

November 20, 2019

**To our stakeholders:**

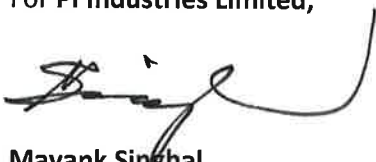
At PI Industries Ltd. sustainability remains central to our approach of conducting business which has helped us to maintain leadership position in the domain that we operate, by delivering value added products and services to our customers. We have made it a point to gauge our performance against the triple bottom line framework of economic, social & environmental parameters. This is imperative in today's environment where the peril of climate change is looming large on mankind and no business can remain unaffected. There is also growing evidence that consumers prefer brands and companies that have a compelling agenda on sustainability. We as a company are constantly making efforts to ensure that sustainability is imbibed in our entire value chain without any abrogation.

The ever increasing stress on natural resources necessitates the need for organizations to adhere to the 4R (Reduce, Recycle, Reuse & Recover) principles in their operations. At PI industries, numerous initiatives have been taken to reduce the environmental footprint of our operations across different verticals. Special focus is placed on reducing water footprint as water emerges as a scarcer resource across the world, especially in our domain of operations. To drive energy reduction initiatives with a sustained focus, an action group is formed whose sole purpose is to identify and execute projects that will help in reducing the energy footprint. These initiatives undertaken by the company has been recognized through various awards, certifications and ratings from credible national & international organizations. Notable among them is the "GOLD" category supplier rating, consecutively for two years, received by PI in "ECOVADIS" business sustainability ratings. Within Gold rating, PI has moved in to "Advance Category" this year. These accolades stand testament to PI's unflinching commitment to sustainability.

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 second 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 share this information with our stakeholders using our primary channels of communication.

Yours Sincerely,  
For PI Industries Limited,



**Mayank Singhal**  
Vice Chairman & Managing Director

---

# Communication on Progress

---

F.Y. 2018-19

---

PI INDUSTRIES LIMITED

---

### About PI Industries Limited

With roots dating back to 1946, we are PI Industries Limited - one of the fastest growing, globally integrated and highly innovative agri sciences solution providers in India. Our offerings encompass the entire value chain – from R&D, to manufacturing, to last-mile distribution, to providing innovative solutions in the agri sciences industry. With over seven decades of strong foundation, laid on the core values of Trust, Speed, Adaptability and Innovation, we firmly believe in the power of science, to make positive impact in the lives of millions.

**OUR VALUES**

 <b>TRUST.</b> <b>LIKE THE EARTH, WE ARE DEPENDABLE</b> We work with integrity of purpose, honesty in action and fairness in all our dealings.	 <b>SPEED.</b> <b>BLAZING AHEAD, LIKE FIRE</b> Quick and agile like fire, we constantly strive to work with speed in the way we observe, think and act.	 <b>ADAPTABILITY.</b> <b>ADAPTIVE, LIKE WATER</b> Constantly transforming ourselves like water, we are free flowing, adapting and highly responsive to change.	 <b>INNOVATION.</b> <b>ENLIVENING, LIKE THE AIR</b> A constant quest for reaching new horizons, the never-ending search for a better and novel way to do things, Innovation is a way of life for us.
--	---	--	--

### *#1 Values of PI Industries Ltd.*

With our pursuit of excellence, we have been successful in providing complex chemistry solutions, resulting in some of the most iconic brands in the agri sciences space. We have built strong technical capabilities in the areas of research and development, manufacturing services, brand building, wide distribution network in India and abroad, which helps us chart a unique path in value creation for all our stakeholders. From our inception till date, we continue to leverage value-added offerings to millions of farmers in the country and across the globe, thereby creating a niche for ourselves in the market.

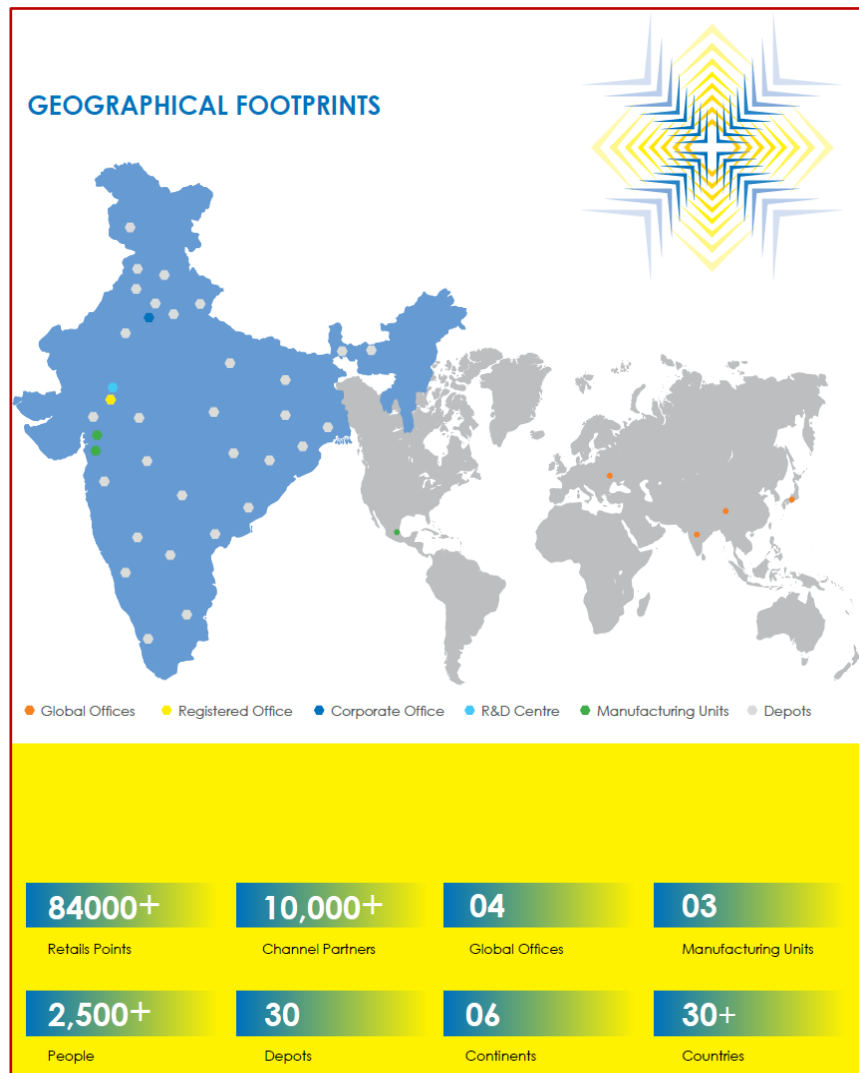
Our Company has invested in state-of-the-art technology at our manufacturing facility in Gujarat that is spread over a 100-acre land, ensuring the highest level of safety, product quality, productivity and consistency in the resulting product. The manufacturing facilities include 5 multi-purpose plants at Panoli and, 4 multi-purpose plants at Jambusar and dedicated high-pressure reaction facilities equipped with futuristic automation. The multi-purpose plants give us flexibility to produce new products in a short span of time and scale up to meet the demand of our clients. Our manufacturing facilities are ISO 9001, ISO 14001, OHSAS 18001, ISO 50001 and ISO 17025 certified that conform to very high safety and environment management standards. Our formulation facility process agrochemicals in WDG, WG, SC, E, EC, DP, GR, etc. and has a

## COMMUNICATION ON PROGRESS-F.Y. 2018-19

world-class warehousing facility. Our manufacturing facilities are also equipped with the amenities that help recover, recycle and preserve and reduce water consumption, which in turn, boost our Green Initiatives. Manufacturing facilities have been felicitated with various awards from time to time. Award in manufacturing excellence apart from award in all 3 formats of safety, environment and quality have been bestowed from time to time.

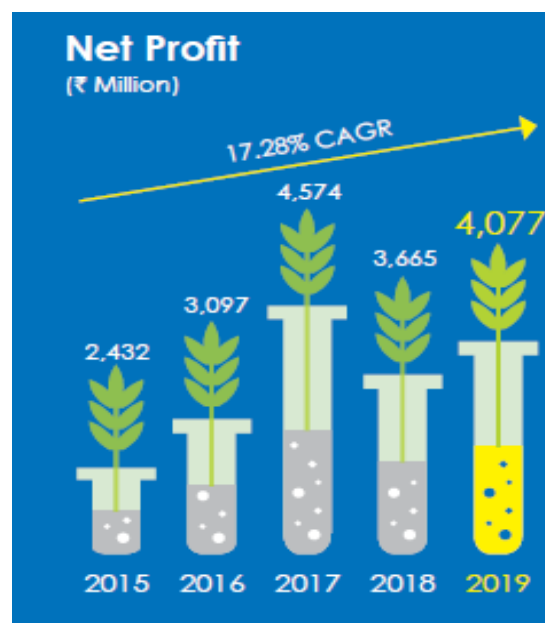
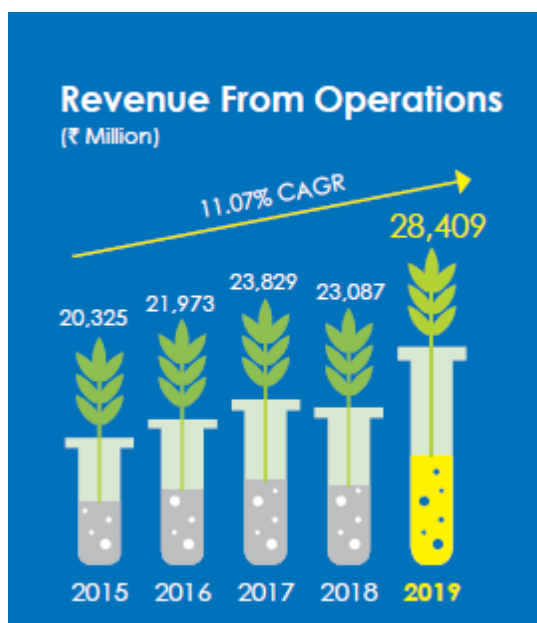
Our strong and wide distribution network is spread across the length and breadth of the country.

We have 30 stock points including our own depots and C&F agents who work on hub-and-spoke distribution model to ensure timely delivery of our products. With 10 zonal offices, 30 depots, 1500 experienced field force, 5,000 active dealers/ distributors, and more than 40,000 retailers spread across the country, we reach out to more than a million farmers. Our centralised SAP-based ERP system provides an efficient last mile connectivity.



### *#2 Our Geographical Reach*

Over the past 5 years PI has clocked an impressive growth rate of 11.07% in its revenues while the net profit as surged at a growth rate of 17.28%. These strong financial figures are representative of the fact that the company continues to grow in a sustainable manner safeguarding the interest of all stakeholders at large.



**#3 Financial Details (Source: PI Industries Annual Report, 2018-2019)**

At PI Industries Ltd. sustainability is viewed as being socially conscious and proactive while maintaining leadership position in the business and delivering value added products and services to our customers. The company has always strived to measure its performance against the triple bottom line framework i.e. economic, social & environmental parameters. Each project that is undertaken goes through a rigorous methodology of assessment that delves not only on the cost benefit aspect but also on the social & environmental benefits that's accrued. PI by strictly adhering to these work ethics on sustainability will continue its march towards phenomenal progress.



## 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 our “Code of Conduct” policy. This policy lay’s the framework for non discriminatory practices based on gender, ethnicity, religion, age etc. We continue to provide equal opportunities for growth to all our employees. Their remuneration is proportionate 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 realm of Responsible Care Principles and will also stress on our partners to adopt the same.

#### **Our Actions:**

At our company 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

## COMMUNICATION ON PROGRESS-F.Y. 2018-19

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.

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

To safeguard the interests of our contractual staff we have made it mandatory for all our contractors to pay wages in accordance to the “Minimum Wages Act-1948” stipulated by the Government of India and the concerned state rules, wherever applicable. We conduct random audits to check whether there’s any deviation on the compliance aspect. Also, we have conducted drives at regular intervals to make our contractual staff aware of their rights and have encouraged them to approach us if any discriminatory policy is employed by their respective employers.

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.

For accessing Suppliers Code of conduct please follow the below link:

<https://www.piindustries.com/sustainability/Governance/supplier-code-of-conduct>

#### 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 superscribed 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

#### #5: 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 89 of PI Industries Annual Report 2018-19**

[https://www.piindustries.com/Media/Documents/PI\\_Industries\\_AR\\_2018-19.pdf](https://www.piindustries.com/Media/Documents/PI_Industries_AR_2018-19.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 for our employees. We have stressed upon our vendors and business partners to adhere to these principles by making it a part of our “Code of Conduct” for Suppliers.

#### 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.

**#6: Reproduction from “Code of Conduct-for Employees” (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.

### #7: Reproduction from “Code of Conduct-for Employees” (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 they require which is deliberated upon by the committee before any decision is taken. We also welcome suggestions

## COMMUNICATION ON PROGRESS-F.Y. 2018-19

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 view 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.

### **#8: 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.

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.

## COMMUNICATION ON PROGRESS-F.Y. 2018-19

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 which comprises of 56 no. of female staff. During the F.Y. 2018-19 a collective total of 410 workers, which includes contractual staff parted ways with the company, voluntarily.

Workforce turnover Gender-wise (including VRS, retirement and death)			
Category	Unit	FY 2018-19	
		Male	Female
Senior management	Nos.	17	1
Middle management	Nos.	58	12
Junior management	Nos.	122	4
Associate	Nos.	94	0
Workers (Permanent)	Nos.	1	0
Contractual Workman	Nos.	101	0
<b>Total</b>	<b>Nos.</b>	<b>393</b>	<b>17</b>

*Table 1: Workforce turnover*

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 the company attained an impressive score of 80 out of a possible 100, which places it among the top two suppliers in the “Safety, Labour & Human Rights” vertical, worldwide in the ECOVADIS survey. Due to this score we were yet again rated as “GOLD” category supplier with a score of 67 points out of total 100. This was an improvement over our last year’s score of 62. Owing to this stupendous performance we are ranked among the top 7 supplier companies globally from a group of 171 registered suppliers in the Pesticides & Other agrochemical sector.

During the year we subjected ourselves for audit under the “Responsible Care” program. In the audit we were lauded for our efforts in the field of sustainability and were granted the right to use the “Responsible Care” logo for an extended period of 3 years. We were also awarded the

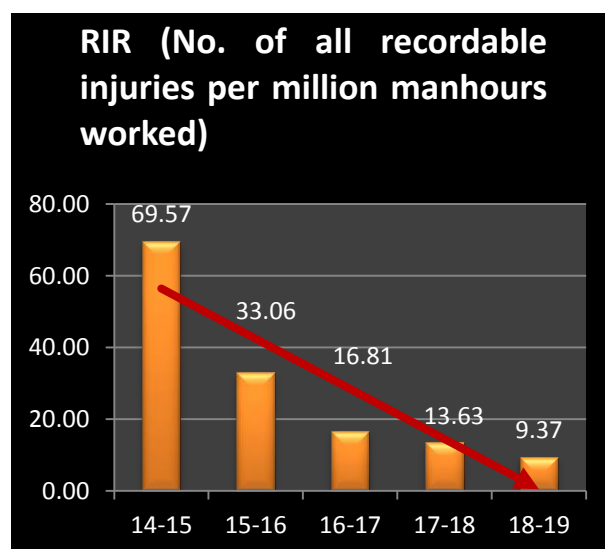
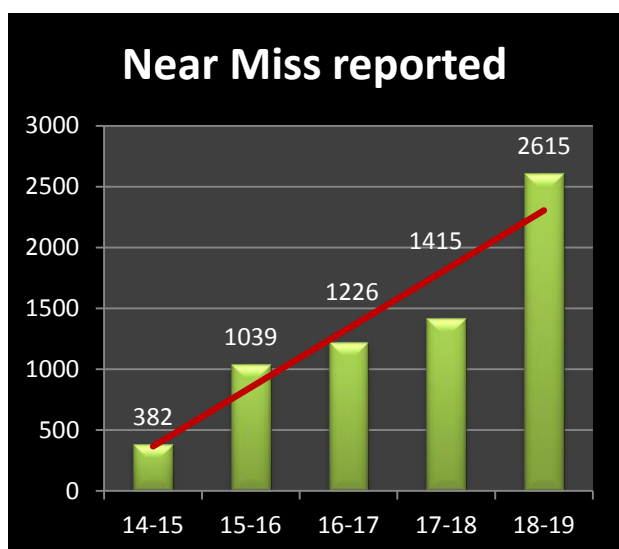
## COMMUNICATION ON PROGRESS-F.Y. 2018-19

“Certificate of Merit-Safety Excellence” under the “Frost & Sullivan & Teri sustainability awards 4.0” for our excellent performance on safety aspects.



### #9 Recognitions

These awards & recognitions were possible owing to the mapping of leading and lagging safety indicators at our units. A glimpse of the leading and lagging indicator is exhibited below.



### #10: Safety Statistics, Leading and Lagging Indicators

We firmly believe that in order to enhance the skill set of our employees and to provide equal opportunity to our staff members irrespective of their gender we need to impart training round the year. In F.Y. 2018-19 average training hours for our employees was 13.27 man-hours /per employee and for our contractual employees, it was 6.79 man-hours/employee. The training hours of contractual employees seem to be on the lower side owing to the fact that many informal training sessions like tool box talk, safety talk etc. conducted at the site level on a daily basis are not accounted for currently.

### Total Man-hours of Training for Employees & Contract workers

## COMMUNICATION ON PROGRESS-F.Y. 2018-19

Description	Unit	2016-17	2017-18	2018-19
Total training hours of male employees	Hours	33,636	29,452	130,872
Total training hours of female employees	Hours	66	73	68
Total training hours for permanent employees	Hours	33,701	29,525	30,940
Total training hours for contract workers	Hours	11,940.5	12,938	12,327

*Table-2 Training Man-hours Spread*

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. This information can be substantiated from the Annual Report:2018-19

Please refer page 89 of the annual report:

[https://www.piindustries.com/Media/Documents/PI\\_Industries\\_AR\\_2018-19.pdf](https://www.piindustries.com/Media/Documents/PI_Industries_AR_2018-19.pdf)

### ENVIRONMENTAL POLICIES:

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

## COMMUNICATION ON PROGRESS-F.Y. 2018-19

**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 (<https://www.piindustries.com/sustainability/Governance/Sustainability-Policy>)

*#11: EHS Policy displayed on company website*

which is endorsed by our top management. To understand the 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 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



## COMMUNICATION ON PROGRESS-F.Y. 2018-19

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 reporting financial year we had taken few objectives which are enlisted below.

S.No.	Objectives
1	Frost and Sullivan Sustainability Award
2	Achieve Green rating in customer audit
3	Achieving Zero Liquid Discharge for Udaipur Site
4	Achieving Zero Liquid Discharge for Panoli Unit
5	Implement drip irrigation project for second manufacturing unit at Panoli
6	Strengthening of Process Safety Management Elements
7	Strengthen Transport Safety with respect to emergency preparedness (Nicer globe)
8	VOC monitoring of ambient air at JMB

*Table #3: Objectives undertaken in F.Y. 2018-19*

Some of the objectives that we have identified for the F.Y. 2019-20 is enlisted below:

S.No.	Objectives
1	Installation of micro turbine in place of Pressure Reducing Valve to generate auxiliary Power.
2	Reduction of power consumption through variable frequency drive & optimization in secondary pump of Brine units.
3	Reduction of power & effluent generation by switching to dry vacuum pump with intermediate cooling system in place of oil ring vacuum pumps.
4	Aimed to achieve 40% reduction in specific power consumption of breathing air compressor by replacing efficient screw compressor in place of reciprocating air compressor.
5	Efficiency improvement in chilled water system through optimization of heat transfer area.
6	Combustion efficiency enhancement in the Boilers through fuel emulsification system.
7	Reduction in fuel consumption by making a provision in Fume incinerator burner for consuming incinerable solvents as fuel.
8	Introducing heat recovery system from boiler blow down to conserve FO consumption.

*Table #3: Objectives planned in F.Y. 2019-20*

## COMMUNICATION ON PROGRESS-F.Y. 2018-19

We closely work 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 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

## COMMUNICATION ON PROGRESS-F.Y. 2018-19

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.

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.

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:

- 66KV sub-station to reduce line losses.
- 22% reduction in specific energy consumption in Brine generation plants.
- Reduced power consumption in chilled water system by optimizing flow in secondary pumps.
- 11% reduction in specific energy consumption in air compressor by replacing with new high efficient compressors.
- Reduced power consumption in constant pressure raw water pumps by configuring pressure transmitters with variable frequency drives.
- Reduced power consumption in Effluent Treatment Plant (aeration blowers) by interfacing variable frequency drive with dissolved oxygen meter.
- Conventional lighting fixtures were replaced with LED light fixtures.
- Lowered the steam consumption, reduced effluent generation and increased condensate recovery by implementing coil heating system in place of direct heating system.
- Introduced flash steam heat recovery system in Boiler house for efficient energy management.
- Incorporated drip irrigation system as an alternate method to surface irrigation to conserve water in gardening activity.
- Reduce water consumption in process cooling tower by replacing wooden drift eliminators by PVC drift eliminator.

## COMMUNICATION ON PROGRESS-F.Y. 2018-19

- Achieved both water & power consumption reduction by converting water cooled air compressors to air cooled.

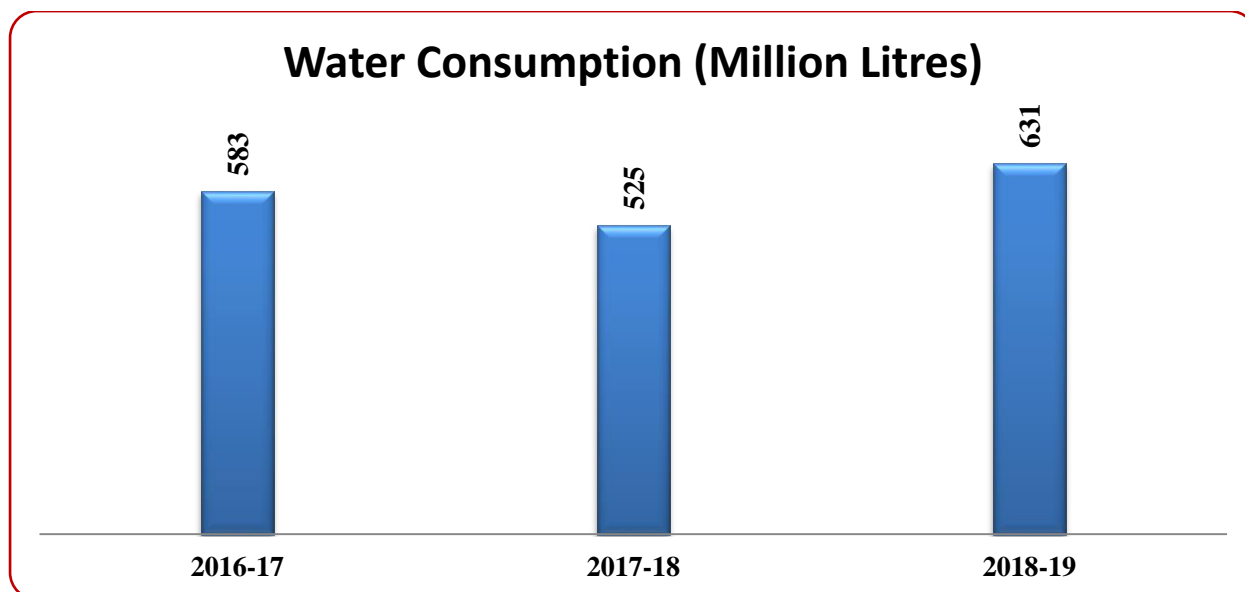
Continuous technological improvements are under progress at R&D stage including introduction of coil reactors, flow chemistry, continuous processes etc. New processes are developed at R&D stages for existing molecules to reduce the wastes like IPS amine process, recovery of solvent from waste streams 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.

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.

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.

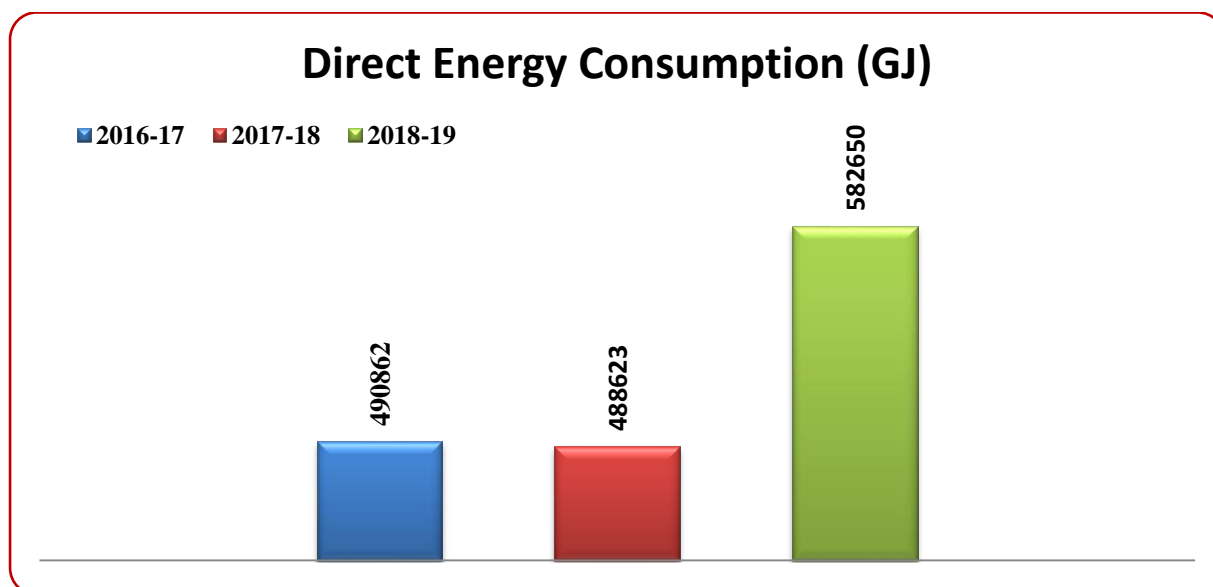
### **The Outcomes:**

Based on the measures adopted in the previous financial year, we were able to demonstrate significant progress on numerous environmental attributes. Our water consumption from our manufacturing units reduced from 0.026 million litres/ton of production in FY2017-18 to 0.021 million litres/ton of production in FY2018-19. Though in absolute consumption the figures increased but the specific consumption saw a reduction of 19% which is substantial.

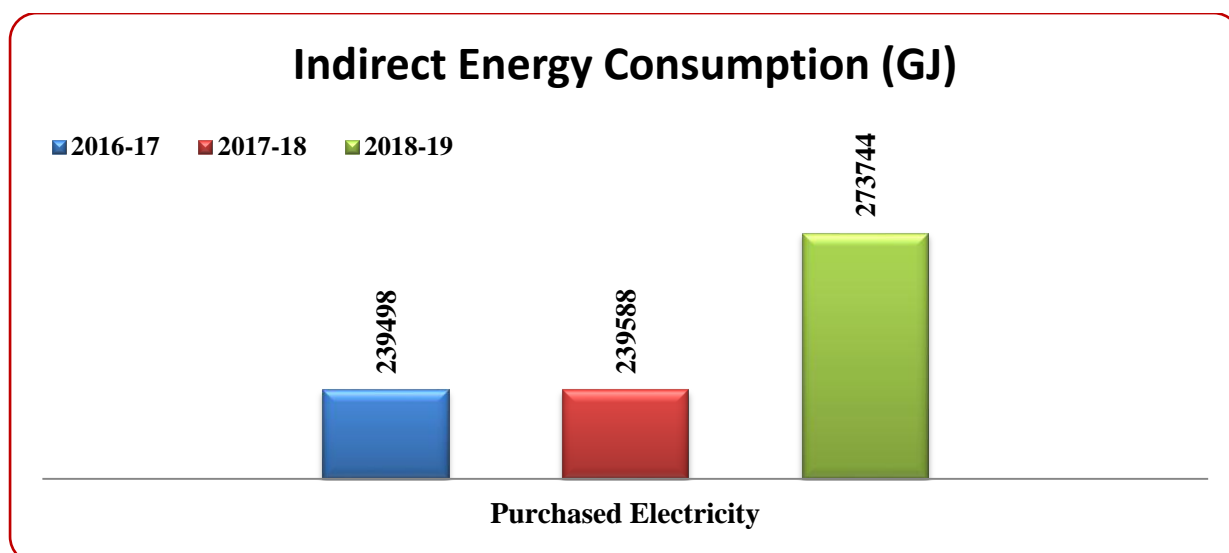


#### *#12 Water Consumption pattern*

All our manufacturing units use state-of-the-art technology ensuring clean operations. We employ both direct and indirect energy sources with a mix of renewable and non-renewable fuel type in our operations. Natural Gas and Furnace oil compose major part of our direct energy mix and are used for running generators and boilers. The remaining energy requirements are met through using grid electricity. Our energy intensity for FY2018-19 was 28.91 GJ/tonne of production. With our continued sustained focus on energy efficiency we were able to reduce our energy intensity by 21.68 % as compared to FY2017-18.



#### *#13 Direct Energy Consumption representation*



*#14 Indirect Energy Consumption representation*

Our Scope 1 GHG emissions comprise of emissions from the fossil fuels, which are furnace oil, diesel, natural gas. Our Scope 2 GHG emissions comprise of the grid electricity used for various processes like chilled water, cooling water, compressed air etc. During FY2018-19

our GHG intensity was 3.43 tCO<sub>2</sub>e /ton of production as compared to 4.45 tCO<sub>2</sub>e /ton of production in the previous year.

Besides carbon dioxide emissions which are estimated, the company monitors certain critical emission parameters which are enlisted herewith.

Parameter	Units	FY 2016-17	FY 2017-18	FY 2018-19
Particulate Matter (PM)	tons	92.1	82.4	94.0
Oxides of Nitrogen (NOx)	tons	46.4	39.8	45.9
Oxides of Sulphur (SOx)	tons	118.8	86.0	94.5

*Table #4: Other Emission details*

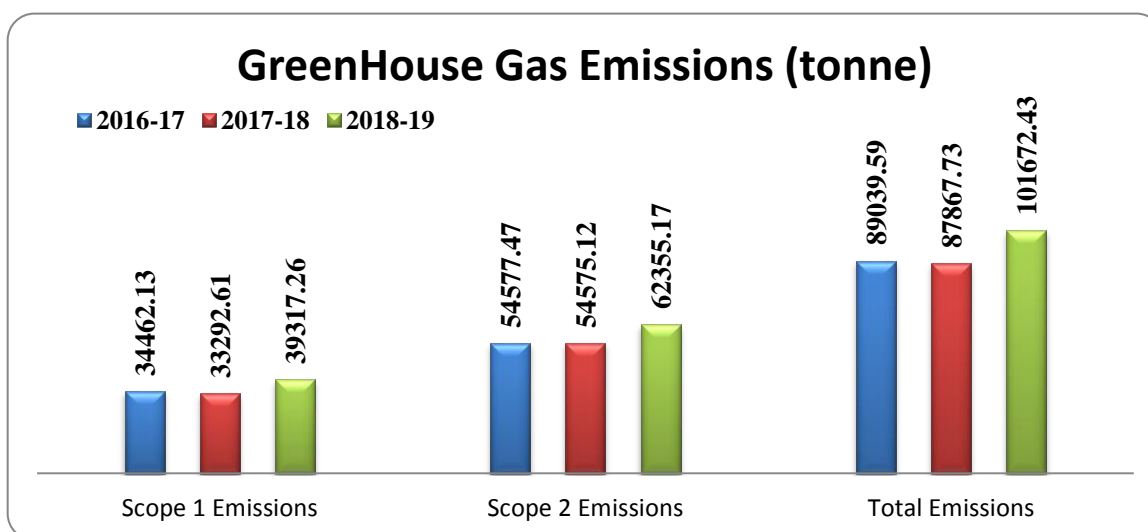
## COMMUNICATION ON PROGRESS-F.Y. 2018-19

Under “Together for Sustainability” we have registered with ECOVADIS, an agency that rates supplier companies based on their reported sustainability parameters within the ambit of supply chain. We are yet again rated as “GOLD” category supplier with a score of 67 points out of total 100. This is an improvement over our last year’s score of 62. Thus we have moved to an advance category of suppliers within the domain of CSR performance where there are only 9 suppliers out of a total of 171 registered suppliers worldwide.



*#15 Ecovadis Gold Rating Logo*

We have attained an impressive score of 80 out of a possible 100 which places us among the



*#16 Scope 1 & 2 GHG Emission Trends*

top two suppliers in the “Safety, Labour & Human Rights” vertical, worldwide. Overall, we are among the top 7 supplier companies globally from a group of 171 registered suppliers in the Pesticides & other agrochemical sector.

During the reporting period we won the prestigious Golden Peacock Environment Management award for our Panoli unit. The coveted award is in recognition of the significant achievements in the field of Environment Management. It is indeed a proud moment for us to have received this

## **COMMUNICATION ON PROGRESS-F.Y. 2018-19**

award for the third time. Previously, we had won for the manufacturing sites at Jambusar and Panoli in 2015 and 2016 respectively.

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



## 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.

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

## **COMMUNICATION ON PROGRESS-F.Y. 2018-19**

### **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**

PI through its Corporate Social Responsibility has been incessantly mounting its reach for enhancing the social and economic well being of the underprivileged and marginalized sections of the society. With a unique science-led and differentiated business model, we strive to create a positive difference by bringing meaningful change across the community, through a targeted, integrated and environmentally sustainable approach.

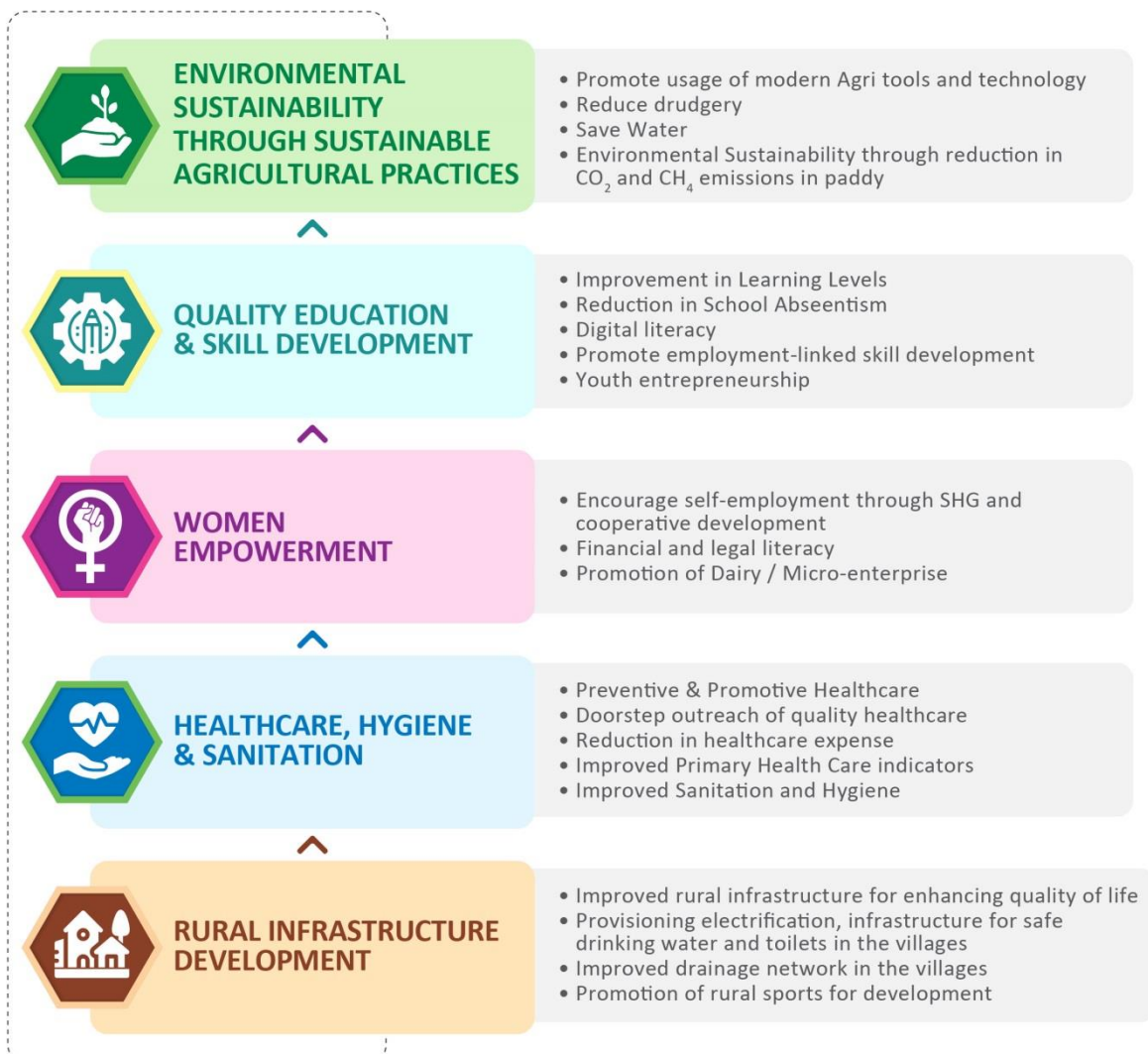
The sense of responsibility has driven us to align our developmental initiatives with the Triple Bottom Line approach, spanning the social, economic and environmental dimensions. This has remarkably benefitted farmers and marginalized communities around our plant locations, and across the country.

We support a cohesive approach to sustainability across all our decisions and work processes. We seek to regularly review and improve upon the process of new technology development, deployment and commercialization, incorporating social, ethical and environmental considerations. Through continuous life cycle assessment of our products we emphasize on reducing our environmental footprint by bringing the principle of product stewardship in our approach.

In addition, we discharge our corporate social responsibility through various interventions that helps address the most arduous challenges in socio-economic development of community. The Company engages with the society through PI Foundation to leverage its CSR activities for inclusive growth.

The contributions made by PI towards Sustainable Development Goals for the reporting period of F.Y. 2018-19 is summarised below:

**SUMMARY: Thematic Area Wise Outcome**



**Milestones Achieved**

**69.47 lac**

Acres of farmlands benefitted by adoption of Direct Seeding of Rice (DSR) in last four years

**5.8 trillion**

Litres of Water saved benefitting over 20 lakhs farmers through sustainable agricultural practices

**>2 lakh**

Lives impacted using Mobile Healthcare Vans facilitated through PI's 'Swasthya Seva' Initiative

**>18,000**

Govt. School Children across 125 Schools benefitted through PI's Learning Enhancement program

**> 1,250**

Youth gained employment through Skill Development Program

**>15,000**

Women benefitted through promotion of Self Help Groups and Integration of Women in Dairy Value Chain Promotion

**5,000**

Rural households strengthened by rural infrastructure electrification

## COMMUNICATION ON PROGRESS-F.Y. 2018-19

The targets and focus areas for F.Y. 2019-20 is depicted in the table below:

Thematic Areas	Aim	Expected outcome for FY'20
<b>Sustainable Agricultural Practices</b>	<ul style="list-style-type: none"> <li>Promote usage of modern Agri tools and technology</li> <li>Reduce drudgery</li> <li>Save Water</li> <li>Environmental Sustainability through reduction in CH<sub>4</sub> emissions in Paddy cultivation</li> </ul>	<ul style="list-style-type: none"> <li>&gt; 583 billion gallons of water will be saved in FY 2019-20 using DSR</li> <li>Avg. Rs 7,500 will be saved / farmer / hectare in the cost of paddy cultivation</li> <li>Will benefit over 50000 new farmers through DSR</li> <li>30% reduction in CH<sub>4</sub> emissions in the concerned project area.</li> </ul>
<b>Healthcare, Hygiene &amp; Sanitation</b>	<ul style="list-style-type: none"> <li>Preventive and promotive health care</li> <li>Doorstep outreach of quality health care</li> <li>70% reduction in health care expenses</li> <li>70% reduction in Primary Health Care Issues</li> <li>Behaviour change advocacy &amp; education</li> </ul>	<ul style="list-style-type: none"> <li>More than 1,00,000 people will</li> <li>be treated by Mobile Health Vans</li> <li>Reduction of 40% expenditure on Primary healthcare expenses</li> <li>Increased health seeking behaviour amongst community in project operational areas</li> </ul>
<b>Women Empowerment</b>	<ul style="list-style-type: none"> <li>Women SHG &amp; cooperative linkages with self employment</li> <li>Financial and legal literacy</li> <li>Promotion of dairy &amp; traditional handicrafts</li> </ul>	<ul style="list-style-type: none"> <li>Improvement in the livelihood of &gt;8,000 women members &amp; their families in surrounding 75 villages of Jambusar</li> <li>Formation of Self Help Groups (SHG) with opening of bank accounts covering 5,000 women members &amp; strengthening of 20 existing SHG</li> <li>2,000 Women will have direct linkage with banks to meet the necessary expenditure or initiate their own micro set-up</li> </ul>
<b>Education &amp; Skill Development</b>	<ul style="list-style-type: none"> <li>Significant improvement in learning levels (90% children competing the Secondary School Education)</li> <li>Reduction in School</li> </ul>	<ul style="list-style-type: none"> <li>50% increase in class appropriate learning levels</li> <li>Improvement in school infrastructure</li> <li>&gt;80% decrease in absenteeism</li> <li>&gt;800 youth will get</li> </ul>

**COMMUNICATION ON PROGRESS-F.Y. 2018-19**

	<p>Absentism (95% attendance)</p> <ul style="list-style-type: none"> <li>• 75% Children to be Computer Literate</li> <li>• 1,000 Youth seeking employment in organised sector through our intervention</li> <li>• 20% of the youth starting their own micro enterprise who have undergone our training programme</li> </ul>	<p>employment in organised sector jobs and &gt; 150 youth to start their own micro enterprise</p>
<p><b>Rural Infrastructure Development</b></p>	<ul style="list-style-type: none"> <li>• Strengthening rural infrastructure through electrification of rural villages</li> <li>• Strengthening drainage network to improve sanitation facilities in villages</li> <li>• Promoting rural sports</li> </ul>	<ul style="list-style-type: none"> <li>• Improved living conditions</li> <li>• Better sanitary conditions</li> </ul>

## COMMUNICATION ON PROGRESS-F.Y. 2018-19

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

*Over 6, 80,500 farmers benefitted through leading agronomic practices and over 400 billion gallons of water saved through DSR technique.*

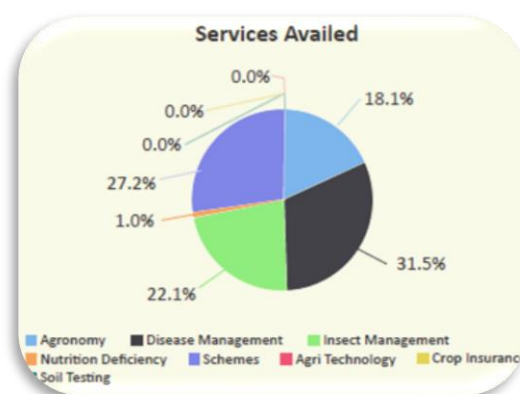
PI has been continuously striving to the optimization of sustainable agricultural potential and its uptake through science led approach. Accordingly PI has conducted farmers training, field demonstration and farm extension programmes on leading agronomic practices that have enhanced economic returns to the farmers, simultaneously protecting the environment and conserving the natural resources.

Our propagation of the DSR technique has impacted over 69.47 Lac Acres of farm land thereby saving up to 400 billion gallons of water. Adoption also helped in saving an average of Rs. 6,000 / farmer / hectare in the cost of paddy cultivation.



We have initiated better livelihood opportunity for small and marginal farmers through improved agriculture around a fully functional Food park in Khargaon (Madhya Pradesh). Programme has benefitted over 4000 farmers from across 180 villages in the area.

Our “Mobile Crop Clinic” Project has created awareness on Zero tillage, nutrient deficiency, soil health and drip irrigation in crops across 40 villages of Samastipur district of Bihar which has benefitted approx. 5,000 farmers during the reporting period.



## COMMUNICATION ON PROGRESS-F.Y. 2018-19

In addition to this, we have also participated in educating and equipping around 30,000 farmers with alternative technologies to burning the stubble and have been instrumental in contributing towards the betterment of air quality.



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

*More than 90,000 lives impacted through our “swastha seva initiative and over 570 toilets setup in schools & households.*

Advancement in medicine has incurred high expenditure in healthcare which is mostly limited to the urban areas of the country. This inaccessibility to medical services in rural & remote areas has been a major challenge faced by the inhabitants leading to elevated mortality rates in the region.

PI's healthcare programmes have helped promote preventive and curative healthcare to more than 1,00,000 rural people by taking measures to ensure cost reduction and last mile coverage.

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 underprivileged people including women, the elderly and children. “Swasthya Seva” was initiated under the National Health Mission Project aimed





## COMMUNICATION ON PROGRESS-F.Y. 2018-19

improving the health entitlements to the villagers in remote villages of Jambusar with the help of 3 Mobile Health units and provided services like prevention, treatment, immunization & counselling on health issues. In order to ensure successful adoption of these initiatives, the village development communities were empowered to decide on the timing, location and eligibility to access these services. This resulted in tremendous success in administering vaccinations against diseases such as Polio, TB and DPT.

Major noted outcomes have been in reduction of 35% expenditure on Primary health-care expenses in the project intervention area and Increased Health seeking behavior amongst community in Project operational area.

In addition, 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. 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.

As part of preventive health-care programme PI initiated to set-up blood bank with Rotary Ankleshwar Healthcare Society in Ankleshwar, Gujarat. The Blood Bank will be fully functional within six months and will serve 50,000 vulnerable populations living in and around 15-20 sq. km of the national highway.

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

*Over 12,000 Govt. School Children across 125 Schools benefitted from our Learning Enhancement programme and 650 youth gained employment through Skill Development Programmes.*

We strongly believe that education is the passport to better future.

## COMMUNICATION ON PROGRESS-F.Y. 2018-19

PI has undertaken quality education initiative whereby around 6,000 children across various Govt schools were taught reading, writing, comprehension and arithmetic. To promote comprehensive learning our mobile education van has been imparting learning to the last mile through interactive techniques. The students have shown 35% increase in class appropriate learning levels and >75% Decrease in school absenteeism in our project area.



We have also imparted employment linked skill-development courses on chemical plant operations, BPO, sales & Marketing and Hospitality in Gujarat, and Agri-skill development programmes in AP, Karnataka and Telangana. These courses have helped more than 650 Youth gain employment in organized sector jobs. In addition we have also signed more MOUs with various reputed institutions to initiate new livelihood promotion through employability linked Skill Training Programmes. These programmes aim at skilling the rural youth belonging to weaker sections of the society, so that they can be gainfully employed by the Agri. and allied Industries.



### [SDG 5: Achieve gender equality and empower all women and girls](#)

*Improvement in the livelihood of >5,000 women members & their families through Entrepreneurship and skills enhancement.*

Women across rural India are generally financially dependent on their male-counterparts and other family members, majorly due to lack of literacy and education. This inhibits families to realize their fullest earning potential

## COMMUNICATION ON PROGRESS-F.Y. 2018-19

To overcome this challenge, we initiated an Entrepreneurship and skill enhancement programme for underprivileged rural women. The programme has benefitted over 5000 women across 75 villages in Jambusar region of Gujrat in the current financial year. The programme involves formation of Self Help groups with facilitating opening bank accounts, skill development and training programmes across dairy, agriculture and micro-enterprises.



of

During the current FY, we have achieved the formation of new Self Help groups with opening of bank accounts covering 2,500 women members and strengthening of 20 existing Self Help Groups with 334 women members. Amount totaling more than 50 Lacs were mobilized for SHG members through bank.



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

#### *Strengthened rural infrastructure by electrifying streets in rural village*

Infrastructure services including power, transport, provision of water & sanitation, and safe disposal of wastes are central to the activities of households and to economic production. Several public-private initiatives for infrastructure development have enabled a progress in facilitating better infrastructure across rural India. However, due to differential performance across states there are numbers of villages still lagging behind.

## COMMUNICATION ON PROGRESS-F.Y. 2018-19

Access to improved sources of water and sanitation is a basic human right and is essential for the holistic socio-economic development. Despite this necessity, various villages across rural India are subject to primitive sources of water and sanitation facilities, leading to unhygienic lifestyle with consequent accelerated prevalence of diseases. Sanitation gaps cost India a staggering INR 2.4 trillion each year – that is 6.4% of its GDP. On the other hand, comprehensive sanitation and hygiene interventions can avert 45% of health issues, and avoid



other adverse impacts related to water and welfare measures. PI Foundation has identified several focus areas with Sanitation and Hygiene being one of them. We have identified a dearth of basic sanitary facilities in the villages. Various villages, including Vedach located near the plant at Jambusar, have dilapidated drainage system which hinders the vision of achieving the goal of Swachhata Abhiyan. This is also validated by the baseline conducted by NRMCC in 2014. We facilitated in developing and strengthening existing drainage network system in one of the streets of Vedach.

**Sarod Vanta** village is an important village in the near surroundings of our Jambusar Plant. Access to safe drinking water is a concern in the Gram Panchayat of this village. Looking at the requirement, an amount of Rs 24.92 lakhs has been sanctioned under Swajaldhara Yojana in 2018-19 to ensure access to safe drinking water among community members in the village.

This scheme has one basic component of community contribution that clearly articulates 10 percent of the total sanctioned fund needs to be given by community.

The general background of this village is most households earn their livelihood through manual labour and subsistence agriculture and are unable to contribute a huge amount as an imperative part of the scheme. Due to inability to raise community contribution from poor community, Sarpanch of Sarod Vanta

that



## **COMMUNICATION ON PROGRESS-F.Y. 2018-19**

village has requested PI Foundation to provide support for matching grant money so that poor community members will be benefitted by this scheme. PI Foundation has provided an amount of Rs. 2 lakh to complete this project, with rest agreeable contribution to be made by the community.

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.