging cutting edge technologies and inventive solutions. Our belief has taken life in our approach towards managing our own waste. We have a holistic approach to waste management and strive to maximize the end life use of products.

Our manufacturing facilities generate both hazardous and non-hazardous waste. This reporting period we generated 83,319 tons of hazardous waste and 10,900 tons of non-hazardous waste. We have State Pollution Control Board authorized third party vendors to transport and recycle our waste. The total amount of Hazardous waste transported this reporting period was 83,319 tons There were no significant spills in this reporting period. Moreover, given our robust waste management practices and zero liquid discharge capabilities no water body has been significantly affected by the effluents we produce

At UPL, managing waste starts with a thorough understanding of the nature of the waste by our work force followed by proper segregation, storage and safe handling and disposal of the waste. We only engage with authorized and reported third parties for managing our waste. Our environment team closely monitors waste management at each manufacturing facility to ensure we strictly abide by the relevant regulations and manage our waste effectively and efficiently. The 4R principle of reduce, recycle, reuse and reprocess is at the crux of our waste management strategy.

Our waste management plan encompasses:

- Recycling packaging material
- Waste reduction for the packaging process by using appropriate materials
- Prolonging the lifecycle of equipment and products
- Process redevelopment/optimization to reduce landfill/incinerable waste during operation
- Recovery of value-added products from waste
- Utilizing of incinerable hazardous waste for energy recovery
- Optimizing manufacturing process to achieve waste reduction
- Create an industrial ecosystem to create a sense of shared waste responsibility with neighboring manufacturing facilities; trading co-products with neighbors to derive maximum value from by-products/co-products

We have taken on a target of minimizing the amount of waste we generate by 30% by year 2025, baseline year: 2015-16. We have achieved 22% of our target in the current reporting period





UPL Jhagadia Canteen  
& Meeting Building  
received platinum  
rating by IGBC.





Somos  
RESPONSABILIDAD  
**SOCIAL**

**UCPL**

Colombia Plant Limited

Social UCPL

## Widening our horizon of delivering social impact

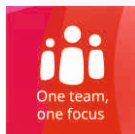
Communities are at the crux of everything we do. We devise strategies and deliver products to meet their existing and emerging needs. At UPL our social impact starts from within our operational boundaries and extends far and beyond. Our current strategy focuses on creating value out of leveraging the synergies of human minds worldwide. We see an inclusive and collaborative approach as the best way forward to address food security linked challenges. Establishing clear communication channels with our people and farmers, listening to them and actively working on what we hear forms a core component of our strategy

# Social Impact



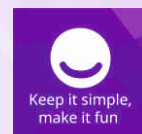
Always human

People are at the crux of everything we do. The true value of the business we do is only realized through the impact we have on communities worldwide.



One team,  
one focus

We foster an ethos of collaboration within the organization and with the global food network. This has translated into us realizing the true potential of being a responsible global citizen.



Keep it simple,  
make it fun

We have an inclusive culture which helps us to maintain a lively work environment. Our motto of "keep it simple and make it fun" ensures our employees enjoy their work each day.

# TALENT MANAGEMENT

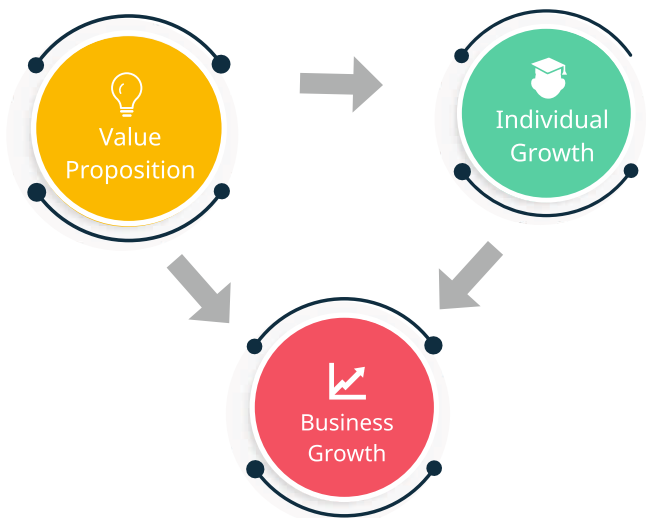
## Our Approach

At UPL, our people redefine our horizons of possibilities and inventions. They ideate, innovate and create inventions and solutions for farms worldwide. It is important that they are in an environment that is enriching and encouraging to ensure they remain motivated and creative. Our people are at the forefront of all the milestones we have been able to achieve over the past decades. We recognize their dedication, passion and commitment to the larger purpose they work for; the global food system. Consequently, we strive to provide them with multiple avenues to assimilate the knowledge they require and master the skills they need to deliver solutions with deftness. We foster a culture of collaboration and knowledge sharing to effectively leverage the potential of the collective capabilities and talents present within our workforce. At UPL, we take pride in the multitude of perceptions and aspirations in our workforce. We strive each day to build a work environment that is inclusive, supportive and collaborative. We ensure our workforce imbibes compassion and team spirit at the core of their dynamic interactions. Creating a lively workplace enhances cohesion between our people and helps us retain our employees. Ensuring our employees stay with us is important to ensure they walk projects to completion effectively. We win when our employees experience a sense of achievement in the projects they work on.

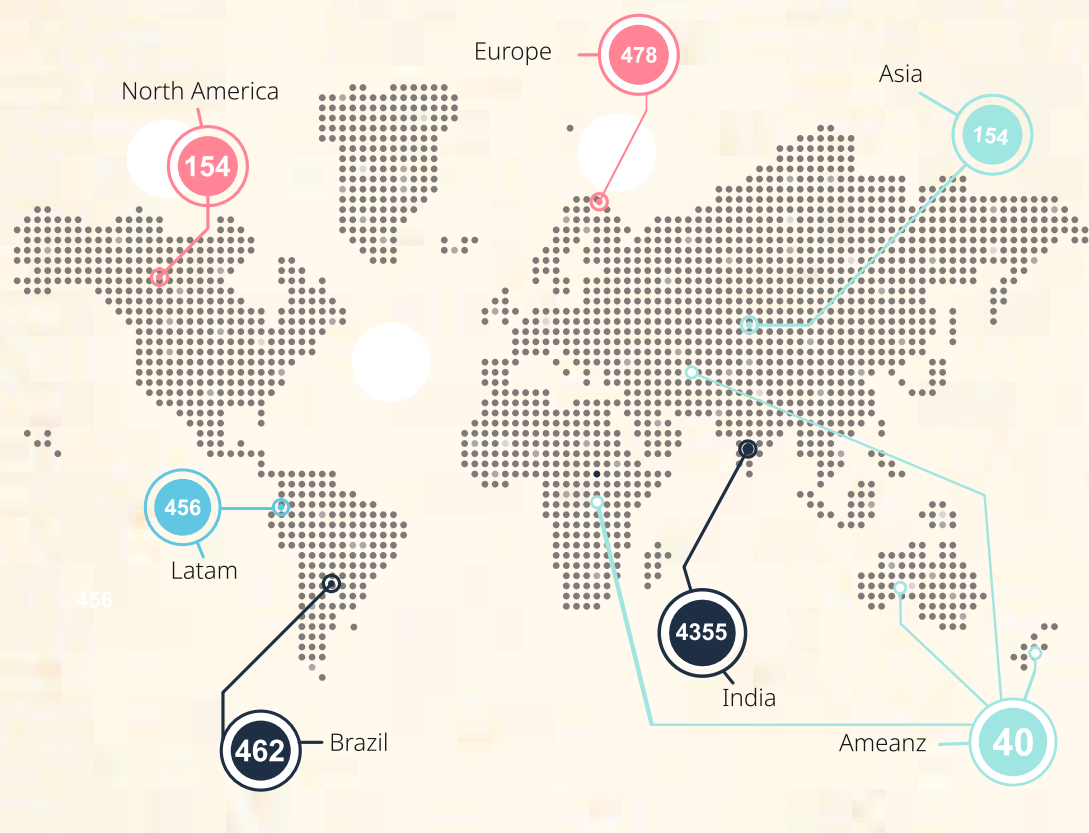
Our work environment and core values have enabled us to build a reputation of being an able employer focusing on the development of our people. Consequently, we attract some of the brightest minds worldwide to help us deliver solutions for the most pressing challenges the global food system faces. Our hiring strategy focuses on identifying young talents and absorbing them into the organization. Once they join UPL their growth is a shared vision we strive to work towards.

Our HR team oversees the whole gamut of workforce development activities from employee engagement, grievance redressal, learning & development. We have an employee code of conduct that articulates UPL's values and beliefs that we envisage our employees to emulate. We also have a HR policy that defines our obligations to each employee and our expectations from them. Alignment of employee's personal goals with the Company's corporate strategy is vital for organizational success. The HR team actively engages with employees to understand their needs, their day to day challenges.

We aspire to be able to deliver value to our employees beyond their day to day functioning. At UPL, we value the professional growth and development of each of our employees and join them in their journey of growth. Clarity in thought and vision emanates when the mind is informed. Employee training and development is one of the core elements of our human resource strategy. We have multiple avenues to ensure that our employees are abreast with current inventions and discoveries in their respected work domain. We consider it our responsibility to ensure their talents are honed, skills are fine-tuned, and energies are channelized to drive the best results for the global food system.



# Total Number of Employees By Region



## Our Workforce

Employee Category	Units	As on March 2019				
		<30 years	30 - 50 Years	>50 Years	Male	Female
		Management - Executives				
Top Management	Nos	0	3	27	26	4
Senior Management	Nos	0	23	83	89	17
Middle Management	Nos	283	782	249	1131	143
Junior Management	Nos	903	2572	553	3556	429
Executive on Contracts	Nos	0	0	0	0	0
Trainees	Nos	83	0	0	72	11
Total Employees	Nos	1186	3380	912	4874	604
Workmen - Permanent						
Permanent Associates	Nos	183	438	0	621	0
Total Employees	Nos	183	438	0	621	0

# Employee Training & Development

## Our Approach

We strive to create an ideal learning environment that nurtures the creative abilities of our employees, expand their capacity to achieve desirable results and is in tune with our organizational goals and objectives. It is only through Learning and Development that new and sound patterns of thinking can evolve, which creates a culture of performance and lead to business excellence.

Key objectives of our learning and development strategy are:

- ▶ Meeting employees learning and development needs
- ▶ Ensuring optimal human capital development
- ▶ Building the business management and leadership skills for a strong executive team
- ▶ Promoting business communication and language skills, to work seamlessly across borders

We believe in anchoring the all-round development of our employees. Hence, we follow a blended learning format which ensure employees gain technical skills backed with the requisite behavioural and professional skills. This framework ensures complementary skillsets are developed and honed for enabling operational excellence.

We operate in dynamic, demanding and constantly evolving environment. It is imperative for our global general management leaders to be equipped with the requisite skills to keep pace and deliver the best results for their teams and the Company. Our learning and development strategy focus on improving leadership skills of our employees to ensure effective management of teams and seamless execution of projects. Moreover, in a company with a clear and effective learning and development strategy, senior executives know that the talent pipeline is secure: team members have received appropriate management skills training to fulfil their individual roles and the management succession plan is consequently strengthened.

While we provide formalized learning platforms a major component of our employee learning is based on collaboration, knowledge sharing and experiential learning. On the job learning is a key component which gives our employees hand on experience which is one of the most effective learning strategies.



## Employee Engagement

Understanding our employees needs and aspirations, trials and tribulations and day to day challenges is important facet of enhancing the productivity of our workforce. We believe in actively listening to our employees. We are interested in learning about their aspirations, their needs, their ambition and vision for the Company. Our dialogue with our employees is a central pivot around which our human resource strategy is built. We have established multiple channels of communications with them.

A key component of our engagement framework is grievance redressal mechanism. For the success of any organization, it is important to ensure that the employees have their grievances redressed. We have introduced several grievance redressal mechanisms to ensure every employee gets an equal opportunity to share their grievances. UPL have both formal and informal grievance redressal mechanism where an employee can approach and seek redressal for their professional as well as personal problems.

Workers Committee and open-door policy are some of the formal mechanism where an employee can approach any senior official at any time with their issues. Whereas in other initiatives such as HR Hour and Reconnect, respective Human Resource Business Partners (HRBPs) and Admin teams frequently visit shop floor to interact with employees and enquire about their challenges. They also invite them to have a dialogue with HR during HR4U session to share their thoughts. UPL has shifted from traditional way of grievance redressal mechanism to technology-based platform such as AskHR platform. Now an employee need not to visit the HR Department for any query but can do the same through this online platform.

We also engage with our employees in celebrations and activities which enhances the cohesion within our workforce.



## Employee Welfare

Our employees are our greatest assets and their role in our value creation journey goes beyond our operational boundaries. They are our brand ambassadors and ensuring their satisfaction and happiness is of prime importance to us. Since inception we have ensured we keep employees at the core of all our endeavours. We have laid down the foundation for several intramural welfare facilities such as air-conditioned canteen, bus facilities and food facilities at a nominal charge in this effort. Moreover, UPL has also introduced several welfare measures such as providing interest subsidy on home loans, life insurance and medical benefits to the employee and his/her dependent family to secure their needs of its employees.



## Our Approach to the protection of Human Rights

At UPL, protection of human rights is important. We ensure that the highest standards of human rights are always upheld within our organization. Our core values linked to human rights are enshrined in our code of conduct. To ensure our values are embedded in all our operational activities, we have adopted a systematic approach to ensure human rights protection. Our approach encompasses assessment, identification of gaps, devising action plan and finally monitoring implementation. This is a cyclical process and we ensure that we continually step up our systems to ensure human rights compliance in our business.

This reporting period we collaborated with a third-party to assess potential risks related to human rights violation and conducted an assessment to identify avenues for improvement. Around 40% of our Indian operations were covered by the human rights assessment. We ensure each of our employees receive human rights training when they join UPL to ensure they abide by the principles of human rights' protection. All our contracts and obligations incorporate are values of human rights' protection enshrined in our code of conduct. We have also laid out detailed human rights policy to reinforce the importance we emphasize on the protection of human rights. We have a zero-tolerance policy to child labor, forced labor and discrimination of any sort.



# Occupational Health & Safety

## Management Approach

Workforce is our greatest asset; assisting us to achieve company's business goals, targets and objectives. We consider it our responsibility to ensure the safety and good health of our employees. Hence, to protect an individual's state of good health; we try to ensure and embrace a beyond compliance approach for occupational safety by aligning our operation and safety practices with best international standards. We have adopted Occupational Health, Safety and Environment (HSE) policy which outlines the intent of safety of everyone working for or on behalf of UPL is alive and well at the end of the day. UPL has a well-established OH&S organization and OH&S management framework to achieve best in class occupational health and safety. The policy can be viewed at



Our past performances in providing safe and healthy work environment has been immensely acknowledged, awarded and affirmed by several national and international certification and awarding bodies. This indeed helps us to attract & retain talent, create value and enhance the brand name

## Process Safety Management (PSM)

- Daily Safety Talk Programme
- Training & Performance
- Contractor Safety Management
- Incident Investigation and Reporting
- Change Management
- PHA (Process hazard Analysis)
- BBS (Behavior Base Safety)
- PSSR System (Pre- Start up Safety Review)
- PSR System (Plant Safety Representative)
- Work Permit System
- Emergency Preparedness and Response
- Second Party Audit
- Safety Control Points
- Preliminary LOPA and Risk Assessment of missing Layer of Protection
- Work Place Monitoring
- Construction Safety
- Safety Self Recognition program (SSRP)
- Safety Abnormality Reporting
- War Against Hazards
- Safety First



## UPL HSE Committee

The safety culture is driven, on priority, which is executed at every level through the Health and Safety Committee. Safety performance review at Board level every is done quarterly and safety committee meet is carried out every month. Each of the manufacturing site has a Central Safety Committee which monitors the performance every quarter and charts the path forward for performance enhancement. These committees have 50:50 composition of the Management: Non-Management workforce.

## HSE Policy

UPL being a responsible organization demonstrates and practices best & high standards of safety, health and protection of workplace environment. We are committed to safeguard health and safety for all. The HSE policy entails and monitors:

- 1 ▶ Training, education and checkups on health, safety and emergency parameters of workforce at different levels
- 2 ▶ Reducing side effects emerging from manufacturing of chemicals and agrochemical products at all applicable sites and localities
- 3 ▶ Improving our HSE objectives and performance by continuous risk assessments, waste reduction and ideal resource utilization
- 4 ▶ Practicing necessary standards for Health, Safety and Environment Performance & Statutory Compliance

The policy covers all group employees and suppliers globally and our performance is periodically reviewed and communicated to our employees, people and interested bodies. The policy is available and can be viewed on our website

### Safety Vision

**"To become one of the best & safest chemical manufacturing companies in the world & achieve best in class safety by making it a way of life."**

## Safety First

**"Tomorrow - your reward for working safely today"**

Safety First' is a unique initiative to enhance the Safety Culture in UPL by strengthening five pillars of 'Safety First'. It's a joint initiative of UPL Safety & HR. It aims at enhancing the engagement of the leadership at the shop floor, enhancing the CAPA compliance, review and monitoring of the safety Performance Indicators, permit to work compliance and Hazard Recognition capacity building. It also has enhanced focus on the Contractor Safety Management.

## Basic Safety First

- Process safety information
- Employee participation
- Process hazard analysis
- Operating procedures
- Permit to Work System
- Mechanical integrity
- Contractor Safety Management
- Training and capacity building
- Management of change
- Pre-startup safety review
- Emergency planning and response
- Incident investigation
- Compliance audits
- Trade secrets



## Our Conduct

Hazard identification is a crucial facet of ensuring smooth business operations. We have several processes like man machine interface, man chemical interface, HIRA, HAZOP study, JSA tool to identify work-related hazards and assess risks on a routine and non-routine basis. For workers to report on work related hazards, we have adopted an IT based safety abnormality reporting system, in which work related all the hazards & hazardous situations including near misses are being reported, their corrective & prevention actions identified and tracked. These processes are monitored by cross functional teams who are expert and have experience in the same. The team is headed by senior management who reports to the board and necessary steps are taken for future where all these processes are reviewed and updated on defined interval. In case of any incident, we do a FISH Bone analysis and Why-Why processes are used for root cause analysis. However, our internal safety audit is regularly conducted by a very competent and experienced in house team to periodically identify any deviations / hazards to prevent incidents.

**Process Hazard Analysis:** A detailed Process Hazard Analysis (PHA) system is in place for new as well as existing plants. Each project undergoes HAZOP study before commencement. All plant setting changes are first cleared by the HAZOP team before being implemented. For new plants we have adopted 3 stage analysis methodologies. For existing plants, cyclic PHA system is adopted once in 3 years from the baseline PHA. We repeat the process of PHA under various instances like a major process incident, change management (technology type) more than five times or a major retrofit etc. All the types of changes are routed through proper process hazard analysis system.

**Safety Audit Team:** It takes the responsibility to achieve construction safety excellence by adhering to safety compliances in all the units and constantly upgrading our designed safety manual.

**Transporters Meet:** Transportation of hazardous chemicals is highly risk prone sector. Hence, we regularly schedule transporter meets and conduct trainings for transporting crew to ensure safety during the transit of inbound or outbound Hazardous chemical cargos.

**Safety Trainings:** Conducting training programmes which critically addresses the area of safety on several engagements like construction safety, chemical safety, emergency response, process safety management, electrical safety etc. On a routine basis, each operating shift commences with a 10-minute discussion on safety aimed at enhancing process integrity. Each project undergoes HAZOP study before commencement. All plant setting changes are first cleared by the HAZOP team before being implemented. For making an employee in charge of respective activity, an employee needs to undergo an assessment based three-tier training of minimum 23 days where the individual is taught about safety and functional expertise including safety in operating functions.

The three tiers are

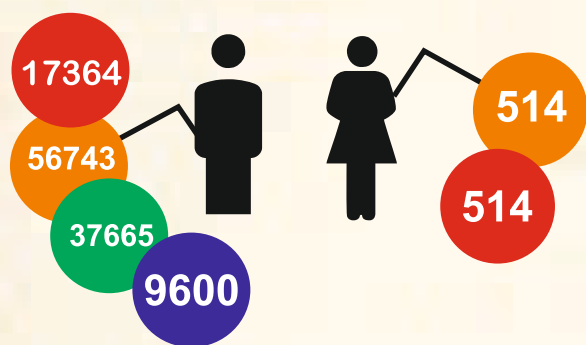
**Level 0 :**UPL Company, values, vision, mission, policies, code of conduct etc

**Level 1 :**8 module 3 day detailed safety programme

**Level 2 :**Functional area adequacy



# Safety Training for Employees



- Total Hours of Training
- Hours of Training for Employee at Management Level
- Hours of Training at Non-Management Level
- Training for Contractual Workers (Excluding Employees)

Statistical representation on safety training in past 3 years (2016-2019)

Total safety training provided in 2016-17:  
1.8 man days 

Total safety training provided in 2017-18:  
1.62 

Total safety training provided in 2018-19:  
2.83 

Our performance has been respected in the sector, which is justified by all our sites are being certified with “Occupational Health and Safety Assessment Series (OHSAS 18001)” and we are engaged in adopting the Integrated Management System encompassing the requirements of ISO 9000, ISO 14001 and ISO 45001:2018 across all our manufacturing facilities.

By demonstrating our commitment towards HSE practices and development, we “UPL” is recognized as a Responsible Care company. We voluntarily adopted the codes and practice of Responsible Care (RC) initiative accepted by Indian Chemical Manufacturers' Association and implemented the ISO - 14001:2015 (Environmental Management System).

**Medical health checkup:** We have forged partnerships with various diagnostic centers to ensure that we are able to provide best diagnostic facilities to our workers. This forms a part of our preemptive healthcare strategy. A pre-medical test is conducted for identifying the health of the workforce and contract staff. Annually we conduct medical checkups for our workforce. Specific medical tests are done at the time of onboarding and post that on a regular basis it is conducted to ensure positive health and safety of the individual. The reports are addressed and handled by experienced qualified medical professionals, safety team and the departmental head, who maintain the confidentiality and provide necessary plan of action for any betterment of health if required. These medical checkups can identify any occupational illnesses and condition of health of an employee to take corrective actions.

**Health Index & Fire Index:** This is a material balanced based approach identifying and reducing chemical losses to the environment which has potential to harm both people and environment. This approach also helps address odour nuisance problem as well. It indirectly helps enhance yield improvement as well.



Organized teams for emergency preparedness: Chemical and industrial disasters at manufacturing plants are inevitable. We enforce “Zero Tolerance” as a standard to prevent any kind of mishap and disaster. The below teams work actively for workforce & environment welfare and in case of any emergency.

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



To promote the importance of Health, Safety and Environment and to have effective employee engagement, we have devised a few of continual activities and programs which are listed below:

- KBSG (Kon Banega Suraksha Gyani)
- Safety Week Celebration
- Safety first initiatives & quarterly festivals
- ERT competition across all sites of UPL & group companies
- Health awareness program by FMO/external agencies
- Our workplace and workforce are biannually internally audited and annually externally audited.



Safety Performance for Employees in Nos.			Total
Injuries	13	0	13
Occupational Disease	0	0	0
Lost Days	769	0	769
Fatalities	0	0	0

Safety Performance for Contractual Workers  
(Excluding Employees) in Nos.

Safety Performance			Total
Injuries	7	0	7
Occupational Disease	0	0	0
Lost Days	18091	0	18091
Fatalities	3	0	3



## UPL's MOU with Gexcon

UPL entered a Memorandum of Understanding (MOU) with Gexcon AS, Norway, to progress its focus on Innovation Management in Process Safety, enabling UPL to strengthen the existing standards on Process Safety across its manufacturing facilities and projects worldwide. The MOU builds on the long-standing relationship between UPL and Gexcon AS to advance an operational excellence journey resulting in global leadership in implementation of Process Safety & Risk Management. The MOU involves use of Gexcon technology in Process Safety and Risk Management for UPL plants worldwide as well as in setting up a 'Centre of Excellence' in 'Process Safety and Risk Management' for Pesticides and Toxic Chemicals at Gujarat (India).

The focus on Innovation in Process Safety & Risk Management will transform UPL's ability to develop new high-performance standards in line with Global leaders in manufacturing hazardous chemicals. The capability to develop and implement these standards will help UPL to reduce the risks from their operations to Environment, Personnel & Assets. The goals of the Innovations in Process Safety Management focus will be to bring a cultural change among employees at all levels and improve the company's standards by operating in a cost effective and sustainable manner.



LtoR; Mr. Vikram Shroff, Director at UPL Ltd. and Mr. Sturle Pedersen, Global CEO & president, Gexcon signing the MOU at Embassy of Norway

# CORPORATE CITIZENSHIP

Vision	Mission	CSR Values	Focus Areas
To be a catalyst for more equitable and inclusive society by supporting long term sustainable transformation and social integration.	<div>We will achieve our vision by:</div> <ul style="list-style-type: none"><li>• Implementing need-based projects through participatory approach</li><li>• Focusing on building capacity to make the community self-reliant</li><li>• Developing Partnerships</li><li>• Transferring knowledge</li></ul>	<ul style="list-style-type: none"><li>• Care</li><li>• Excellence</li><li>• Sustainability</li></ul>	<ul style="list-style-type: none"><li>• Education and empowerment</li><li>• Employability and Entrepreneurship</li><li>• Agriculture Development</li><li>• Environment and Nature conservation</li><li>• Health and Sanitation</li><li>• National / Local area need</li></ul>

## Management Approach

Our involvement in sharing social responsibility dates back to 1969 when the concept of CSR was not very well established. By observing the state of local conditions and their needs, we started off by taking several measures to uplift the neighboring communities. Our activities were majorly focused on health and education sector. This helped us in shaping our core values of inclusive growth that propelled us to deeply engage in activities contributing towards community development. Today our CSR values, vision and mission assists our philosophy of “Doing things better” and achieve sustainable growth for all. Our long-term view towards the development of rural areas, improvement of education and ensuring requisite healthcare facilities has been the key focus areas of our activities. We engage with our stakeholder (local community, farmers, customers) regularly and keep an open forum to share their concerns. Presently we are benefitting around 60 communities with more than 70 development programs in 6 different countries.

We have a CSR policy that guides us and aligns our activities to the focus areas. In accordance with sub-section (1) of section 135 of the Companies Act 2013, our organization has set up a CSR committee to advise on the company's CSR policy, and monitor the CSR activities which are identified on the needs of communities. We also have a grievance

mechanism to address the stakeholder's grievances related to the policy. With the CSR committee, other committees (EHS) also support some CSR projects of the Company. We have engaged with several other associations and NGO's for driving our cause effectively. We have contributed 7.53% of our total average net profit in this financial year.

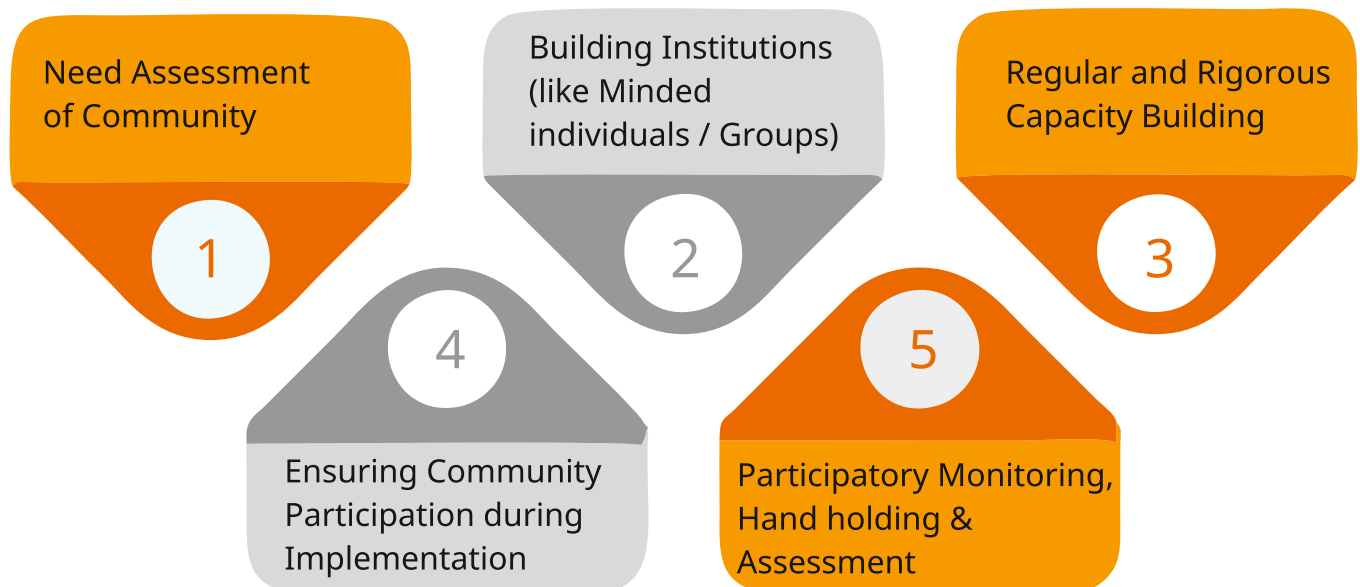
We conduct a third-party social and environment impact assessment for all our CSR initiatives to measure the long-term impact of the interventions in a period of three years. Recently, we have conducted the social study in 2016 where the results were very encouraging both at the macro and micro level. The results are acknowledged by several awards, recognition and community feedback which can be viewed in our annual report and CSR report. We have also conducted an environment impact assessment which encompassed demographic details of settlements, green belt, flora and fauna, soil, water, air and many more. This reporting period no negative impacts caused by our operations on local communities was reported. Moreover, most of our operational facilities are in industrial zone, consequently we do not affect any local communities.



## CSR Process

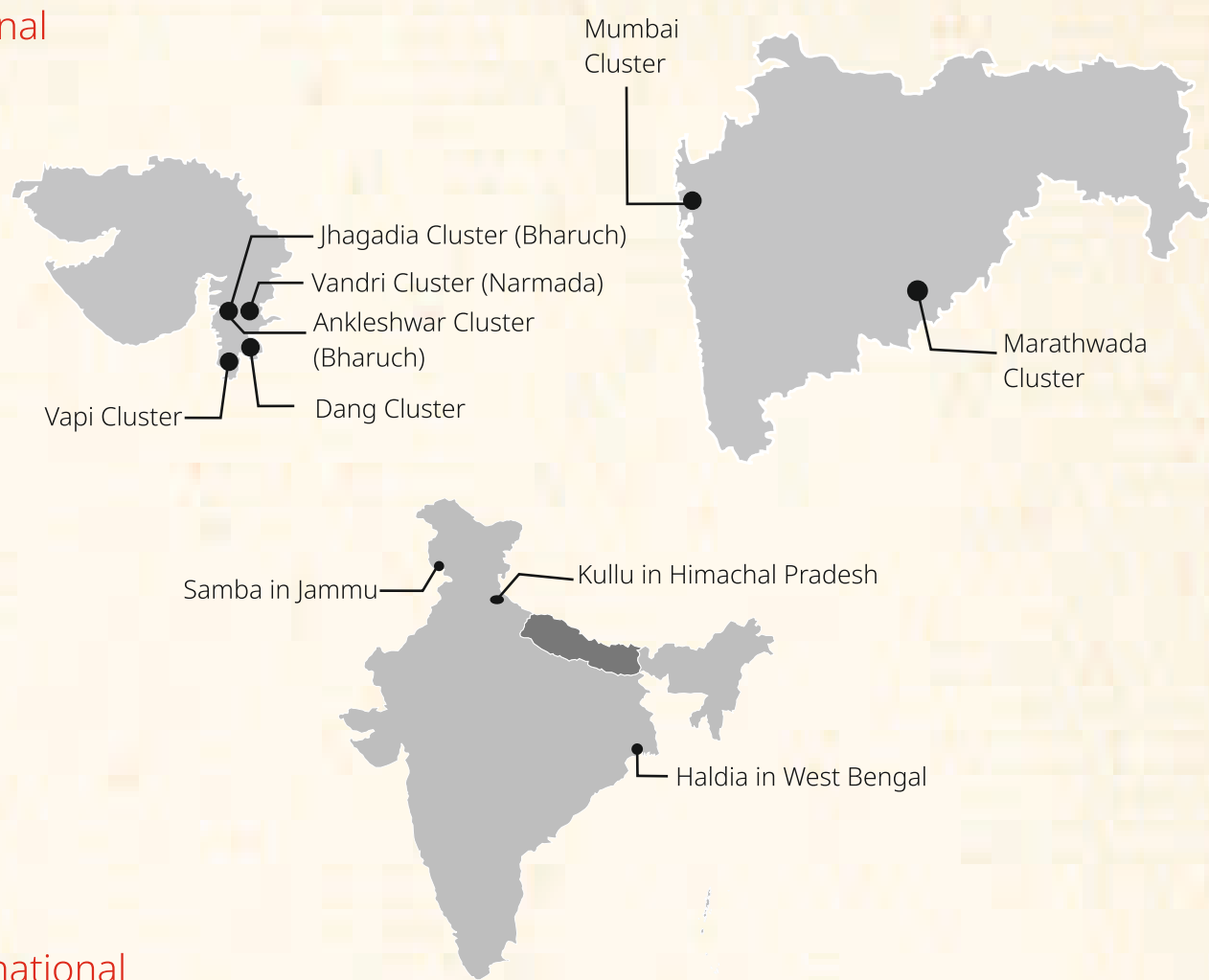


## Our Approach to adopt & implement initiative



# OUR CSR FOOTPRINT

## National



## International



# National Initiatives

## 1. Promoting Sustainable Livelihoods

### 1.1 Agriculture Development

Through CSR initiatives, UPL Limited empowers the farming community to experience a better quality of life through maximizing, profitability, better nutrition and capacity building. Our goal is to enhance food security and improve the socioeconomic conditions of 25,000 small and medium farmers. Engagement Mechanism in agriculture is based on Farmer's profile, cropping patterns and prioritization of needs.

For agricultural development, we:

- Provided trainings & exposure visits for farmers
- Demonstrated vegetable/cash crops in farms
- Distributed orchard grafts
- Provided support for creeper and climber crop in villages
- Facilitated and installed micro, mini and drip irrigation system
- Promoted System of Rice Intensification (SRI) with paddy/rice farmers and System of Root Intensification
- Introduced agro horti forestry
- Organized animal health checkup camps and trainings on animal husbandry
- Promoted Agri - Micro - Enterprise through Self Help Groups



Initiatives ( All values in nos.)

	Years	Village	Farmer Groups	Farmers
Agriculture Development at Dang	5	45	20	2050
Agricultural Development at Ankleshwar	4	14	18	276
Agricultural Development at Jhagadia	4	13	9	145
Agricultural Development at Vapi	3	10	10	200
AKRSP (1) SRI	6	25	-	1500
Livelihood Enhancement of Tribals (Waghai Block)	2	10	-	520
UPL BoriBagicha/kitchen Garden	4	58	-	2191
Animal Husbandry	3	21	-	185*

\* 1992 Artificial Insemination performed

Agricultural Market Linkage in Ankleshwar

This initiative was started in the reporting year as a pilot program to improve and increase the returns of farmers in the locality. It's an initiative to help the farmers directly sell their products to the end consumer. We provided a van to a farmer branded as “Fresh Veg 2 U” which helped him become an agripreneur. He uses the van to transport all the farmers vegetables to the market for improved returns.



## Training on Farm Mechanization

To create awareness on farm mechanization among the farmers, in 2018-19, 13 trainings sessions were conducted in Marathwada and Vidarbha in Maharashtra. More than 600 participants received training on farm mechanization.

Our impact assessment discloses that:

- The farmers were benefitted by reduced weekly expense on green vegetables from ₹146 to ₹99 after the Kitchen Garden interventions.
- 18% increase in land productivity was observed after SRI application leading to increase in profits per acre from ₹1,472 to ₹3,199.



## 2. Skill Development & Entrepreneurship

4 Programs

50 Villages

Around 3700 Youth & Women Trained & Skilled

We are empowering the youth and women to increase their income earning capacities through developing and strengthening skills, improving resource accessibility and providing institutional support. We aim to increase income earning capacities of 5000 youth and women by 2020.

For skill development and entrepreneurship, we implemented:

- a) Provision of vocational and life skill trainings to youth
- b) Formation and strengthening of Self Help Groups (SHG) and promoting entrepreneurial culture
- c) Provided specific skill development trainings for making household consumables
- d) Providing entrepreneurship development training



For all round development of children and farmers from indigenous groups, UPL has provided:

- a) A centre which provides hand on experience to farmers on different aspects of farming
- b) School, college and research institute for proper education of individuals
- c) Nursing college to prepare professionally competent nurses for "Service of Mankind"

Our impact assessment observed:

- a) Average increase in monthly income of youth from ₹4,750 to ₹7,750 under skill development initiatives
- b) Average monthly income of SHG member is ₹3,155 where as a non-SHG member earns ₹1,500 under women empowerment programs
- c) After getting trained under skill based entrepreneurial development program average monthly income increased from ₹ 1,240 to ₹2,060



	Years	Youth Trained	Placed in Industries	Villages	Members	Self Help Groups	Participants Trained
UPL Niyojaniy (Skills development program for droupouts)	5	1327	798	-	-	-	-
Skill Based Entrepreneurial Development Program	5	1600	-	-	-	-	1054
UPL Udyamita	5	350	-	36	-	113	-
Establishment of Micro-Enterprise	4	55	-	-	58	-	-

### 3. Environment & Nature Conservation (UPL Vasudha)

We engage with several stakeholders to improve the natural habitat by information dissemination, increased awareness, focused efforts to preserve and protect the flora and fauna

For environment and nature conservation, we implemented:

- a) Creation of eco-clubs (community of school students)
- b) Information dissemination by essay writing, posters, drama competitions, puppet shows, wall paintings, eco science fair, rallies, etc.
- c) Plantation drives (afforestation) and rehabilitation of degraded forest and common lands
- d) Awareness generation by exposure visits and trainings
- e) Celebration of international days related to environment
- f) Eco-friendly workshops
- g) Construction of water storing bodies

5 Programs

3500 Environment Champions

84000+ tree saplings planted



<div>Eco Club Project</div> <ul style="list-style-type: none"><li>5 Years</li><li>85 Eco Clubs</li><li>11821 Members</li></ul>	<div>Green Ganesha Workshop</div> <ul style="list-style-type: none"><li>4 Years</li><li>77 Schools</li><li>8590 Students</li></ul>	<div>Sarus Conservation Project</div> <ul style="list-style-type: none"><li>4 years</li><li>36 Villages</li><li>83 RSPG (Rural Sarus Protection Group) Members</li><li>2306 Villagers</li><li>11997 Students</li><li>726 Sarus cranes (which is around 45% increment from the record of 4 years back)</li></ul>
<div>UPL Social Forestry</div> <ul style="list-style-type: none"><li>3 years</li><li>84633 Saplings Planted</li><li>1,20,000 Mangroves Planted</li></ul>	<div>Water Conservation / Resource Development Activities</div> <ul style="list-style-type: none"><li>1 Year</li><li>25812 Cubic Meter Water Conserved</li><li>2 Check dams</li><li>7 Group Wells</li><li>5 Deepening Ponds</li></ul>	

## 4. Local & National Development Needs

We collaborate with individuals and organizations to secure the growth and development needs of nation are met.



### UPL School Sanitation

- 4 Years
- 47 Schools Sanitation blocks built
- 9225 students are using the facility

### Safety Trainings

- 5 years
- 37,415 Participants Trained

### UPL Unnati

- 3 years
- 9 community based Organization Empowered

### Global Parli

- 3 years
- 106 Villages
- 726 Farmers

### Vandri Cluster Development

- 3 years
- 4 Villages
- 436 Farmer Families

### UPL Deer & Ungulate Breeding Project

- 1 year

### Support to Seva Yagna Samiti Bharuch for Neonatal Care

- 2 years
- 198 new-borns treated

## United Againsts Child Labour (UACL)

According to International Labor Organization (ILO), India has the highest number of working children worldwide. We have drawn out a long-term strategy towards the global concern for child labour which includes legal contracts, awareness drives, advocacy and engagement. The program has run for a year with 131 associated volunteers where 3010 growers were made aware about this concern.

## Support to Motihari Farmer Producer Company

FPC is a group of farmers who are shareholders in the company and can collectively buy inputs and sell their products resulting in the cost of cultivation as well as better price for their products. We provided training cum exposure visits to 60 farmers from 11 FPCs in a 3-day training program. Also, according to our study of the area, for value addition we have supported in and installed Cattle feed pellet, turmeric and jaggery manufacturing & processing plants.



## Project "Asptal" - Mobile Medical Service at Harmirpur, Himachal Pradesh

A mobile medical unit has been deployed which focusses on delivering quality healthcare services in the interior most area of the district. The unit has travelled 55,526 km and treated more than 1 lakh individuals (65% beneficiaries being women).



## VIA70 - A Citizen Centric Application for Mumbai

UPL Limited and Shroff family has created a model for improved urban governance in the form of citizen centric application. It aims to bring transparency to the citizens about their rights and public workers available for them to approach. The application aims to bridge the gap between the governing authority and the citizens of the ward. It focusses on ward budget, complaint mechanism, MCGM data, Ward data, Know your rights, neighborhood chats. In regard to the application, 120 meetings conducted in the neighborhood mobilized around 1600 citizens. The application has received 909 installations, 166 open complaints, 171 closed complaints and 13 suggestions.



## Supporting Children with Special Needs through Save the Children India

UPL has signed an MOU with Save the Children India (SCI) to support children with special needs at Special Care Centre. UPL is assisting in preventing exploitation and discrimination of all vulnerable women and children and uplifting them to lead a life, full of dignity, self-respect and independence. This initiative has improved student learning and self-help skills.

## UPL Supported Cerebral Palsy Athletes for World Games - Spain, 2018

UPL along with Cerebral Palsy Sports Association India (CPSAI) supported 6 Cerebral Palsy Athletes and staff to participate in World CP Games- Spain 2018. With extreme pride we say that one of the participants from India bagged 2 gold medals at the event.



## Improving Irrigation Facility in Pendharshet Village - Palghar, Maharashtra

UPL partnered with IIT-Mumbai with the objective to introduce and dissemination of water related technology i.e. treadle pump. 12 interested farmers from 9 villages participated in the training program and 4 have installed the pump in their respective farm. Farmers are now taking an additional crop thereby improving their income.



# Institutions for Nation Building

2 Schools

3 Professional Colleges

A Centre for Agricultural Excellence

15000 farmers trained till date

Learning and development of around 2500 students every year

We have set up institutions of excellence to raise responsible and skilled human capital via academic excellence, holistic growth and vocations & life skills. Due to lack of quality education institutes in the neighboring areas, literacy of several local individual remains below par.

For all round development of children and farmers from indigenous groups, UPL has provided:

- a) A centre which provides hand on experience to farmers on different aspects of farming
- b) School, college and research institute for proper education of individuals
- c) Nursing college to prepare professionally competent nurses for “Service of Mankind”.



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- b) School, college and research institute for proper education of individuals
- c) Nursing college to prepare professionally competent nurses for “Service of Mankind”

	Years	Students/ year	Farmers Trained
UPL Centre for Agricultural Excellence	19	-	15181
Sandra Shroff Gnyan Dham School, G.I.D.C, Vapi	47	1600	-
Gnyan Dham Eklavya Model Residential School, Ahwa	7	350	-
Sandra Shroff ROFEL College of Nursing, Vapi	15	55	-
Shroff S Rotary Institute of Chemical Technology (SRICT), Vataria, Ankleshwar	6	330	-

- Through We Are United (WAU) employee volunteering initiative at UPL, we foster the spirit and ethos of community development amongst our employees. The activities undertaken by WAU volunteers are around the manufacturing locations and corporate office

Year	2016-17	2017-18	2018-19
No. of WAU Volunteers	123	125	147
Volunteer Hours	3866	3023	4863
Man Days Devoted	483	378	608

## International Initiatives

### Argentina

UPL Argentina has been engaging with neighborhoods by implementing initiatives driven by their needs. We conducted a sustainable development program “With feet on the ground”, where students were taught and made aware of recycling, reuse and care for the environment. We promoted the knowledge of agrochemicals among students and staff of Chemistry Technique and Technique no. 3 respectively. With the students of Primary school No. 6, Mariano Moreno, we carried out the “Celeste y Blanca” pallet recycling project. We donated a first aid room and a soccer goal structure (made from recycled pipes from our plants) to Abbott. Our team also participated in the first CORPET meeting in Monte's Municipality, where several issues and plans for trainings, internships and modification of study plans were discussed.



### Brazil

We have been sportingly supporting a complementary education program called Life Association program governed by Associacao Vida (NGO). It offers regular educational activities, small classes and individual support to youth. We also carried out “Planting Life” project, where the youth had the opportunity to produce a book called “operation water” with thousands of copies. We carried out more than 55 initiatives which benefitted more than 7000 varied individuals. We have been active in donating and providing scholarships for various noble causes. We have also provided financial support to kindergartens, asylum, environment care, health support house and cooperatives to achieve social goals.



## International Initiatives

### Colombia

Several educational campaigns (Breastfeeding, Massage for Babies) were implemented for new mothers. 21 children from 2 schools were granted scholarships and public educational institutes were provided with chairs and fans for proper learning environment. Our WAU volunteers shared their educational and professional experiences in an interactive session with the youth which gave them insights on world and how to overcome their problems. 10 WAU and 200 students from 3 schools actively participated in the initiative. UPL Colombia is the only company who is providing educational support to the Columbian coffee farmers for their competitive development. We also promote excellence by our UPL Excellence Scholarship where the best graduates received 100% financial support. 8 such university scholarships were granted for this year. We also promoted sports, recreation and culture. We provided complementary sport gears & kits to deserving individuals. Engaged with elder people and plant employees into recreational film evening activities and spread the culture of dance in the Carnival of Barranquilla by providing necessary support to children and young dancers.



### Kenya

With the aim to safeguard the future of farming and to raise healthy crops and trees, UPL Kenya team donated a water tank to the Pest Control Products Board (PCPB)-Kenya, for raising a nursery of 50,000 seedlings of fruit trees.

### Mexico

UPL Mexico focusses on improving health conditions, empowering children and providing basic needs for destitute population. During the winters, we collect and receive blankets and winter clothes donated by employees and collaborators. The collected material was distributed to 20 vulnerable families. We participated in Marathon for Health 2018- a Mexico government initiative by ministry of health to spread awareness and align people to healthy lifestyle. We celebrated Children's day by donating toys and clothes to needy community children. We also conduct annual Pink campaign to fight against breast cancer where women of UPL families are supported with mammograms and ultrasounds.



# International Sustainability Rating

## Dow Jones Sustainability Indices (DJSI)

Dow Jones Sustainability Indices (DJSI) rating are increasingly being used in innovative new products for investors, such as the S&P 500 ESG, S&P Europe 350 ESG, S&P Topix 150 ESG, S&P Global 1200 ESG and S&P Long-Term Value Creation Index. Selected results of the DJSI are also shared on the Bloomberg Professional platform, making them accessible to a growing number of investors. The DJSI gives us the unique opportunity to provide a more in-depth and complete picture of company's corporate sustainability efforts. This opportunity sets the DJSI apart from most other sustainability rating frameworks. This is world most credible international sustainability rating and done globally free of cost.

### Major highlights

- UPL DJSI rating for Year 2019 is 61% higher than FY 2018 Rating.
- UPL scored higher rating in all three dimension from industry average.
- We scored highest score in Environmental dimension out of three dimensions i.e. Economic, Environmental & Social.

## FTSE Russell 4 Good Index series:

FTSE Russell has been at the forefront of innovating ESG indexing for nearly two decades. The FTSE4Good Index Series is a market-leading tool for investors seeking to invest in companies that demonstrate good sustainability practices. It also supports investors who wish to encourage positive change in corporate behavior and align their portfolios with their values.

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

FTSE 4 Good Index series is based on the 14 themes areas under environment, social and governance pillar.



### Overall Score

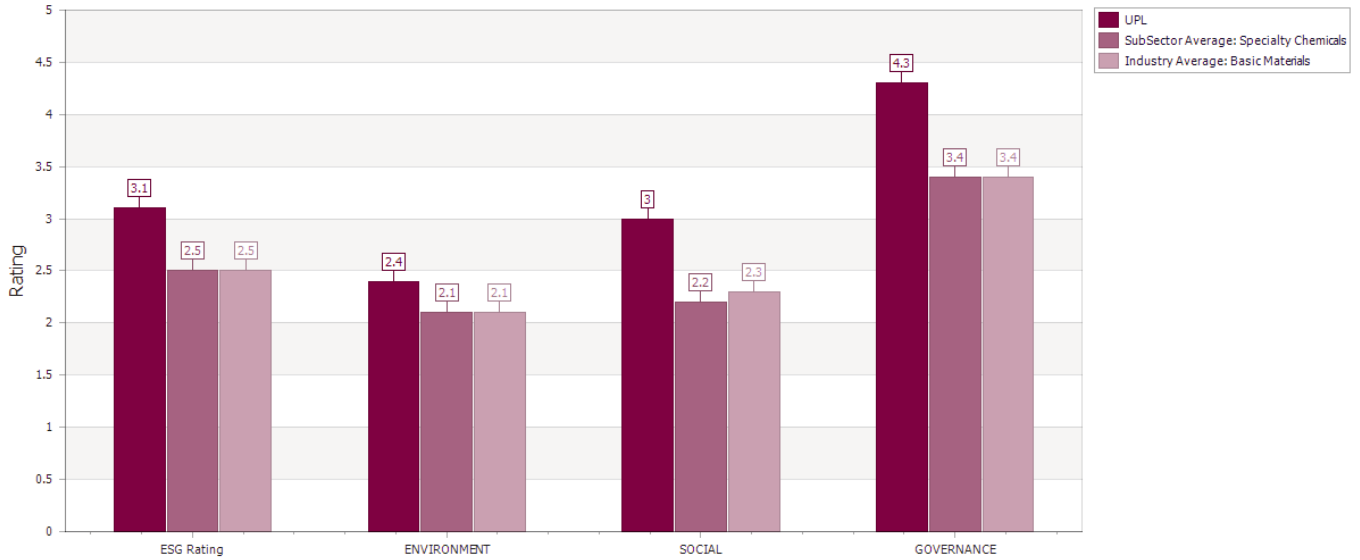
The overall score is determined basis the performance in the individual pillars of ESG. We have achieved a total score of 3.1 with a percentile rank of 55. The detailed scoring with the themes are as below:

<b>Environment Score: 2.4</b> ICB Supersector decile rank: 4	<b>Social Score: 3.0</b> ICB Supersector decile rank: 6	<b>Governance Score: 4.3</b> ICB Supersector decile rank: 9
Pollution & Resources Score: 3	Labour Standards Score: 3	Risk Management Score: 4
Climate Change Score: 2	Health & Safety Score: 3	Corporate Governance Score: 5
Water Use Score: 2	Human Rights & Community Score: 3	Anti-Corruption Score: 4
Biodiversity Score: 2	Social Supply Chain Score: 3	
Environmental Supply Chain Score: 3		

**ESG Rating: 3.1**  
 ICB Supersector: Chemicals  
 Percentile rank: 55

Exposure levels: ■ High ■ Medium ■ Low  
 Score / Rating: 0 to 5 (higher scores are better)

### UPL VS Subsector and industry average

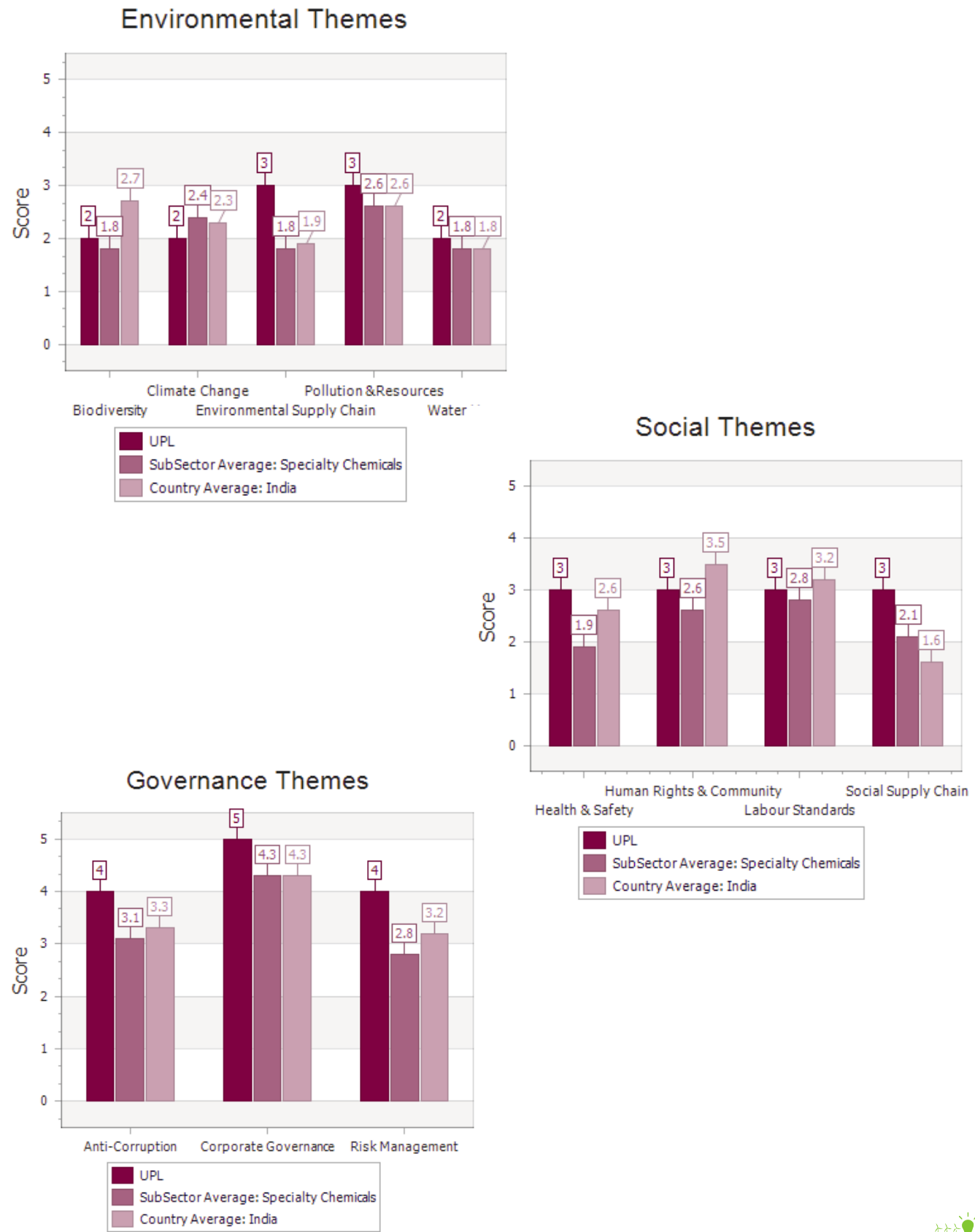


The rating also evaluates the performance on governance indicators across the subsector and industry average to evaluate the company score based on the subsector and industry performance. UPL has showcased performance better than the subsector companies and industries in similar business. The detailed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



UPL VS Subsector and Country average

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



## GRI INDEX

GRI Standard	Disclosure	Page No.	Comments/ Reason for omission
GRI 102 : General Disclosures, 2018			
<b>Organisational Profile</b>			
102-1	Name of the Organisation	1	
102-2	Activities, brands, products & services	10	
102-3	Location of Headquarters	1	
102-4	Location of Operations	9	
102-5	Ownership and legal form	1	
102-6	Markets served	9, 13	
102-7	Scale of the Organisation	62	
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GRI 102 : General Disclosures, 2018			
Governance			
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102-22	Composition of the highest governance body and its committees	15, 16, 19	
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GRI Standard	Disclosure	Page No.	Comments/ Reason for omission
GRI 102 : General Disclosures, 2018			
102-30	Effectiveness of risk management processes	17, 19	
102-31	Review of economic, environmental, and social topics	17	
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102-38	Annual total compensation ratio	19	
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<b>Stakeholder engagement</b>			
102-40	List of stakeholder groups	25	
102-41	Collective bargaining agreement	No Unions	
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102-43	Approach to stakeholder assessment	25, 38	
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GRI 102 : General Disclosures, 2018			
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102-46	Defining report content and topic boundaries	1, 28	
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102-53	Contact point for questions regarding the report	1, 2	
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103-2	The management approach and its components	14, 31, 39, 42, 49, 62, 63, 65, 66	
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206-1(2016)	Anti – Competitive behavior	14	



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GRI 102 : General Disclosures, 2018			
Environment			
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302-2	Energy consumption outside of the organization		Currently we are developing systems to track this data
302-3	Energy intensity	52	
302-4	Reduction of energy consumption	52	
302-5	Reductions in energy requirements of products and services	52	
Water - 303 - 2018			
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303-2	Management of water discharge-related impacts		Discharge is at CETP and we abide to all norms
303-3	Water withdrawal	54	
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303-5	Water consumption	54	
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305-1	Direct (Scope 1) GHG emissions	52	
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305-3	Other indirect (Scope 3) GHG emissions		Information Unavailable
305-4	GHG emissions intensity	52	
305-5	Reduction of GHG emissions	52	
305-6	Emissions of ozone-depleting substances (ODS)		Not Applicable
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	52	



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307-1	Non-compliance with environmental laws and regulations	50	
Supplier Environmental Assessment – 308 – 2016			
308-1	New suppliers that were screened using environmental criteria	43	
308-2	Negative environmental impacts in the supply chain and actions taken	43	
Social			
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GRI Standard	Disclosure	Page No.	Comments/ Reason for omission
GRI 102 : General Disclosures, 2018			
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403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	68	
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412-2	Employee training on human rights policies or procedures	75	
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	75	

GRI Standard	Disclosure	Page No.	Comments/ Reason for omission
GRI 102 : General Disclosures, 2018			
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413-2	Operations with significant actual and potential negative impacts on local communities	71	
Supplier Social Assessment – 414 – 2016			
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414-2	Negative social impacts in the supply chain and actions taken	43	



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# CERTIFICATE OF MEMBERSHIP

This is to certify that

**UPL**

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is a constituent company in the FTSE4Good Index Series



## FTSE4Good

June 2019

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



World Business Council for  
Sustainable Development

The World Business Council for Sustainable Development (WBCSD) is a CEO-led, global association of around 200 companies dealing exclusively with business and sustainable development.

UPL is proud member of WBCSD and Founding member of the WBCSD Global Agribusiness Alliance (GAA).

On the invitation from WBCSD our Global CEO **Mr Jaidev Shroff** is agreed to be the member of GAA CEO Council.

The objectives of the WBCSD which are to:

- Be a business thought leader and advocate for sustainable development,
- Participate in policy development to create the right framework conditions for business to make an effective contribution towards sustainable development
- Develop and promote the business case for sustainable development
- Develop scalable business solutions, and promote their implementation, for sustainable development
- Demonstrate and measure the business contribution to sustainable development and share leading-edge practices among members,
- Contribute to a sustainable future for all nations.

The Global Agribusiness Alliance (GAA) is an international, CEO-led, private sector platform of supply-side companies, committed to harnessing their collective strengths to tackle shared environmental, social and sustainability challenges. The GAA is the first global sustainability alliance of its kind with private sector companies across the entire value chain of food and non-food crops.

The GAA's objectives are to:

- Scale good practices through peer learning
- Contribute to thought leadership
- Input into emerging policy

While developing this report, we referred to GAA's four focus areas: landscape-level partnerships, effective smallholder-supply engagement, water stewardship, and tackling food loss and waste.





## UPL Limited | Sustainability Report 2018-19

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