
Communication on Progress

F.Y. 2017-18

PI INDUSTRIES LTD.



Inspired by Science

November 20, 2018

To our stakeholders:

PI industries Ltd. is a leading manufacturer of Agrochemicals in the Indian Agri business space for over seven decades. Over the years, the company has been on a steady growth trajectory due to its sustainable business approach. The biggest challenge faced by businesses today is maintaining the balance between progress and the planet's health. It is incumbent on every company to address challenges such as climate change, depleting natural resources, especially water, as well as rising energy demand and environmental pollution. While it is imprudent to abandon development and growth targets, the solution lies in reducing and retarding the impacts of problems in question within the framework of rational and systematic approaches. Over the years, PI has consciously adopted technologies and solutions to manufacture products and provide services that are in harmony with the environment. This is the first COP from the stable of PI Industries and I am happy to share it with all of you.

In the fast evolving global landscape, sustainability has also progressed. It is no longer enough for a company to focus on its direct footprint. Achieving economic, social and environmental performance in today's dynamic business scenario requires a long-term corporate social responsibility and sustainability strategy. As part of our social responsibility and commitment to society, we established PI Foundation in the year 2012, to spearhead various initiatives on the social front. The key focus groups are neighbouring communities across our manufacturing locations and the farming community across the country, who continue to provide us an opportunity to serve them. Keeping in line with UN Sustainable Development Goals (SDG), we have undertaken a host of measures in the field of healthcare, hygiene and sanitation, education, women empowerment, skill development, sustainable agriculture practices and addressing water scarcity in our areas of influence. As an enterprising & law abiding unit, PI will continue to dedicate sustained and concerted efforts to propel its social agenda while at the same time creating economic value to its stakeholders.

Now, on behalf of PI Industries Limited I am pleased to reaffirm our continued support to the Ten Principles of the United Nations UN Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In this maiden Communication on Progress, we describe our actions to continually improve the integration of the UN Global Compact and its principles into our business strategy, culture and daily operations. We also commit to sharing this information with our stakeholders using our primary channels of communication.

Yours Sincerely,
For **PI Industries Limited**,



Mayank Singhal
Managing Director

About PI Industries Limited

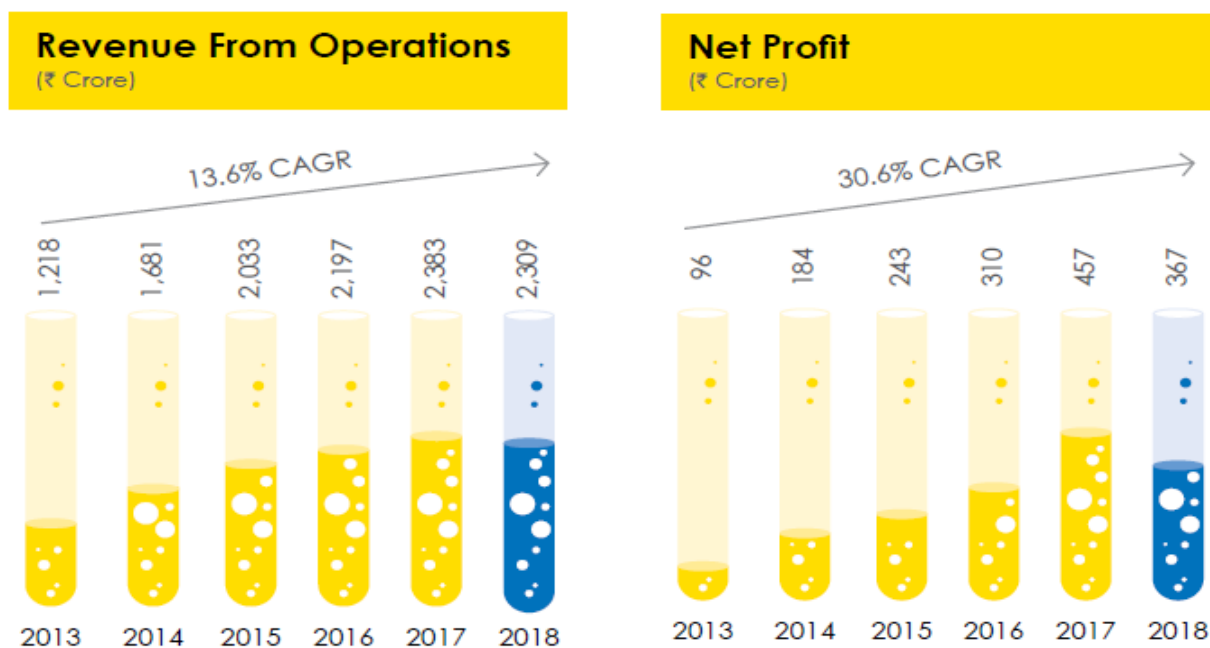
PI Industries Ltd. was founded in 1946 under the name Mewar Oil & General Mills Ltd which through a journey of 72 years has shaped into one of the finest chemical company in the world in the field of agro chemical manufacture and distribution. We follow a unique business model in the Agchem space of providing innovative solution to our customers from R&D to Distribution. PI is known for its technological capabilities in Chemistry/ Engineering related services and on the other hand, have built leading brands over the last 60 years and connected with more than 40,000 retail points pan India. Our export market ranges over 6 continents and includes more than 30 countries. We have our physical presence in India, Japan, Germany and China. Our products and services include Agrochemicals, Speciality products, R&D Services, CSM Services and Distribution Services across India. Agrochemicals include a range of various insecticides, fungicides and herbicides. To strengthen our presence globally, we have recently entered into a Joint Venture with Mitsui Chemicals Agro Inc., Japan and Kumiai Chemical Industry Co. Ltd., Japan.

PI has 2 large scale manufacturing sites at Panoli and Jambusar based in the state of Gujarat, India. An advanced formulation unit has also been established at Panoli wherein various products under the brand name of NOMINEE GOLD, BIOVITA, OSHEEN, ROKET, CARINA,KEEFUN, HEADER etc. are manufactured. PI has established a state of the art R&D facility at Udaipur which deploys a dedicated team of more than 300 scientists. The facility includes advanced research and development labs, kilo plants and pilot plants with GLP certified analytical lab.

In the domestic market PI offers plant protection products, and speciality plant nutrient products and solutions which cater to the domestic market. PI has a strong rural reach and brand equity with millions of Indian farmers duly backed by a robust pipeline of products, for sustained growth in the sector. In exports PI offers contract research and manufacturing of agro chemicals, intermediates and other niche fine chemicals for global innovators. This is backed with a strong research and development support, works to develop and commercialise products based on newly discovered chemistries with reputed multinational company innovators.

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PI as an organization has grown at a phenomenal rate over the years and the status of revenue and profits serve as a proof for it.



(Source: PI Industries Annual Report, 2017-2018)

PI Industries Ltd. has always believed in developing in a sustainable manner. Sustainability is ingrained in the company's decision making. PI has always endeavoured to conduct the business in harmony with the elements of the nature, while creating long term value for stakeholders. PI will continue achieving many milestones while keeping sustainability at the core of business.



COMMUNICATION ON PROGRESS

HUMAN RIGHTS

Principle 1: Businesses should support and respect the protection of internationally proclaimed right to equality in wages.

Principle 2: Businesses should make sure that they are not complicit in human rights abuses.

Our Commitment/Policies

At PI Industries limited adherence to human rights principles is enshrined in “Code of Conduct” policy. This policy lay’s the framework for non discriminatory practices based on gender, ethnicity, religion, age etc. We provide equal opportunities for growth to all our employees. Their remuneration is commensurate to the nature of service rendered without any discrimination. The “Code of Conduct” clearly states that we need to take utmost care while selecting our suppliers and business partners in order to ensure that our partners understand and respect our commitment to Human Rights principles.

Our Sustainability policy clearly states that we will be conducting our business within the ambit of Responsible Care Principles and will also call upon our partners to adopt the same. Our Sustainability Model has key objectives to address Sustainable Development Goals, which includes: Poverty Alleviation, Clean Water & Sanitation, Quality Education, and Good Health and Wellbeing.

Our Actions:

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At PI we have ensured that all our employees are treated equally without any kind of discrimination. The HR committee is entrusted at each of our sites to ensure that none of our employees are subjected to any sort of discriminatory practice. We have zero-tolerance approach towards any kind of discrimination. Our employees have been empowered to approach the HR committee, if they cite any kind of discriminatory practice. They can directly approach them or can anonymously put in their grievance. An in house application titled “Human Resource Service Management” has been developed wherein the employee can login their concerns. The concerns need to be addressed within specific time duration else it will be suitably escalated. We have encouraged our employees to provide their suggestions in order to make our systems robust. They are free to send in their suggestions either through email or deposit in drop boxes. In order to ensure that all our employees are well aware of their rights and duties we have made it mandatory for all to undertake the training on “Code of Conduct”.

x. **Human Rights** PI recognises the importance of maintaining and promoting fundamental human rights in all of our operations and throughout our supply chain, our values, codes and employment policies work together to support the principles contained in UN Universal declarations of human rights and the International Labour Organisation's fundamental principles and labour standards.

We operate under the program and policies that:-

- Provide fair and equitable wages, benefits and other conditions of employment
- Are in accordance with local laws
- Provide humane and safe working conditions
- Prohibit all forms of forced and compulsory labour or child labour
- Promote workplace free of discrimination and harassment

We expect our suppliers and business partners to uphold these principles as well and not be complicit in human rights abuse.

#1: Reproduction from “Code of Conduct” (Human Rights)

We have a strong whistle blower policy which empowers our stakeholders to report any kind of abuse with respect to human rights or any other discriminatory practice. A committee headed by our Executive Director is in place to check the veracity of these complaints and to suggest suitable remedial measures accordingly. Adherence to Human Rights principles is not an option for our stakeholders but mandatory conditions as we have made it a part of our business requirement. All our suppliers need to accept and endorse the “Code of Conduct for Suppliers” with a commitment for upholding the human rights principles.

4. Violation of the Code (Reporting Concerns)

Each employee must report actual or potential violation of this code of conduct or applicable laws to the Company's Vigilance and Ethics Officer. All such reports of violation shall be treated as protected disclosures under Whistle Blower Policy. The Protected Disclosure should be submitted in a closed and secured envelope and should be super scribed as "Protected disclosure under the Whistle Blower policy". Alternatively, the same can also be sent through email with the subject "Protected disclosure under the Whistle Blower policy". The disclosure should be addressed to Vigilance/Ethics Officer.

For further information, please refer to Whistle Blower Policy on the company's website.

The contact details of the Vigilance and Ethics Officer are as under:-

Name and Designation – Mr. Rajnish Sarna, Whole time Director

Email- r.sarna@piind.com

#2: Reproduction from “Code of Conduct” (Whistle Blower)

The Outcomes:

During the reporting period we haven't received any complaints regarding human rights violations either internally or externally. Any complaint, if received, needs to be immediately brought to the attention of top management in the Monthly Coordination Meeting. A discussion is ensued on the reported violation along with briefing on course of action and remedial measures undertaken. All deviations with respect to “Code of Conduct” are reported to the Board every quarter and yearly data is published in the annual report.

There are no pending or new litigations against the company with respect to human rights. The company has never paid any fines in the past for human rights violation.

Please refer: Page 82 of PI Industries Annual Report 2017-18

https://www.piindustries.com/Media/Documents/PI%20IND_Annual%20Report%202018_f or%20web.pdf

LABOUR PRINCIPLES

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: The elimination of all forms of forced and compulsory labour;

Principle 5: The effective abolition of child labour; and

Principle 6: The elimination of discrimination in respect of employment and occupation

Our Commitment

PI Industries Limited is one of the progressive and highly employee oriented organisation with a transparent & open employee-employer relationship. We recognize the freedom of assembly, including the right to form any representing forum and the right to become member of any labour union for collective bargaining.

We respect and strictly adhere to the provisions of ILO convention prohibiting forced and compulsory labour. Our commitment to this principle finds mention in our “Code of Conduct”. We are strongly committed to the provisions of ILO convention concerning Minimum Age for Admission to Employment & the statutory provisions of the country we operate with respect to child labour. This is mandated by our “Code of Conduct” Policy. We require all our vendors and business partners to adhere to these conditions.

v. Prohibition of child labour

PI Industries strictly prohibits the employment of child labour at its plants and offices. All employees at PI Industries responsible for hiring of staff are required to ensure that this principle is upheld.

#3: Reproduction from “Code of Conduct” (Prohibition of Child Labour)

PI Industries is an equal opportunity provider and does not discriminate against any person

3.2 Code of conduct towards employees

- i. **Equal Opportunities for employment** PI Industries is an equal opportunity provider and does not discriminate against any person because of their gender, caste, religion, age (within statutory limits), marital status, nationality, ancestry, ethnicity, geographical origin, sexual orientation, disability or any other trait protected by law, with respect to any terms of employment such as hiring, promotion, transfer, compensation & benefits, career development opportunities, etc. It is expected that managers shall take employment related decisions based only on the merit of the person and not discriminate against any person because of their personal characteristics/traits.

#4: **Reproduction from “Code of Conduct” (Equal Opportunities)**

because of their gender, caste, religion, age (within statutory limits), marital status, nationality, ancestry, ethnicity, geographical origin, sexual orientation, disability or any other trait protected by law, with respect to any terms of employment such as hiring, promotion, transfer, compensation & benefits, career development opportunities, etc. As a company policy we provide opportunities to people with disabilities in accordance to government regulations. All employment related decisions are strictly based on the merit of the person and not influenced by their personal characteristics/trait. As an organisation, we value diversity and encourage fairness and justice. We create opportunities for every employee in our company to work, learn, and live free from discrimination and victimisation. We will always combat discrimination throughout the organisation and will use our position of influence, wherever possible, to help overcome discriminatory barriers. We expect our business partners to strictly adhere to these principles.

Our actions:

We have formed various committees wherein our workforce can collectively bargain for improving the existing conditions. Safety committee is formed wherein there's an equal representation of workers and management staff. Any pertinent issue with respect to environment management, industrial hygiene, personal & process safety & welfare is brought to the managements notice for deliberation and further action. Another such committee is the Canteen committee that is responsible for the subsidised food services provided by the company. Workers put in their demands with respect to the kind of food and services that

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they require which is deliberated upon by the committee before any decision is taken. We also welcome suggestions from our employees and listen to their grievances. For this we have provided them with a platform named “Human Resource Service Management” wherein they can raise their concerns and expect a time bound redressal. We had labour union in the past but over the years the need for the union to exist for collective bargaining has diminished as we provide remuneration to our employees which are much higher than the industry average in our class and our region and which is also much higher than the minimum wages prescribed by govt. Another reason for the non existence of union is due to the no. of varied platforms that we have provided to our employees to raise their concerns and grievances.

At PI safety and health of our employees is of prime importance. We have been constantly striving to provide a safer work place to our employees, whom we consider as our greatest assets. These include providing engineering controls at various stages of operations, the right PPE's, relevant trainings etc. The business that we are in requires a very high degree of process safety measure and to ensure that, we have created a new process safety cell within Environment, Health and Safety (EHS) Assurance department where highly skilled professionals are engaged in identification and mitigation of process hazards. As a proactive organization we have started the process of recording and investigating “Process Safety Near Miss” along with general “Near Miss” which we were capturing already. We have found that analysing and taking corrective action against process safety near miss makes our systems more robust and fool proof. We map all our leading and lagging indicators and accordingly take actions to improve our work environment.

The Company has set a standard of 'zero tolerance' for harassment. We views all incidents of 'sexual harassment', very seriously and encourage employees to report any incidents of sexual harassment to the Internal Complaints Committee (ICC) known as Prevention of Sexual Harassment (POSH) Committee. The committee meets every quarter and reviews all the cases of sexual harassments and take actions. All employees mandatorily need to undergo training on POSH.

ii. **Workplace free of harassment**

PI Industries recognizes and respects the right of every employee to a harassment free workplace. Hence, employees are expected to ensure a healthy, safe and conducive work environment that is free from harassment of any kind or form.

Towards this, employees are prohibited from indulging in harassment of any kind or form - whether physical, verbal, psychological, or sexual in nature. This includes all types of unwelcome, offensive, demeaning and intimidating behaviours, whether explicit or implicit.

The Company sets a standard of 'zero tolerance' for harassment. We are all responsible for ensuring that we avoid actions or behaviour that are, or could be, viewed as harassment.

The Company views all incidents of 'sexual harassment', very seriously and encourage employees to report any incidents of sexual harassment to the Internal Complaints Committee (ICC) known as Prevention of Sexual Harassment (POSH) Committee formed under Sexual Harassment of Women at Workplace (Prohibition, prevention and Redressal) Act, 2013. The Company management may initiate strict disciplinary action against employee found guilty of any kind of sexual harassment.

#5: Reproduction from “Code of Conduct” (Prevention of Sexual Harassment)

As a company policy we have decided to only hire people who are 18 years or older in order to ensure that no child is employed in our operations. This process also extends to our contracted labour suppliers. To ensure that this policy is not violated we have strict vetting of documents submitted in support of age proof by our employees as well as the contract labour employed in our organization. Till the vetting is completed we do not allow any person to enter our premise.

Employees are free to leave the company at any time and we don't offer any benefit as leverage to force labour.

At our company we objectively evaluate our current employees and all future prospective employees. Detailed job descriptions along with roles and responsibilities are prepared for all the positions. Prospective employees are made to undergo a selection process that is solely based on merit. There's no discrimination based on religion, sex, ethnicity, race etc. The selected employees are provided with Key Result Areas (KRA) for which the Key Performance Indicators (KPI) is mapped at the beginning of the year. The employee is expected to deliver on these KPIs. Half yearly reviews are conducted at regular intervals to map the progress of the employee Vis a Vis the KPI. Based on the performance the employee is rewarded. The remuneration paid to the employee is befitting the role and responsibility given to him/her and has no linkage to any other parameter. Discriminatory practices are not all tolerated at the workplace.

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To ensure that all our employees are in sync with the set company standards, we impart regular training through internal and external agencies. It's mandatory for all our employees to undergo specific training which include "Code of Conduct" and "Prevention of Sexual Harassment at Workplace", basic safety & fire fighting as part of induction procedure.

We require all our business partners to strictly adhere to the labour principles endorsed in the "Code of Conduct for Suppliers". To check their compliance we audit their facilities and records on a routine basis. We have a whistle blower policy wherein any discretion on the accepted terms and conditions could be reported. The reported discretion is investigated through a committee headed by Executive Director.

The Outcomes:

Our diverse workforce is a testimony to the non-discrimination policy adopted by the company. 0.5% of our workforce consists of people with physical disabilities.

All our units are OHSAS 18001:2015 certified which clearly depicts the commitment of the company to provide a safe and healthy work environment. As a testament to the labour practices deployed at our units we have been awarded with "SHRESTHA SURAKSHA PURASKAR" by National Safety Council (NSC).



#6: OHSAS 18001:2007 Certificate

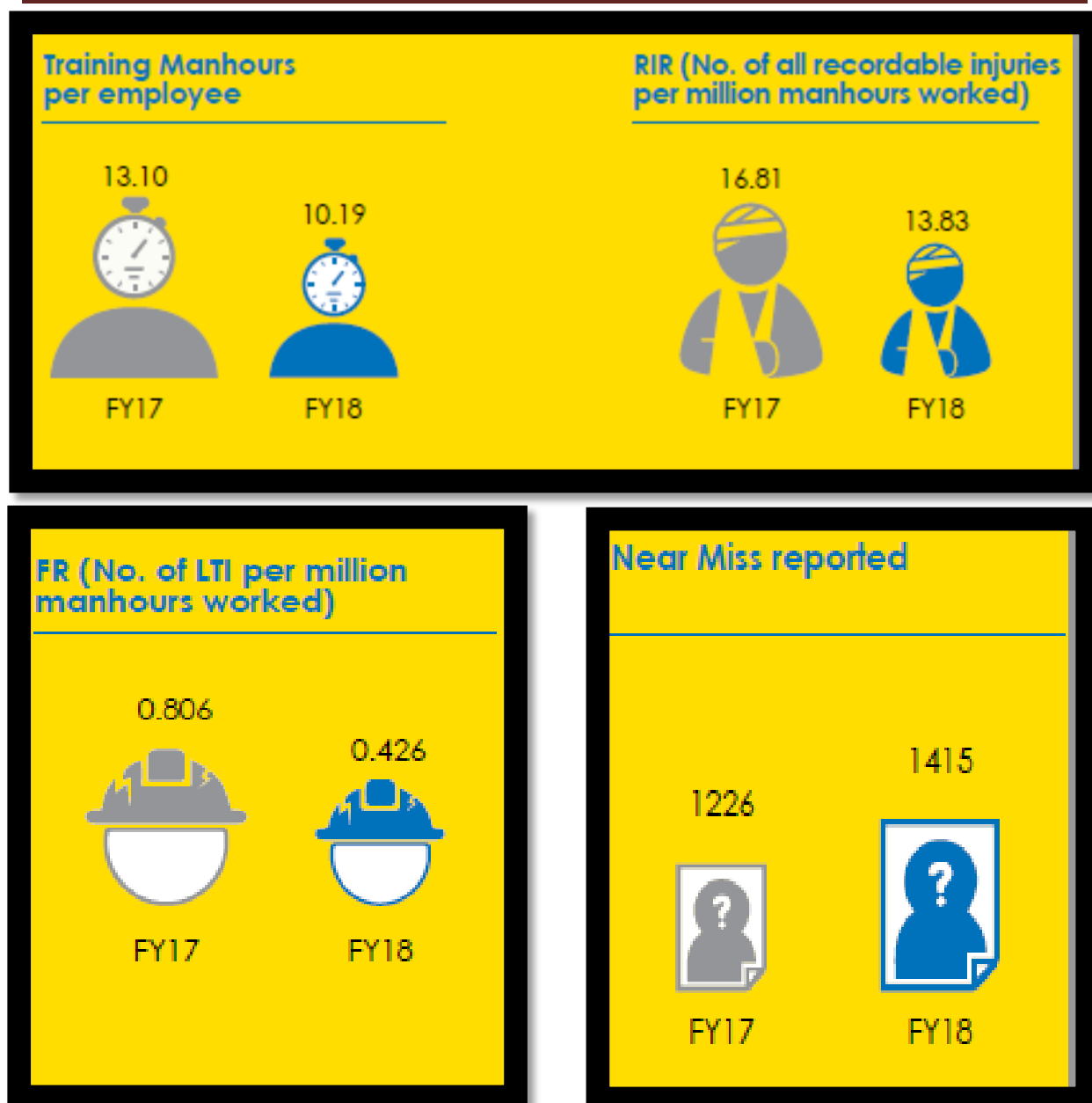


#7: Shreshtha Suraksha Puraskar, NSC

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During the reporting period of COP we did not receive any incidents of violation of labour principles either internally or externally. The company has never been fined for any violation of labour principles either in the past or during the reporting period.

As a Responsible Care company we ask our suppliers to strictly adhere to the labour principles and routinely subject them to audit. Our partners are required to comply with audit recommendations to continue business with PI.



#8: Safety Statistics, Leading and Lagging Indicators

** There has been a dip in the training man hours per employee during the reporting period as the figures represent only class room training man-hours while that spent on online training modules are not captures as we are yet to synchronize the same through which we can get cumulative hours of all employees.

For further information Please refer: Page 81 of PI Industries Annual Report 2017-18 for further information

https://www.piindustries.com/Media/Documents/PI%20IND_Annual%20Report%202018_f or%20web.pdf

ENVIRONMENTAL POLICIES:

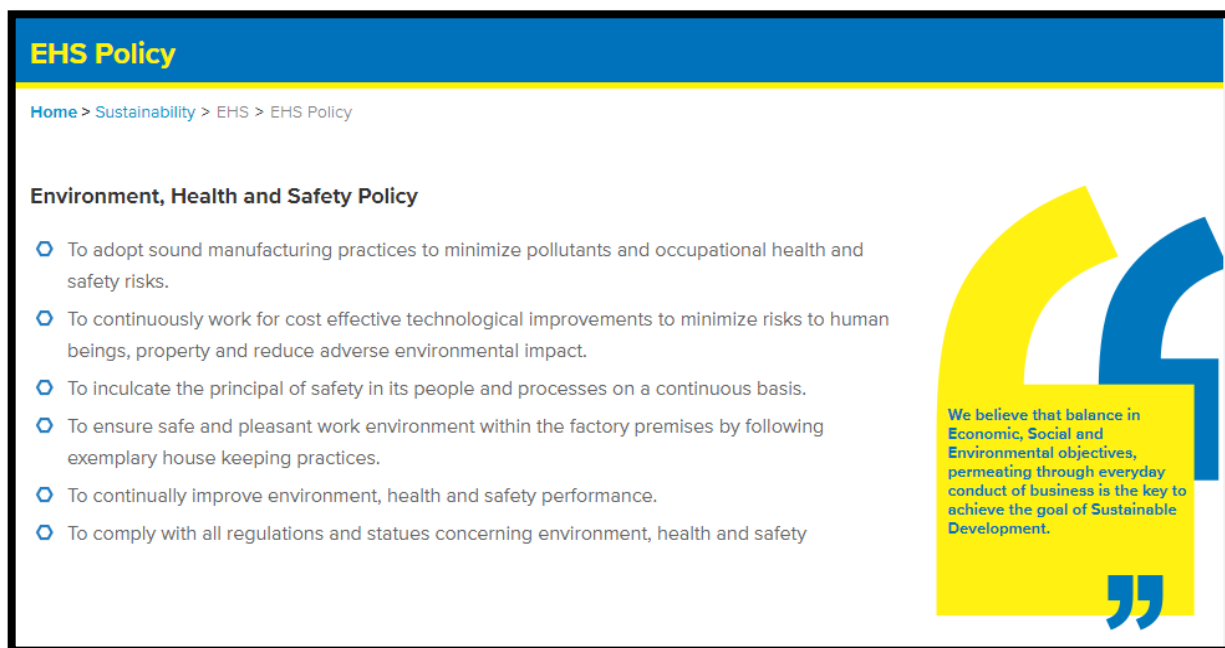
Principle 7: Businesses should support a precautionary approach to environmental challenges.

Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility.

Principle 9: Encourage the development and diffusion of environmentally friendly technologies Assessment, Policy and Goals

Our Commitment/Policies

At PI we have given prime importance to the surrounding Environment in which we operate and have made all possible attempts to mitigate any impact on it due to our operations or actions. All our business decisions are guided by our EHS (Environment Health and Safety) and Sustainability policy which is endorsed by our top management. To understand the



#9: EHS Policy displayed on company website

impact of our operations we have developed the Aspect Impact register based on which we have undertaken various mitigative measures to protect the environment. Protection of Environment through sustainable practices is a part of our employee "Code of Conduct". Each and every employee needs to adhere to this code. Business objectives for the long term are taken as the base to decide the priorities and goals. The business objectives are translated

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as yearly objectives and action plan is developed to improve the EHS performance which includes development of management programs, technological up gradations, Research and development to implement policy of 3 R's (Reduce, recycle and Re-use) to achieve continual improvement plans as directed by EHS policy. Business objectives are translated to functional objectives and KRA of the individuals. Business objectives are identified in the area of energy reduction, water consumption, waste reduction, increase in renewable energy usage etc. In the coming financial year the company has taken some aggressive targets in the aforementioned areas.

The company closely works with regulatory authorities in developing environment policies and guidelines for furthering the cause of environment. As part of Responsible Care Program the company is actively involved in the dissemination of knowledge to other industry peers

Our Actions

The business objectives present long term as well as short term goals. The long term objective is to build the new technologies and undertake research on new synthesis routes which are less pollution intensive. While the short to medium term focus is on waste reduction by recovery, recycling and reuse by optimization of processes. To ensure that these objectives are realized a cross functional team is formed through the initiative "STRIVE". The team meets on a monthly basis and discusses the progress made against each objective. The Environment Management System is developed and certified as per provisions of ISO 14001, 2015 and it addresses all concerns pertaining to releases to air, water & land during normal operations and in time of emergencies. We have established dedicated environment laboratories at all our sites.

As part of water conservation project we have installed roof gutters that carry the rainfall from the rooftops to the underground storage tanks. This water is used as make up water for cooling towers or for horticulture purpose. All our units have state of the art wastewater treatment facility. We have lately introduced the concept of having a separate Sewage Treatment Plant (STP) for treating domestic waste instead of treating it along with industrial effluent. Owing to this separate treatment facility we are able to reuse the treated water for horticulture purpose which otherwise was wasted in the earlier setup. As part of tertiary treatment we have installed Reverse Osmosis (RO) and Ultrafiltration for increased recovery of waste water. Our long term goal is to be a Zero Liquid Discharge (ZLD) unit. We have

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installed continuous online monitoring systems to analyse the quantity and quality of the discharge from our units.

To tackle fugitive emissions condensers with chilled brine are provided to condense out fugitive emissions and reduce their concentration before they are directed to scrubbers. We have also provided adequate scrubbing systems to scrub out fugitive emissions and prevent their entry into the atmosphere. Our entire operation is carried out in closed reactors. Further we carry out pneumatic transfer of liquid material into reactor to arrest fugitive emissions. For solids we have powder transferring system in place. We have installed online VOC (Volatile Organic Compounds) monitoring system across our plant periphery to check for fugitive emissions. Solvents form a major part of our raw material. We have designed solvent distillation units that aid in maximum recovery of solvent. Besides these measures we carry out monitoring of our work zone to identify the level of concentration of fugitive emissions.

In order to control atmospheric emissions we have provided stacks of adequate heights for effective dispersion of pollutants. We have installed continuous online monitoring system in our rotary kiln incinerator to track the emission concentration. We carry out regular monitoring of stacks and ambient air through external agencies to track the level of compliance with respect to license standards. We have mapped our carbon footprint considering direct and indirect emissions and have charted out steps to reduce them. To reduce the carbon emissions the company has undertaken the following initiatives:

- Increasing the size of tankers used for bulk transportation from 10 MTs tanker to 16/21 MTs tankers for various items like Solvent CIX, Cyclohexanone, Toluene, N-Butyl Acetate CS Lye etc.
- Changing the packaging style of items like Bromine, KOH, Acetonitrile from bag / bottles / Drum to tankers / ISO tanks.
- Buying Chemicals like Thionyl Chloride (TC), Formaldehyde 37%, Glyoxylic Acid 50%, in tankers instead of drums.

We have identified and budgeted, each waste generated from each step of production process. Any deviation from the budgeted quantity is immediately brought to the notice and corrective actions are undertaken to prevent any wastage. The wastes are segregated and stored in dedicated storage space. Wastes which need to be incinerated are sent for incineration, while that which can be recycled like Used Oil, Spent Catalyst etc. are sent for recovery to authorized recyclers. E-waste is sent to authorized recyclers for recovery of precious metals.

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In order to improve the energy efficiency of our manufacturing facilities various measures were undertaken during the reported year. Some of the measures are enlisted below:

- ISO 50001:2011 Energy Management System (EnMS) Certification for Jambusar site.
- Variable frequency drives were configured with pressure transmitter to regulate and maintain constant pressure in secondary pump of chilled water & cooling water for energy conservation.
- Steam trap system and condensate recovery system to maximize the condensate recovery and heat recovery from waste steam.
- Automatic load controllers were installed in chiller & brine unit to optimize the power consumption.
- Hot air generation from low pressure Root blower in place of High pressure compressor for energy conservation
Installed shell and tube heat exchanger condenser in place of PHE in chilled water system to improve the heat transfer and reduce the power consumption of the compress.
- 250 KW roof top solar power plant was installed at R&D facility in Udaipur.
- Replaced 125W HPMV (High Pressure Mercury Vapour) Lights in plant area with 45 W LED Lights to reduce energy consumption.
- Replaced conventional tube lights with LED in administrative office for energy consumption reduction.

On the technological front many new environment friendly technologies are introduced an example of which is, “High Pressure Air Oxidation” system for one of our products which is an eco-friendly technology and we are the first company in India to do so for oxidation processes using solvents. Another example is high pressure carboxylation. Continuous technological improvements are under progress at R&D stage including introduction of coil reactors, flow chemistry, continuous processes etc. New processes are developed at R&D stages for existing molecules to reduce the wastes like IPS amine process, recovery of solvent from waste streams to recycle the solvents in processes etc. As part of product stewardship we have put in plans to replace the products which are highly hazardous (Red Triangle Pesticides, LD50 < 50 mg/Kg) with safer products.

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As part of our sustainability initiative we have registered under “Together for Sustainability” with ECOVADIS, an agency that rates supplier companies based on their reported sustainability parameters within the ambit of supply chain.

To check the performance of our outsourcing partners we collect the data from them on various environmental attributes on a quarterly basis. Based on these collected data we analyse their performance Vis a Vis their license conditions and any deviation is called upon for scrutiny. All our partners are bound by the provisions of “Code of Conduct for Suppliers” and have to strictly adhere to them.

We have a well established team comprising of environment professionals at the site and corporate that is entrusted with the task of maintaining & advancing environmental objectives. These professionals act as a guiding force for environment management. They conduct regular training sessions on various environmental aspects for the benefit of rest of the employees. Each of our employees is tasked with the responsibility of making appropriate contribution within their respective spheres of influence for improvement of environment. It forms a major part of their year round performance review.

The Outcomes:

Based on the measures adopted in the previous financial year, the company was able to demonstrate significant progress on numerous environmental attributes. Our water consumption per tonne of the product reduced from 8.67 Kl/Tonne to 8.13 Kl/tonne, while energy consumption reduced from 12.55 GJ/Tonne to 11.61 GJ/Tonne (Refer Page 21: PI Industries Annual Report, 2017-2018). Hazardous waste generation reduced from 0.136 MT/Tonne to 0.111 MT/Tonne while carbon emissions reduced from 1.604 MT/Tonne to 1.570 MT/Tonne for the reporting period (Refer Page 21: PI Industries Annual Report, 2017-2018). These figures bear testimony to the efforts put in by the company to improve upon the environmental footprint.

Our sustainability efforts on the supply chain front have earned us a “GOLD” category rating with a score of 62 points out of total 100 (Refer Page 21: PI Industries Annual Report, 2017-2018). We are among the top 12 supplier companies in the world from a group of 150 registered suppliers in the agrochemical sector.



#10: GOLD Rating in ECOVADIS

Our facility was audited by a renowned global firm in accordance with the criteria established by “Together for Sustainability” (TfS). PI industries managed to secure 100% in the audit indicating that we are fully aligned to the standards set by TfS. Together for Sustainability (TfS) is a joint initiative of chemical companies, founded in 2011. TfS has developed and implemented a global supplier engagement program that assesses and aims to improve sustainability sourcing practices, including ecological and social aspects. The TfS approach consists of two core elements:

- TfS Assessments conducted by the French company EcoVadis, who provides with a scorecard on its shared, web-based collaborative platform[2], and
- TfS Audits, conducted by independent audit companies approved by TfS

Every month there's a review on the progress of environment objectives at the plant level and at the top management level. Deliberations on future course of actions are discussed. All our sites are ISO 14001: 2015 certified. Our Environmental Management System (EMS) is audited by an external auditor once a year. Besides, this our units are audited by our customers to check the level of compliances with respect to statutory and other relevant standards. The findings of these audits are shared with the top management along with action plan. These audits help to check the robustness of our systems. The company has been awarded numerous awards for its effort on Environment Management like Golden Peacock Award, Frost and Sullivan Sustainability Award etc.

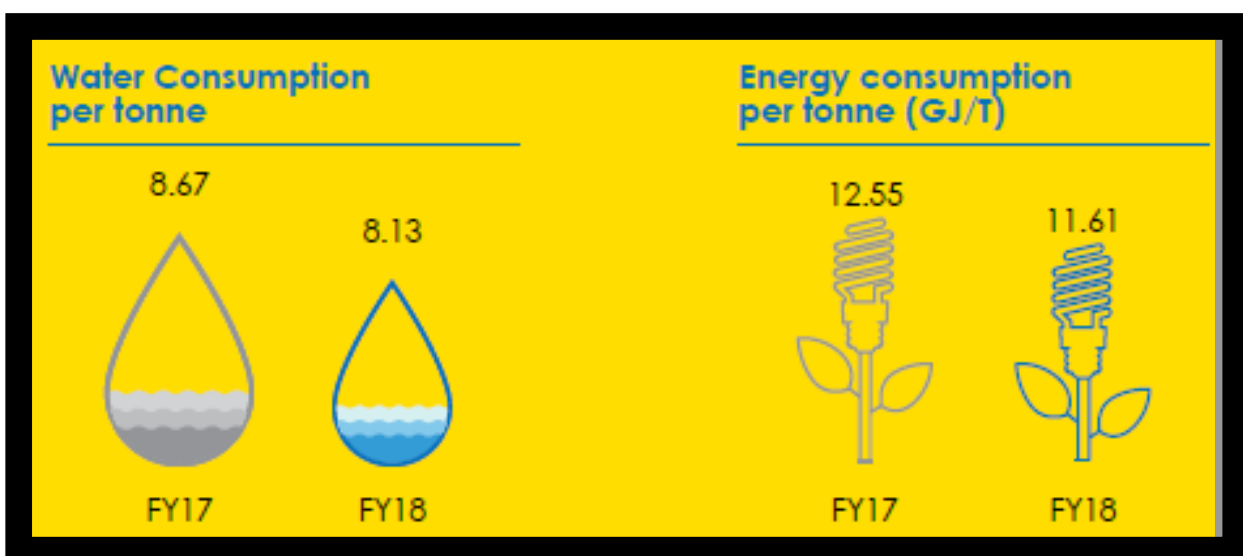
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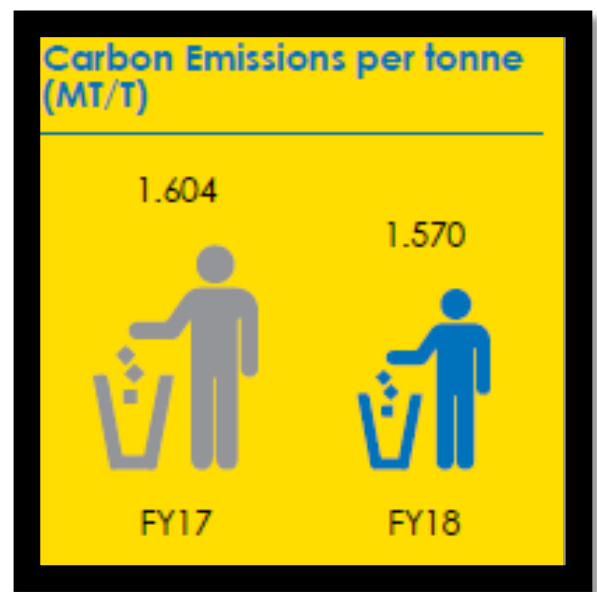
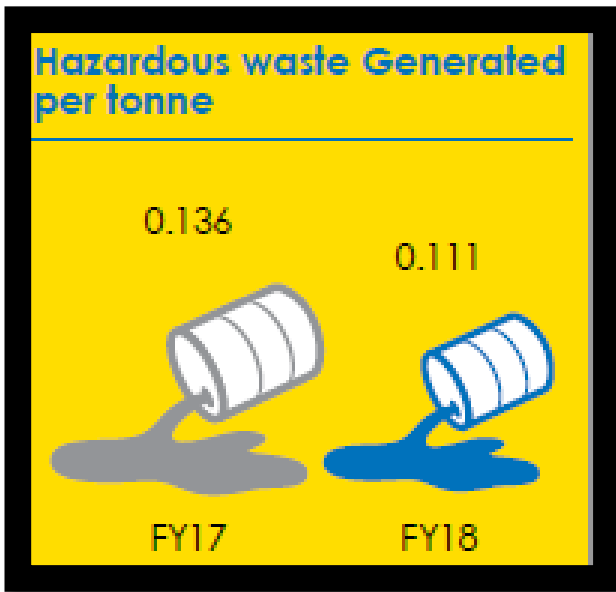


#11: ISO 14001:2015 #12: Responsible Care Certificate 13 #Golden Peacock Award

During the reporting period no environmental incidents occurred at our sites. Any environmental incident needs to be reported to our top management within 12 hours of occurrence along with a First Information Report (FIR). A detailed investigation with a cross functional team is carried out to identify the root cause of the incident along with corrective and preventive measures.

The company was neither subjected to any fine nor was any legal case filed due to damages to environment.





14 # Environment Performance Statistics

ANTI-CORRUPTION

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Our Commitment:

We have zero tolerance for corruption in any form.

At PI, we comply with applicable laws and policies, without exception. To instil a strong, responsible culture within our workplace, PI recognizes “Integrity” as one of the four main values that reflect who we are as a company and guides our daily actions and decisions. Our Code of Conduct clearly states our expectation from our employees with respect to bribery and corrupt practice. We have an anti-corruption and anti-bribery policy in place that applies to all individuals working for PI and all subsidiaries of PI at all levels and grades. Offering or receiving gifts in any form is against our company policy. We have strict policies against insider trading. At PI we carry out a due diligence to gauge the background of our business partner’s prior to any official engagement.

ii. Compliance with laws, regulations, policies and procedures

Each employee must comply with the letter and spirit of any applicable law, rule or regulation, the Protocols, policies and procedures of the Company and also encourage other officers and employees to do the same.

iii. Bribery & Corrupt Practices (Named as Prohibition and Corruption)

Employees shall not engage in any corrupt Practices including offering/accepting bribes or kickbacks or any other kind of improper payment including facilitation payments, giving false incentives, indulging in the /fraud, embezzling funds, indulging in personal money transactions or personal entertainment with vendors / suppliers.

iv Solicitation of gifts and advantages Offering or receiving gifts and being entertained can easily create an actual or apparent conflict of interest. No gifts of any kind, that are offered by vendors, suppliers, customers, potential vendors and suppliers, or any other individual or organization, no matter the value, should be accepted nor offered by any employee, at any me, on or off the work premises.

Gifts received through courier or the post, at the reception, or through any other means, should be submitted to the Administration Department which shall maintain a record of such gifts received by it and donate them to charity.

15 # Reproduction from “Code of Conduct” (Anti Corruption)

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Our actions:

To ensure that all our employees understand each and every aspect of our commitment with respect to anti-corruption policies we provide mandatory training on “Code of Conduct” as part of induction. Besides this, training is conducted on a regular basis to emphasise the point that the company has zero tolerance for any deviation from expected standards on corruption. Under the Whistle Blower Policy we have provided a platform to report any digression from the established standards. The identity of the person reporting the deviation remains anonymous. Based on the complaint received, actions are initiated to check the veracity of claims. The report of these investigations is shared with top management. We have carried out extensive risk assessment to identify the threats to our business based on non compliance to fair business practices. We undertake regular internal and external audits through reputed firms to check for any anomaly in our business. Due diligence is carried out before we enter into any agreement with any supplier/vendor that can seriously affect our business interests.

Measurement of outcome:

The findings of the internal and external audit are deliberated by the top management. During the COP reporting period no case of anti corruption was reported either internally or externally. There are no cases pending against the company with respect to corruption charges.

PI's Contribution to Sustainable Development Goals (SDG)

Philosophy

The underlining theme of PI's CSR philosophy is to build equality in society through actions. Caring, Sharing and Growing is at the core of PI's CSR philosophy. The goal is to ensure that economic growth is socially and environmentally sustainable. CSR initiatives are focused to enable the citizen to enjoy the benefits of science led innovations. The socio-economic interventions are focused towards underprivileged communities around the plant locations and other local areas of operations, so that the weaker and marginalized sections of the society have a sustainable higher income and better standard of living.

CSR interventions follow principles of accountability to stress on the long term sustainability of results. The vision is to make an impactful and relevant contribution to the uplift of the communities in areas that the company operates.

The contributions made by PI on various Sustainable Development Goals (SDG) are enlisted below.

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SDG 2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture

To promote sustainable agriculture practices PI has undertaken various programmes across the country. PI Foundation in collaboration with Roots Foundation has undertaken Intervention in Agriculture-Based Livelihood Generation / Enhancement Program for Small and Marginal Farmers in Khargone (Near Indore), Madhya Pradesh around a fully functional Food Park. Over 4,000 farmers from 180 villages in the area have benefited from the program. The project focusses on increasing the farmer's income by improving the quality of crops, introducing modern farming techniques, imparting technical skills and helping farmers with direct market access for better price realization. To create awareness around nutrient deficiency and pest attacks for crops, PI has started the 'Crop Clinic Initiative' in 40 villages of Samastipur district in Bihar which has touched the lives of over 5,000 farmers during the current year. PI Foundation in association with Harsha Trust and Fiinnovation has been doing 'Income Generation Programme through Sustainable Agriculture' amongst the tribal farmers in Rayagada district of Odisha. The improved agriculture practices entail the adoption and mainstreaming of modern agriculture practices amongst marginal farmers of 24 villages from the Sikarpai block. This intervention lays special emphasis on mechanized farming which is less expensive, environmentally friendly and sustainable. Focused trainings are organised on soil fertility, integrated nutrient use and pest management. B2B and B2C market linkages are established through SHG's and cooperative federation. This project has touched the lives of more than 1,000 farmers in the project area.

PI Foundation in association with State Agricultural Universities in Jammu, Punjab, Bihar, Madhya Pradesh and Karnataka conducted large scale field demonstration and farmers meeting on benefits of Direct Seeded Rice (DSR) technique. DSR has reduced per acre cost and water consumption in paddy cultivation. Since the last three financial years the propagation of DSR (Direct Seeded Rice) technique has impacted over 716,000 hectares of farm land thereby resulting in saving of 4.3 trillion litres of water. The area under DSR cultivation is picking up fast. DSR is expected to become popular in the coming years since it not only checks groundwater exploitation, but also tremendously cuts down the input costs for farmers.



#1: Interaction with farmers on sustainable agriculture practices

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SDG 3: Ensure healthy lives and promote well-being for all at all ages

PI has been actively involved in taking measures to ensure cost reduction in healthcare by promoting preventive and curative healthcare. Through PI's 'Swasthya Seva' initiative for the rural community, 3 fully functional Mobile Healthcare Vans are operational for the benefit of the villagers. Our community outreach has brought healthcare to over 2,00,000 underprivileged people including women, the elderly and children in approximately 60 villages of Bharuch District. 285 Patients are treated on everyday basis including diagnosis, treatment, medicine & immunization etc.



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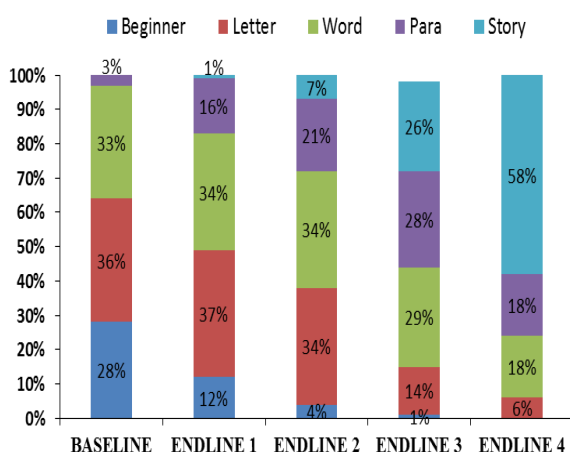
#2: Patients treated through Mobile Health Unit

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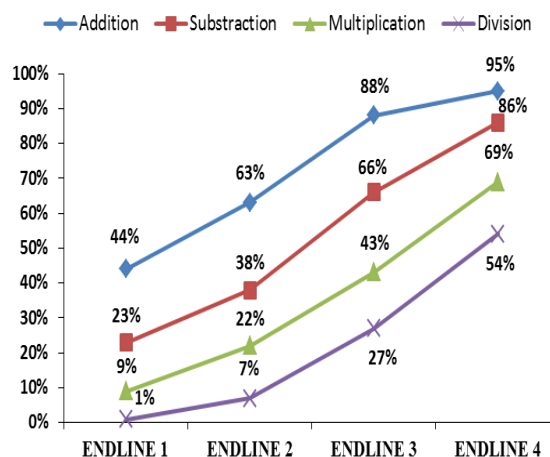
SDG 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

PI imparted employment linked skill development courses on Chemical Plant Operations, Sales & Marketing and Hospitality in the state of Gujarat. We have collaborated with DDU (Dharm Sinh Desai University) a renowned university in Gujarat wherein we train students from lower income groups as chemical plant operators. Till date 7 batches have been successfully completed and more than 245 students have been trained. We also help in securing employment to these students. We also conducted large scale agriculture skill development programmes in Andhra Pradesh, Karnataka, Telangana, Haryana, Punjab and Bihar. These skill development programs have impacted over 600 youth and helped them gain employment. Pearson-Indiacan Skills Academy- Skill Development Centre has been established in Jambusar in March 2017 in partnership with Pearson-Indiacan for providing training in BPO, Sales and F&B stewardship. 491 students have completed the course in 5 batches in 2017-18. Currently we are running the 7th batch with 94 students. We also undertook a Quality Education Initiative along with PRATHAM education foundation whereby 6,600 children from across 50 schools were taught reading, writing, comprehension and arithmetic. Owing to this initiative a marked 30% improvement in the learning skills of children was observed. This initiative covered 41 villages in the Bharuch area in Gujarat. PI foundation has provided infrastructure support to 23 schools in the near vicinity of our production plant in Bharuch. As part of the support library books, seating, flooring and drinking water facilities were provided, To promote comprehensive learning our Mobile Education Van Project has been imparting learning to the last mile through interactive and interesting techniques. PI had set up several examination centers in the remote regions of Gujarat where inaccessibility was the prime reason for students dropping out of schools.

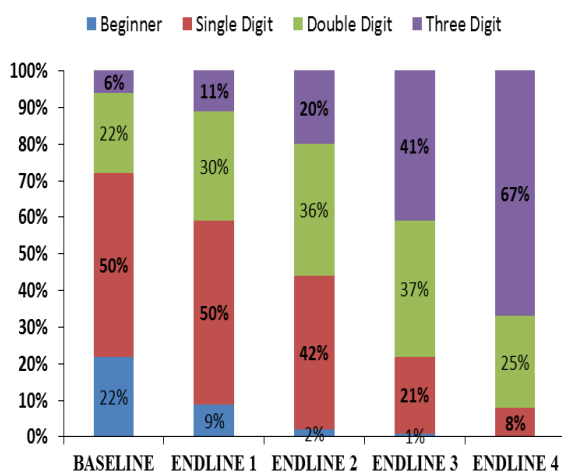
LEARNING LEVEL LANGUAGE : STD 3-5



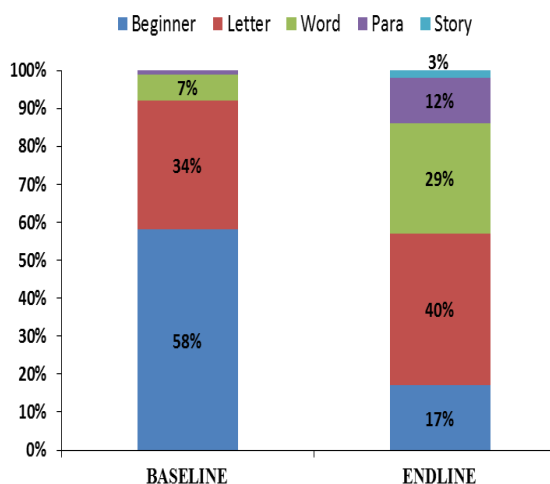
LEARNING LEVELS FOR MATH OPERATIONS : STD 3-5



LEARNING LEVEL FOR NUMBER RECOGNITION : STD 3-5



LEARNING LEVELS IN LANGUAGE : STD 1-2



#3: Results of study conducted by Pratham

Note: Endline denotes an assessment conducted at a gap of every 10 days and subsequent result



#4: Skill Development & Education

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SDG 5: Achieve gender equality and empower all women and girls

To achieve gender equality and to empower women PI foundation has initiated an Entrepreneurship and Skill Enhancement programme. The programme has benefitted over 3,000 women across 40 villages in the Bharuch region of Gujarat. The program emphasizes skill development through training programs across dairy, agriculture and micro enterprises with the objective of helping women generate income through development of self-help groups and co-operatives. This has increased the earnings of over 2,700 women members directly. Credit was extended to over 750 women from the area, through self- help groups. Loan to the tune of Rs. 1, 00, 00,000 has been disbursed to help them initiate their own micro-set up.

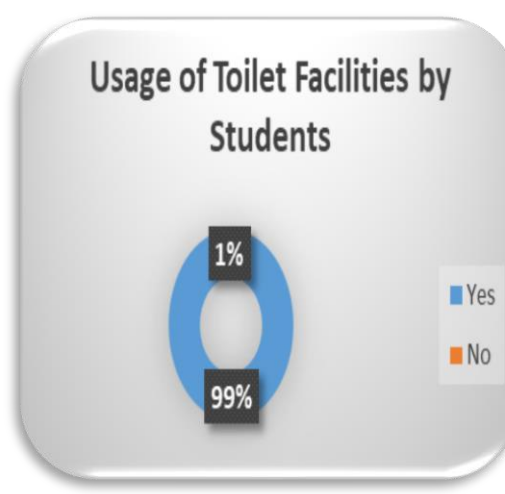
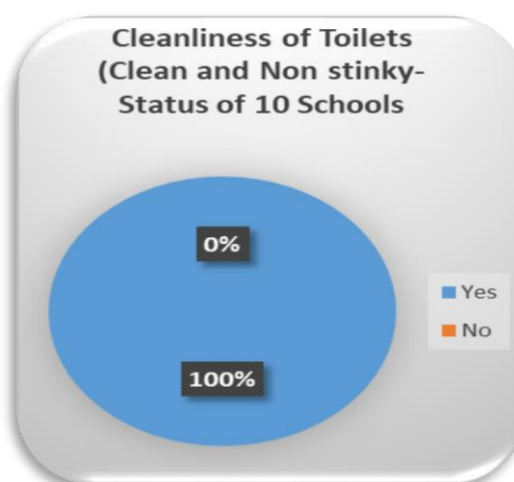
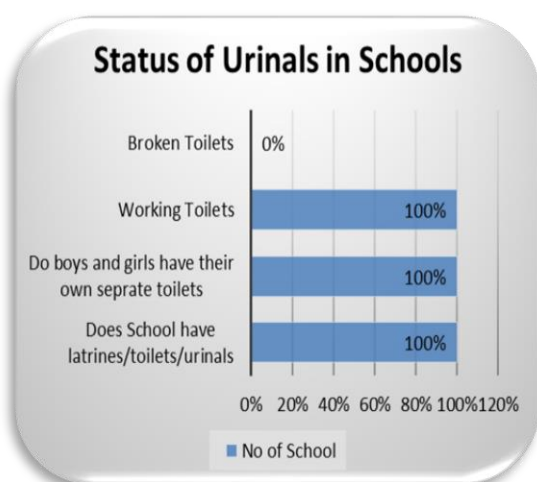


#5: Meeting of Self Help Group

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SDG 6: Ensure availability and sustainable management of water and sanitation for all

The lack of toilets has been one of the prime reasons for the high dropout rate of the girl child. PI Foundation has set up toilets in over 12 different schools in Gujarat to help overcome this challenge. Through this program we have sensitized 15,000 people comprising teachers, children and the community to the importance of sanitation and hygiene in promoting good health and preventing illness. To analyse the effectiveness of the awareness program an independent study was conducted by Navriti Technologies, Bengaluru the results of which are depicted below. PI is also supporting the Government of India's 'Swachh Bharat Abhiyaan' initiative. We worked on a 'Public Private partnership model' to build toilets in the Bharuch area in Gujarat. So far a total of 571 household and school toilets have been set up. A comprehensive study on setting up of Sewage Treatment Plant (STP) has been conducted to ensure total water management of villages around plant location.



#6: Results of Study by Navriti Technologies, Bengaluru



#7: Sanitation and Hygiene Facility & Sensitization

PI has been striving to help the society implement measures to conserve water used for agricultural purposes. The propagation of the DSR (Direct Seeded Rice) technique has impacted over 716,000 hectares of farm land thereby saving up to 393 billion gallons of water. PI Foundation has partnered with several agriculture universities such as Rajendra Agricultural University at PUSA in Samastipur Bihar, Jawaharlal Nehru Agriculture University in Jabalpur MP, University of Agriculture Sciences in Raichur Karnataka, Punjab Agriculture University and Indian Agriculture Research Institute (IARI) in Delhi to effectively implement DSR. It has been established with the help of various studies and farm yield output that DSR saves between Rs 6,000-8,000/ hectare in the cost of cultivation. In Andhra Pradesh, Karnataka and Bihar, water has been made safe for drinking by the elimination of excessive fluoride and iron content through RO water plants installed by PI. Tap water facility provisions have been made in several schools in Gujarat and Rajasthan and as many as 10,000 families now have access to safe drinking water.



#8: Awareness Session for Farmers on DSR

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The above initiatives offer a glimpse into the efforts undertaken by PI foundation to promote the Sustainable Development Goals over the years. PI will continue with its concerted efforts in the future to further the course of social empowerment.