

# PVR LIMITED UNITED NATIONS GLOBAL COMPACT COMMUNICATION ON PROGRESS 2015-16



*PVR Limited  
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July 31, 2017

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## **EXECUTIVE LETTER**

August 2<sup>nd</sup>, 2017

To

The Global Compact Office  
United Nations Global Compact  
Two United Nations Plaza  
New York, NY 10017

**Dear Stakeholders,**

On the fast track of growth since it was founded 20 years ago, PVR stands today at an exciting cusp, mapped by many milestones of success and ready to scale the next level of growth through well planned and strategic approach. In addition to this, being a corporate citizen and an ethical business enterprise, it is also our responsibility to adhere with the ten principles of UN Global compact and contribute towards a sustainable society. PVR is focussed towards the journey of change and innovation and with the support of our cinema circuit; we aim to support young children from difficult socio-economic backgrounds. We believe that our corporate governance and policies incorporate the principles, which values human rights, labour rights, the environment and code of conduct to eliminate bribery and corruption.

Enclosed herewith, we summarise the progress of the year that has been made in accordance with the principles set forth by the United Nations Global Compact and will continue to follow them in our future decision –makings.



**Ajay Bijli**

**Chairman and Managing Director,**

**PVR Limited**

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August 2<sup>nd</sup>, 2017

To

The Global Compact Office  
United Nations Global Compact  
Two United Nations Plaza  
New York, NY 10017

**Dear Stakeholders,**

Enclosed herewith, please find our submission of UNGC Communication of Progress – 2015 on behalf of PVR Limited. Being a corporate citizen and an ethical business enterprise, it is our responsibility to adhere with the ten principles of UN Global compact and contribute towards a sustainable society. PVR is focussed towards the journey of change and innovation and with the support of our cinema circuit; we aim to support young children from difficult socio-economic backgrounds. We assure that our corporate governance and policies incorporate the principles, which values human rights, labour rights, the environment and code of conduct to eliminate bribery and corruption.

Our company governance is in accordance with the principles set forth by the United Nations Global Compact and will continue to follow them in our future decision-makings.

**Regards,**



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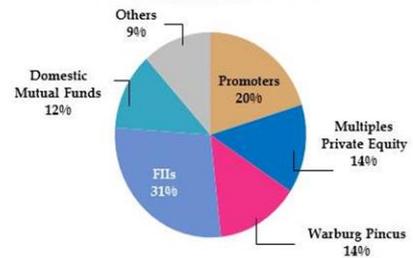
*\*Note: Deepa Menon shall be the point of contact for all United Nations Global Compact communication and coordination.*

## Company Overview

- India's largest cinema chain
- Leadership position in India with approx. 40% share of Hollywood Box Office and approx. 25% share of Bollywood Box Office
- 5 mn sq.ft of operational retail space, another 4 mn sq.ft under development
- Revenues of 21,817 mn INR and 3,759 mn INR <sup>1</sup>
- Market Cap of 68 bn INR <sup>2</sup>



Share Holding as on 31<sup>st</sup> Mar'17



[1] For FY 16-17  
[2] Market Cap as on 31<sup>st</sup> May'17

## COMMUNICATION ON PROGRESS FOR YEAR 2015-16

### HUMAN RIGHTS PRINCIPLES

**Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights;**

PVR Limited is India's largest and most premium film exhibition company and has about 10,000 employees working at its 128 multiplexes. The company is committed to uphold the highest standards of corporate governance and believes that the business relationship can be strengthened through corporate fairness, transparency and accountability.

PVR Limited is highly dedicated towards upholding the human values and rights in the company. There have been slew of measures that have been undertaken by the organization since its inception and subsequent to the company's IPO the efforts have been growing to increase and augment shareholder's (internal and external) perception and value. To ensure a synchronous homogeneity, the organization has evidently displayed its focus in making it a preferred employer by focusing on various areas leading into employee motivation, engagement, retention, growth and advancement.

The company believes that all its operations and actions must serve the goals of enhancing overall enterprise value and safeguarding employees' trust.

Our growing circuit of high quality cinemas and our companywide emphasis on excellent customer service remain critical factors in our ability to generate positive operational results. We are implementing a universal training system in the company to enhance the learning culture at PVR. This formal, monitored and evaluated mode of training will ensure that the learner's career growth not only depends on his/her existing skills but also on the level of mastery he/she acquires in various progressive skills.

**Principle 2: Make sure that they are not complicit in human rights abuses**  
**Assessment, Policy and Goals**

PVR is conscious about its responsibility as an employer and has endeavoured to draw minimum distinction on grounds of diversity. The various operational roles at PVR ensure that opportunities are gender-neutral, thereby leading to higher participation of women in the business streams of the company.

PVR has been setting trends in the cinema and exhibition business through its different approaches and to ensure that the foundation is strong for the ability and flexibility to take new measures. The organization has a sound "knowledge transfer" methodology that is been done through the various L&D sessions, SOP's directory and revisions histories, monthly audit checks, stack ranking on process and performance, manuals and references besides the PMP approach being followed.

To accentuate the focus towards learning, efforts are underway to

establish a centre of excellence as a “PVR University” which shall undertake the learning philosophy in the organization. In addition to new hiring, plans are afoot to requisite a model centre which shall be focused on simulated training, content development and institutionalizing the process and practices relevant from a behavioural perspective. The focus of this University is on leveraging PVR’s focus on customer and people management.

Few of these measures will include:

- Introduction of peer learning through buddy system and internal training capacity
- Behavioural training with specific focus on customer satisfaction and upselling
- Creation of working prototype of cinemas for practical training
- Framework and infrastructure for new product development
- Learning Management System (LMS) embedded during curriculum training
- Imbibe and inculcate “Blue Ocean Strategy” through learning methodology

## Labour Principles

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

PVR Ltd. continues to uphold the freedom of association and the effective recognition of the right to collective bargaining. We do not discriminate on grounds of membership in a labour union.

The company also ensures that there is due diligence carried out at regular intervals of its internal process and practices, taking a cue from the feedback and results to re-establish or course correct the key drivers for the organization that impact its business, behaviour and culture. This is been done through an assessment of code of conduct, which include various HR programs especially the ones that dwell on performance appraisals, career progression and rewards and recognition, compliances and the governance methodology of each practice.

As governance is achieved through simultaneous adherence of guidelines and policies, PVR has laid down the guiding principles for all the areas of HR in talent acquisition, talent management and compensation and benefits.

**Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labour.**

PVR Ltd. upholds a zero tolerance policy to all forms of forced and compulsory labour. PVR, by the virtue of its various benefits also ensures that the holistic well-being of the organization and its employees are maintained significantly. It is regularly brought up in business dialogues and is a part of its organizational culture. It has turned out to be beneficial for the employees’ health and makes them feel valued, which further helps them to give back productively to the working environment. This has been achieved by ensuring the following:

- Providing value based working environment and the management style of supervisors, managers and leaders
- Open communication and dialogues
- Teamwork and co-operation
- Clarity and unity of purpose
- Being fairly compensated

We will always continue the endeavour of being a fair company which values each of its employees with utmost respect and care.

#### **Principle 5: the effective abolition of child labour**

The employment of children in an industry or business is inhumane and intolerable. PVR is committed towards hiring employees under the stated laws and age groups. All our staff members are qualified and well-versed with the consequences on the violation of human rights and child labour.

PVR Nest, the social arm of PVR Limited has created spaces and mechanisms to empower the children at risk in urban areas through the “Childscapes” program. These children come from Delhi’s slums, migrations, and are supporting themselves through begging or rag-picking. Some children are even under the substance abuse. Therefore, we have created a long-term sustainable program that focuses on nutrition, healthcare, rehabilitation and education of these children. The team reach out to their communities as well and bring awareness on the social developmental issues and the measures, which need to be taken for their eradication. The foundation has been successful in mainstreaming 500 children through cognitive and non-cognitive skills and enabled the young ones to have a better life.

In the current year, we plan to bring like-minded partners on board who will ideate and evolve the “Childscapes” program by increasing community participation and accentuate the learning process through a holistic educational program having non-cognitive skills leading into academics building. In the course of next one year, we aim to educate the community members, local governance, and local schools along with children to actively participate at our centers and give them a platform to contribute in building self-sustained society.

#### **Principle 6: the elimination of discrimination in respect of employment and occupation** **Assessment, Policy and Goals**

PVR Limited is committed in providing equal employment opportunities to all applicants irrespective of religion, caste, colour and gender. We aim to carry out recruitments, across all levels, in a transparent manner with no room for malpractices, unprofessional conduct or extending preferential treatment and filling the position only if the candidate is found suitable possessing the right skills, qualifications and experience. We have stringent policies and procedures on employee grievances and sexual harassment through open communication, employee connect and feedback system. The P.O.S.H committee ensures on taking strict actions against any malfunction being identified in the company or on ground at

cinemas.

## ENVIRONMENTAL PRINCIPLES

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

PVR Cinemas are India's largest and most premium film exhibitors and our business enterprise comprises of 587 screens at 128 multiplexes in 51 cities pan India. We strive to ensure that the environmental impacts of all our activities are minimised while we cater to the needs of all our stakeholders including patrons, investors, and employees and ensure their utmost satisfaction. The company ensures that proper measures are taken for energy conservation and environmental sustainability:

- Automatic Power Factor Control (APFC)'s are being used to maintain the power factor above 0.98 and thus ensure that the reactive power in the system remains as low as possible.
- Load running is optimised by following switching ON/OFF procedure. Timers are being used to ensure optimization.
- Occupancy sensors have been installed in washrooms at various locations to save energy by switching off the lights when the toilets are not in use.
- Replaced major lighting by LED lights using retrofits in existing locations. Ensuring all upcoming cinemas are equipped with LED lights mainly.
- New and efficient screw chillers have been installed for power saving.
- Heating ventilation of air conditioning (HVAC) plants and sub system under PVR are closely monitored and regular PPM is carried out to ensure fewer breakdowns, reduced wear and tear resulting in energy conservation.
- Variable frequency Devices (VFD)s are installed on Air handling unit (AHU)'s for energy savings by using a closed loop temperature feedback for the VFD's.
- Water conservation across PVR sites in India are facilitated by the installation of water flow restrictors in wash basins to help reduce tap water consumption by 60% thus by reducing the energy consumed in pumping and helping in water conservation.
- Energy monitoring, temperature monitoring and fire hydrant pressure monitoring system have been installed in the northern locations. These are cloud based remote systems that enable us to become pro-active in environmental sustainability.
- AC discipline is being followed to avoid leakage of cooled air / infiltration of hot air.
- Participation in environmental causes such as "Earth Hour" by WWF - India.

### **Principle 8: Undertake initiatives to promote greater environmental**

At PVR, sustainability is an everyday commitment via good energy, water and conservation practices. We have collaborated with different partners and adopted three neighbourhood parks in Delhi.

**responsibility;**

Through this volunteer program, which involved children, communities and PVR employees; we revamped the parks and turned them into fine green spaces.

Soon, PVR Ltd. and PVR Nest will be investing in Green Fund program. It is an innovative approach to address the issues pertaining to the urbanization of Delhi – NCT. PVR Nest will structure a public – private partnership (PPP) model and build a citizen centric program that will focus on 5 thematic urban issues of the capital. It will include bringing awareness, knowledge and building leadership on:

- a. Geopathic stress and encouraging radiation free city
- b. Sanitation
- c. Effective waste management and disposal
- d. Water issues
- e. Pollution and Vehicular management

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

All the PVR screens are 100% digital that reduces the wastage caused by film reels. Moreover, we encourage our patrons for e-bookings, which avoid printing of physical tickets and save paper. Furthermore, we continuously bring awareness among staff towards the benefit of energy conservation and reduction by conducting training and knowledge sharing sessions.

Incentivisation policy is implemented and contributors to the cause of environmental sustainability are appreciated and incentivised accordingly.

Certified energy auditors and managers are hired to supervise and implement the energy conservation measures. External consultants have been appointed to provide energy saving measures over and above the existing system. They provide suggestion on optimising energy usages, lux level of various areas, design aspects of electrical and HVAC systems etc. so that the equipment efficiency can be maintained and energy conservation is taken care.

At PVR cinemas, we have also installed signage with LED based technology to save energy.

Centralised monitoring of chilled and condense water parameters will be implemented in the coming financial years.

Utilization of Solar Energy for conservation by using rooftop photovoltaic grip connected system will be piloted in the coming financial year.

## Anti-Corruption Principles

**Principle 10: Businesses should work against corruption in all its forms,**

PVR Ltd. is a growing organization. Its leadership is conscious of its responsibility towards governance and ethics in the larger context of society and nation as a whole. Our investors have reposed their faith

**including extortion and bribery**

in us to safeguard their investments through consistent delivery of high level returns, by carrying out its business dynamically and leading from the front.

As a value-based, socially responsible organization, PVR operates its business in accordance with local legislations in all the respective states where it operates as per Company's Code of Conduct. PVR is bound to the ethical standards in its operations and behaviour.

PVR Code of Conduct is an integral part of the service conditions for employment in the company and it describes general duties, responsibilities and management's expectations regarding behaviours and conduct of employees. Our policy, on code of business conduct and ethics is a key in our recipe to achieve business excellence and optimize long-term value.

To fulfil our commitment towards good corporate governance, we strive to instil a proper sense of ethics in each employee. Our Code of Conduct covers not just our employees but also extends to the Board members and members of the Committees of the Board. We supplement our code with detailed policies on aspects such as anti-harassment, anti-corruption, whistle blower protection and other issues concerning the work place.

The policy not only outlines the fundamental ethical considerations, but also addresses more specific considerations of professional conduct. We do not tolerate any corruption or bribery in the system and any policy or ethical violation that is detected by an employee is immediately reported to management and documented.