

Message of Continued Support to Global Compact



In today's unpredictable and ever-changing environment, one company alone cannot solve the sustainability challenges that we are facing. Hence, we have to evolve existing partnerships and build new ones to help create a more resilient future for our business and the planet. We also understand that the sustainability challenges are complex and multi-dimensional, and as a responsible corporate citizen, we will continue to do our part with unflinching commitment such that the world remains a safe haven for our future generations. To help contextualize one of the most visible outcomes of sustainability challenges, one has to look at the global migration report of 2018 presented by the United Nations. Current estimates show that there are 244 million international migrants globally (3.3% of the world's population).

While the vast majority of people in the world continue to live in the country in which they were born, more people are migrating to other countries, especially those within their region. Many others are migrating to high-income countries that are further afield. Global displacement is at a record high, with the number of internally displaced at over 40 million and the number of refugees more than 22 million.

Work is the major reason that people migrate internationally, and migrant workers constitute a large majority of the world's international migrants. The migrant workforce contributes significantly to the local economy and also to the home country. As per World Bank's global remittance report of 2018, India will retain its position as the world's top recipient of remittances this year with its diaspora sending a whopping USD 80 billion back home. India is followed by China (USD 67 billion), Mexico and the Philippines (USD 34 billion each) and Egypt (USD 26 billion), according to the global lender. Sustainability linked global trends are changing our planet and are having a measurable impact on the topline and bottomline of the business. Sustainability challenges like resource scarcity, migration, demographic shifts and climate change are redefining our societies, public policies, regulatory frameworks, business environments and investment outcomes. Such challenges create new opportunities and risks that companies must address to remain relevant. Companies that anticipate and manage present and future economic, environmental and social opportunities and risks by focusing on quality, innovation and productivity will emerge as leaders and are more likely to create a long-term stakeholder value.

Our Communication of Progress (COP) report for the year 2018-19 is a summary of our efforts and achievements in furthering our sustainability objectives which are seamlessly integrated with our overall business goals. We focused on our triple bottomline and took forward various activities as part of the Start-up Fund, CSR and HSE initiatives. Through Balmer Lawrie Start-up fund, we supported Kanpur Flowercycling Pvt. Ltd., a company that converts discarded flowers into innovative products like incense, natural soap and other bio-degradable products, with Rs. 1.2 crore and RCHobbytech Solutions Pvt. Ltd., a company providing unmanned surveillance solutions, with Rs. 1.5 crore. As a member company of the Ministry of Petroleum and Natural Gas (MOPNG), Govt. of India, we contributed Rs 225 Lakh for the Skill Development Institutes (SDIs) at Ahmedabad, Rae Bareilly, Guwahati, Bhubaneswar, Kochi and Vsakhapatnam. As part of the Swachh Bharat Abhiyan, besides the construction of 330 toilets in the states of West Bengal, Assam, Andhra Pradesh, Chhattisgarh, Haryana, Rajasthan and Maharashtra, Balmer Lawrie has initiated a capacity building project on health and hygiene at Silvassa and has sponsored the beautification of three ghats along the river Hooghly in Kolkata. Balmer Lawrie achieved Zero LTI [Lost Time Injury] for the last two consecutive financial years that is from 1st April 2017 till 31st March 2019 and Manali, Chennai (manufacturing units) was awarded a 4-star rating for commitment to EHS Practices in the CII-SR EHS Excellence Awards for the year 2018 given away by Confederation of Indian Industry.

We will continue to focus on our sustainability roadmap and create long-term value for all our stakeholders.

Prabal Basu
Chairman & Managing Director

Communication on Progress (CoP) Report – 2018-19

This Report on Communication of Progress (COP) represents our assessment and perspective on the manner in which the principles of Global Compact have been taken forward in our organisation through various initiatives. The accompanying statements attempt to capture the achievements vis-à-vis the principles pursuant to the actions taken during the past, including the year under report, in brief. For more details, please contact the *Corporate Communications* Department at the Company's Corporate Office or send an email to corpcomm@balmerlawrie.com

Principles Relating to Human Rights

Principle # 1 & 2: Support and respect the protection of internationally proclaimed human rights / Not be complicit in human right abuses

Balmer Lawrie remains committed to uphold and strives to further the cause of human rights in all aspects of its business and ensures that neither the Company nor any of its business partners indulge in any human rights violation or are complicit in any human rights abuse in any manner. The various actions taken and the status are as under:

- The Company has duly constituted Internal Committees (as per the Prevention of sexual harassment of women at the workplace Act) at the Corporate Office and the Regional offices, which can be approached by women employees in case of any harassment. The Internal Committees hold quarterly review meetings.
- The Company has constituted committees to ensure that the employees are able to work in a positive atmosphere free from physical or psychological threat, abuse or sexual harassment. The committees meet periodically to identify and address issues, if any, that are of concern.
- The Company does not, as a matter of principle, deal with any party with history of human rights abuse.
- The Company consciously works towards the development of the society at large and provides financial support for community development projects. These include programs aimed at ameliorating the problems of the socially and economically downtrodden and the weaker sections of the society and improve their social and economic status.
- All legal and statutory obligations towards employees, shareholders, clients, customers, associates and the society at large are complied with. Periodic audits are undertaken and reports on compliance are submitted to the Board of the Company. Action Taken Reports (ATRs) against Non-Compliance Reports (NCRs) are also reported to and reviewed by the Board.

Principles Relating to Labour

As reported in the previous COPs, Balmer Lawrie recognizes and respects the dignity of labour and strives to ensure that there is total freedom of association and no discrimination whatsoever in matters of employment. The Company provides safe and healthy working conditions, pays competitive wages much above the minimum levels and at times best in the industry/region that it operates in, and provides the best of health care and other welfare

facilities to its employees. In all matters pertaining to labour, it follows conventions adopted by the International Labour Organisation. Further, it abides by all regulatory provisions governing the employment in the organisation and strives to enhance the quality of work-life of its employees. To be more specific, the present status, including the actions taken, is detailed in the ensuing paragraphs.

Principle # 3: Uphold the freedom of association and effective recognition of the right to collective bargaining

- The Company strongly believes in and supports the employees' right to association. As of now, there are 6 Unions and 1 Association representing different sections of employees in the Company.
- Settlements on terms and conditions of service of unionized employees are arrived at through the process of collective bargaining. All the commitments made to the collective are implemented in letter and spirit.
- Balmer Lawrie Workmen's Union signed the Long-Term Settlement with the Management of the Company on 14th November, 2017 towards their Pay Revision effective 01st January, 2014 for a period of 5 years.
- Balmer Lawrie Employee's Union, CCDC signed the Long-Term Settlement with the Management of the Company on 23rd October, 2017 towards their pay revision effective 01st April, 2014 for a period of 5 years.
- The Long-Term Settlement of LI, Mumbai was signed on 6th July 2017 at the Labour Commissioner's Office in Mumbai.
- The Long-Term Settlement of Establishments in Chennai and Bangalore was signed on 23rd April 2018.
- The Long-Term Settlement of Establishments in Delhi was signed on 11th September 2018.
- Negotiations to conclude long term settlements, where due, are progressing satisfactorily and it is our expectation that the new wage settlements would be signed in due course.
- The Company continues to follow the policy of non-discrimination of bargaining agents based on political affiliation or any other extraneous considerations.

Principle # 4: Elimination of all forms of forced or compulsory labour

- Employment in the Company is on free volition of the employees. No form of forced or bonded labour exists or is allowed.
- Employees are free to terminate the contract of employment by giving notice as stipulated in their appointment letters.
- All forms of employment are governed by Letters of Appointment / Engagement and are subject to acceptance by the prospective employees.

Principle # 5: Abolition of Child Labour

- The Company policy does not permit employment of any person below the age of 18, directly or through contractor, in any of its businesses. To ensure this, the age of all candidates for employment is verified at the time of recruitment and recruitment rules ban employment of persons below 18 years.
- It also does not buy goods/products from agencies that use child labour.

Principle # 6: No Discrimination in respect of employment and occupation

- The Company does not practice any form of discrimination or bias in matters related to hiring of employees, their career planning, training and development, promotion, transfers, or on remuneration and perquisites. All sections of employees, including women, are given equal opportunities and the Human Resource Policy is to advance the cause of meritocracy and foster development of employees, including learning and growth.
- The Company does not practice any discrimination, in matters relating to recruitment, compensation, promotion, training on the basis of religion, caste, region, political affiliation or sex, excepting positive discrimination in hiring of employees to give effect to constitutional guarantees for socially backward / underprivileged groups like SC / ST / OBC / Minorities / Persons with Disability.
- In all recruitments where there are candidates from SC/ST/Minority communities, the Selection Committee has a member from the said community to ensure that the interest of these communities is safeguarded.

Principles Relating to Environment

Principle # 7: Environmental Protection

The Company gives highest priority to protect the environment. Towards this end, precautionary measures have been put in place with regard to storage, collection and disposal of hazardous wastes. Recycling of water is being done in various plants to minimize water consumption. LED lights and energy efficient machines are installed in the plants and establishments to minimize our carbon footprint.

- Floor Cleaning Machines are being used to clean the floor of the Silvassa plant of SBU: Greases & Lubricants (G&L) and the Taloja plant of SBU: Industrial Packaging (IP), thus reducing the use of contaminated cotton waste, which is considered as hazardous waste.
- G&L - Kolkata, Container Freight Station (CFS) - Navi Mumbai, IP - Kolkata & Chittoor have demarcated and constructed separate areas for storage of hazardous waste and non-hazardous waste in the manufacturing plants.

Principle # 8: Promoting greater environmental responsibility

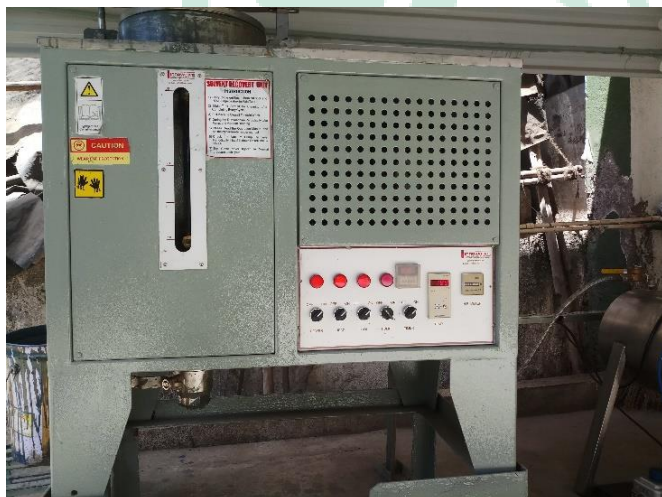
- Balmer Lawrie's Manali complex in Chennai comprising manufacturing units of Leather Chemicals (LC), G&L & IP and CFS has been declared as a Plastic Free Zone and use of any kind of plastic bags, cups etc. inside the premises has been abandoned.
- CFS - Kolkata has started using paper cups and plates instead of plastic ones to reduce plastic usage inside the establishment.
- Asbestos roof sheets were replaced with pre-coated galvanized iron roof sheets in the warehouse at CFS - Navi Mumbai and G&L - Silvassa thereby improving the work environment and reducing health risk hazard.
- The Company has till date installed solar plants with a total capacity of 493 KWp in four different sites at Asaoti, Navi Mumbai, Chennai and Rai. Out of this, 33 KWp solar power plant has been commissioned in the current financial year at Temperature Controlled

Warehouse (TCW) - Rai. This helps us to offset 750 tons of carbon dioxide per year from our manufacturing / cold chain operations.

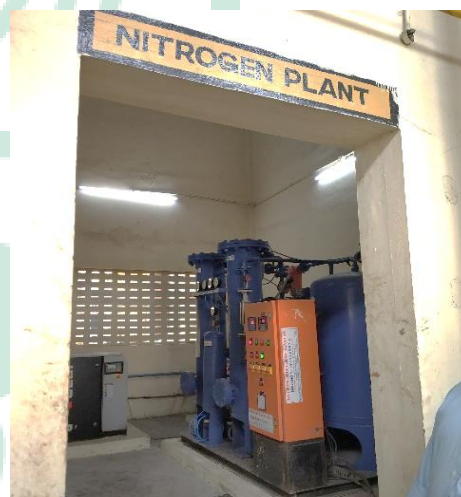
- A steam condensate recycling system was installed in the Leather Chemicals plant at Chennai resulting in reduction of 20 KLD water usage.
- IP - Chittoor, IP - Asaoti, CFS - Navi Mumbai reuse / recycle the process water thereby reducing water consumption in various processes.
- Hundreds of trees are planted at different plants / establishments of Balmer Lawrie across India to increase the green cover in order to reduce carbon foot print.

Principle #9: Development and diffusion of environmental friendly technologies

- The Company has continued its efforts at technological up-gradations in its manufacturing processes to ensure that adverse impact of our operations in the environment are minimized.
- IP - Silvassa has installed a solvent extractor system, which is able to extract fresh solvent from flushed out solvent, which is then re-used in the painting process. This reduces hazardous waste generation.



Solvent Extraction System, IP - Silvassa



Nitrogen Plant, LC - Manali

- LC – Manali has installed an automated Nitrogen Generation Plant for safe operation of the chemical processes thus, avoiding the usage of nitrogen cylinders.
- LC - Manali has installed an Automated Emergency Scrubber System with control systems while handling Sulphur Di-Oxide and Chlorine. This reduces unwanted leakage of hazardous gases.
- Our R&D team continuously works to identify raw materials, processes and technologies, which will have minimum impact on the environment. The Application Research Laboratory (ARL) of SBU: Greases & Lubricants has made significant progress in developing a number of biodegradable lubricants and environment friendly tribological solutions. Continuous trainings are being imparted to our workforce on the latest development in the lubricant industry. To enhance our R&D initiatives the newly modernised ARL at Kolkata was inaugurated on 20th July 2019.

Principles Relating to Ethics & Transparency

Principle # 10: Elimination of corruption in all its forms, including extortion and bribery

- Transparent policies and systems have been put in place to ensure ethical behaviour of Balmer Lawrie employees, and we expect our employees to behave in conformity with these principles. As a matter of policy, the Company regularly interacts with clients, customers and associates to get their views/suggestions.
- Issues relating to corruption, dishonesty or unethical behaviour are looked down upon and any instance of such nature is dealt with expeditiously for corrective and preventive action, including disciplinary action against erring employees. There is a vigilance department in the Company to deal with such matters in an organized & systematic manner.
- Balmer Lawrie has institutionalized its "Fraud Prevention Policy". The policy provides for detection, reporting and prevention of fraud, whether committed or suspected. This has been done in pursuance of the Company's motto to nurture a culture of zero tolerance for fraud or fraudulent conduct.
- Balmer Lawrie has also institutionalized the "Whistle Blower Policy" to develop a culture where it is safe for all employees to raise concerns about any irregular, undesirable or unacceptable practice and any event or incident of misconduct.
- In order to ensure greater transparency in respect of all procurement actions through tendering, all tenders are now hosted on Company's website. Further, it was decided by the Company in December 2012 that all procurements above Rs 5 lakhs need to be carried out through the e-procurement mode.
- A Handbook on "Public Procurement" was published by the Vigilance Department in April 2013, with the aim of assisting all Executives in understanding the procurement process well.
- The Company has a practice of conducting internal and external audits by experts.
- All the employees have been advised to take the integrity pledge released by the central Vigilance Commission.

Sustainability Efforts

HSE: In pursuance of the leadership's advocacy for the institutionalization of a proactive HSE (Health, Safety & Environment) culture in the organization, a full-fledged HSE department was set up at the Corporate Office. Balmer Lawrie published its Sustainability Report and Business Responsibility Report for the year 2017-18 and the same has been uploaded on the Company's website. Corporate HSE carried out HSE audits in all units across all SBUs, conducted trainings / workshops on Behaviour Based Safety, Process Safety, Sustainable Development and CSR for employees and other stakeholders, and General Planned Inspections at different units on a daily basis. We have also carried out Process Safety Audit for the Temperature Controlled Warehouses in Hyderabad, Rai and Patalganga in 2018-19.

World Environment Day was observed with much fervour at various units/establishments of the Company on 5th June 2018. An online quiz on Environment was organised on an all India basis. Saplings were planted in various units and establishments as part of our green effort.

The 48th National Safety Week was observed from 4th to 10th March 2019 in all units/establishments across locations. The week commenced on 4th March, observed as National Safety Day, with the administering of the safety pledge and reading out of C&MD's message. In line with the theme, various programs were organized over the week. The programs included extempore, quiz, skit, spot the hazard contest, mock drills, safety slogan & essay writing competitions.

Balmer Lawrie achieved Zero LTI [Lost Time Injury] for the last two consecutive financial years that is from 1st April 2017 till 31st March 2019.

Balmer Lawrie's Manali (Chennai) Manufacturing unit was awarded a 4-star rating for commitment to EHS Practices in the CII-SR EHS Excellence Awards for the year 2018 given away by Confederation of Indian Industry (CII).

Environmental Sustainability: Environmental Sustainability aligned to business is the need of the hour and towards this a long-term Sustainability Development Plan was developed for the Company in association with E&Y. Balmer Lawrie published the Sustainability Report on triple bottomline for the year 2017-18. The Company's Industrial Packaging plants at Asaoti, Silvassa and Navi Mumbai are now qualified TFS [Together for Sustainability] units.

Corporate Social Responsibility

Our Corporate Social Responsibility (CSR) projects aim at transforming the lives of the underprivileged and enhance collective community well-being in and around our work centers, besides the broader goal of driving sustainable development and growth for its stakeholders. In line with this and the various programs initiated by the Government of India (GOI) like the Clean India Mission and Skill Development program, Balmer Lawrie has been driving various CSR projects independently around its units and establishments across the country and has also been supporting various programs as part of the GOI initiatives. The Company is responsive to the needs of the society at large, and its socio-economic goals are well aligned with the business objectives.

Balmer Lawrie's CSR initiatives are driven by two Flagship Programs - **Balmer Lawrie Initiative for Self Sustenance [BLISS]** and **Samaj Mein Balmer Lawrie [SAMBAL]**. While the first Program is directed at providing and improving the long-term economic sustenance of the underprivileged, the second Program aims at improving the living standards and quality of life of population in and around the Company's work-centers.

In pursuance of these Programs, the Company has undertaken several community development projects, partnering with various agencies. The focus areas for the Schemes under the Programs, amongst others, have been on education, healthcare, sanitation, integrated village development, and environmental protection. CSR efforts are channelized on the above-mentioned thematic focus areas and target groups like children, women, youth, elderly and differently abled people.

Through the various CSR programs, the Company has constantly endeavored to integrate the interest of the business with that of the communities that form part of the areas it operates. With the advent of the various National flagship programs launched by the government, we as an organization take pride in furthering the initiatives which comes under the purview of CSR by engaging specialized agencies, and in keeping with the DPE guidelines, the Companies Act 2013 and Schedule VII of the Companies Act.

A total sum of Rs. 516.00 Lakhs was spent during the year 2018-19, towards CSR activities expenses.

The following activities / initiatives were undertaken during the year under report, i.e. FY 2018-19.

i. Education & Child Sustenance

1. Child care includes family support and education to orphaned/destitute children and children with physical and other disabilities. Balmer Lawrie supports two Family Homes at SOS Children's Village – 1 in Kolkata and 1 in Visakhapatnam.



Family home adopted by Balmer Lawrie at SOS Village in Salt Lake, Kolkata

2. Two classrooms are being sponsored under the "Corporate Leverage and Support Scheme" (CLASS) of Indian Institute of Cerebral Palsy (IICP) for supporting the differently abled, particularly children suffering from cerebral palsy. In all 30 children are being supported.



Classrooms are sponsored by Balmer Lawrie in the Indian Institute of Cerebral Palsy

3. Our Company extended support to projects focused on the upliftment of the tribal students, run by Friends of Tribal Society known as EKAL Vidyalayas. Balmer Lawrie sponsored Rs. 10 lakhs for these vidyalayas catering to the tribal populace.



Ekal Vidyalaya

4. Financial support of Rs. 5.00 lakh was provided to Mentaidd, Kolkata for the education of the physically challenged and underprivileged children.
5. Under the Swachh Vidyalaya : Swachh Bharat Abhiyan, toilets were constructed in the states of West Bengal, Assam, Andhra Pradesh, Chhattisgarh and Haryana for the students of primary government schools to avail facilities of toilets. It was committed by Balmer Lawrie to maintain the toilets at least for 5 years. Therefore, our Company is maintaining the toilets as per need in West Bengal, Andhra Pradesh and Haryana. Taking a step ahead our Company also refurbished/repared the toilets which have been used for last 3 years from the date of commencement.

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Toilet maintenance in a government school in West Bengal

ii. Health

1. The Balmer Lawrie sponsored Mobile Health Van run by Helpage India at Manali, Chennai to provide medical care especially for the elderly people, caters to 12000 patients annually. In the financial year 2018-2019 a new van was provided to Helpage India to further the initiative.



Mobile Health Van at Chennai

2. The capacity building on health & hygiene project initiated at Sayli village in Silvassa in the month of December 2019 as part of Swachh Bharat Abhiyan was taken forward with great enthusiasm. A Memorandum of Agreement (MOA) dated 25th December 2018 was signed between Balmer Lawrie as sponsor, Swadeep Shikshan Vikas Sanstha, Ahmedabad, the Implementation Partner and the Collector District Magistrate, Dadra & Nagar Haveli, Silvassa, the Operating Partner. Though children of the village and primary schools comprise the major target group, school teachers, Anganwadi workers and staff, parents and the school management committee of the respective schools will also be

involved in the various activities. Training sessions and workshops on health, hygiene and nutrition were organised in the Anganwadis and primary schools. Also, personal hygiene kits, sanitation kits, dustbins and Anganwadi vessel kits were distributed. The objective of the project is to ensure sustainable development by promoting good health, quality education, clean water and sanitation in Sayli village.

This project addresses three sustainable development goals and is being carried out to meet twin objectives:

- Ensuring that children in the preprimary schools and in the primary schools are provided with understanding on personal hygiene that over a period of time will help in behavior change modification among them, thereby impacting the issue of Stunting and reducing the Under Five Mortality rates.
- Parents, teachers and the workers associated with these centers are to be involved in the community connect initiative so that they play an important role in ensuring better and improved hygiene standards.



Glimpses of activities at Sayli Village

3. As part of the Swachh Bharat Abhiyan, Balmer Lawrie sponsored the construction of 40 borewells at a cost of Rs 28.73 Lakhs in the DIKOM area in Dibrugarh, Assam where a site of our SBU: Refinery & Oil Field Services is operational.



Borewells in the DIKOM area

4. An incinerator and vending machine for sanitary napkins was installed in ten government schools at Kolkata in West Bengal and behavioral training was carried out for the adolescent children and their parents.



Orientation workshop for students and parents at West Barisha Kamala Vidyamandir, Kolkata



Orientation workshop for students and parents at West Barisha Kamala Vidyamandir, Kolkata

iii. Skill Development

Skill Development Institutes (SDI) are being set up at various places in the country by the member companies of the Ministry of Petroleum and Natural Gas (MOPNG), Govt. of India. As a member Company, Balmer Lawrie contributed Rs 225.00 Lakh for the institutes at Ahmedabad, Rae Bareilly, Guwahati, Bhubaneswar, Kochi and Visakhapatnam which are fully operational.



SDI at Bhubaneswar

iv. National Cleanliness Campaign

1. Balmer Lawrie constructed 02 toilet blocks during the financial year 2018-19. A Public toilet block was constructed in the Panvel area adjacent to the civil court in district of Raigad, Maharashtra and toilet block was built for boys and girls in Villupuram district of Tamil Nadu.



Inauguration of toilet blocks

2. The Swachh Bharat Pakhwada was observed from 1st to 15th July 2018. The Swachhta pledge was administered by Mr. A Ratna Sekhar, Director [HR&CA] at the Corporate Office in Kolkata. Employees across units and establishments pan India took the pledge to propagate the message of Swachh Bharat Mission all over and endeavor to devote 100 hours for cleanliness. A host of activities were initiated to further the 'Clean India' movement not only in our plants and offices but also in the communities residing close to our establishments. As part of the various community involvement activities, a sit and draw competition along with an awareness session for adolescents and school teachers were organised for school students of Government schools at Joynagar, South 24 Parganas, West Bengal; a drawing competition and an orientation on health and hygiene was organised for under privileged children at Bantala, Kolakata; and a drawing competition, essay writing contest, quiz and elocution competitions were held in a Higher Secondary School at Manali, Chennai. In Silvassa, clothes both old and new were distributed to the villagers of Sayli village.



Activities organized as part of Swachh Bharat Pakhwada

3. To spread awareness on cleanliness and the importance of planting trees, Balmer Lawrie in association with The Times of India distributed saplings in Kolkata during the Swachh Bharat Pakhwada. A branded cantor vehicle travelled through the city from

11th to 14th July 2018, handing out saplings to all those who took the pledge to stay clean and green. The response was very good and a total of 800 anti-pollutant, benzene absorbent saplings, placed in biodegradable jute bags were given away. A radio jingle to spread awareness on the initiative was played 15 times in day on Radio Mirchi from 12th to 14th July 2018. Saplings were also distributed in the Corporate Office by C&MD and Director [HR&CA].



Sapling distribution in Kolkata

4. Balmer Lawrie joined the 'Swachhta hi Seva' movement and organized various cleanliness activities not only in its units and establishments but also in the schools and villages near its factories. Various activities were organized like the Swachh Karyasthal contest, Essay and Drawing competitions for school students, cleanliness drives, Swachhta awareness sessions, distribution of dustbins, personal hygiene sessions for girl students and distribution of sanitary napkins.

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Activities during 'Swachhta hi Seva' campaign

5. Balmer Lawrie, as part of the Swachh Bharat initiative, sponsored the beautification of three ghats along the Hooghly river. The Hooghly river holds immense religious and social significance for the people in Kolkata and the Eastern Region. Balmer Lawrie, in association with Kolkata Port Trust (KoPT) and Times of India, carried out the beautification of the Bagbazar Ghat, Moti Seal Ghat and Ram Krishnapur Ghat under the 'Ghat Kahon' project. The spruced up ghats were inaugurated in the month of February and early March 2019 and have been open to the public.



Inauguration of the beautified ghats

v. Care for Elderly

Financial support was provided to Kolkata Kinjal, a forum for senior citizens and an NGO that works for the elderly. An amount of Rs 5.00 lakh was given for the Roop-o-Bani program through which activities were conducted in five old age homes in Kolkata.



A program organised by Kolkata Kinjal in an old age home