Pidilite

SUSTAINABILITY

SUSTAINABILITY REPORT 2018-19

BUILDING BONDS

We completed sixty years of all-inclusive value creation. It is an opportunity for us to rededicate efforts to help build the most trusted brand for over six decades now. Our biggest strength has been the relationship of trust that we have built with our stakeholders. Since inception, our growth has been strongly linked with that of our nation. We have diversified and expanded our product portfolio with the evolving needs of our consumers.

Our leadership position in several market segments is a direct outcome of the camaraderie which we have developed with our stakeholders. Our constant endeavour is to nurture these relationships into everlasting bonds.

TABLE OF CONTENTS

VISION & VALUES

VISION

Together we will create a high performance, innovative, Indian multi-national where it is a pleasure to work.

VALUES

High Ethical Standards	Fairness & Transparency	Empathy & Respect	Act Like Owners
A zero tolerance to unethical dealings mandates that all legal and company laws, rules & regulations, policies and procedures are scrupulously adhered to.	All information, communication and expectations are openly and honestly shared at all levels. This creates mutual trust and respect.	Be sensitive to and listen and learn from people across all levels. Respect time and opinions. Reprimand actions, not people.	Use the company's resources wisely. Contribute to its growth as if it is your own. Focus on long term goals rather than short term one.

EXECUTIVE STATEMENTS

Message from Chairman

Dear Stakeholders,

In our journey of sixty years, we have grown as a brand, touched lives of our stakeholders and built long-lasting relationships with them. This has been a journey of mutual enrichment where our growth as a company has been inter-connected with that of our consumers, employees and the communities that we operate in.

To live up to the trust that has been placed by our stakeholders in us, we have built a business which is fair, transparent and responsible. Our vision focuses on sustaining innovation-driven growth for our group companies.

In today's world, sustainable development is an imperative for all businesses. We all are facing challenges related to climate change and impact of resource scarcity. Industries are adopting a sustainable approach to business and ingraining it into their growth strategies.

Our first sustainability report showcases our efforts so far towards a future that enables an all-inclusive growth trajectory supported by low footprint operations. I would like to extend my best wishes to all our stakeholders who are involved in this process of transformation. Looking ahead, we will continue to step up our leadership towards a sustainable future – in our own operations, and in solutions for our customers and other stakeholders.

M. B. Parekh
Executive Chairman
Pidilite Industries Limited

**Message from
Managing Director**

Dear Stakeholders,

I am delighted to present the first Sustainability Report of Pidilite Industries Limited. This report is a stepping stone for us on a journey towards sustainable growth which ensures strengthened bonds with our stakeholders.

Guided by our values, our efforts are focused on high performance benchmarks, innovative thinking, customer centricity and high level of accountability. This report provides us an opportunity to showcase our efforts towards continuous improvement in our economic, environmental and social performance.

At Pidilite, we have a proactive agenda that extends beyond legal compliance and has robust programs in areas such as occupational health and safety, environmental management, community development and talent management.

In our operations, the focus is on producing more with less. This entails enhancing our productivity while maintaining a low emission profile, high water use efficiency and effective waste management. We have been continuously working towards providing our employees with a healthy and safe workplace. Through process risk management, process control measures, safe management of hazardous substances and implementing best-in-class

engineering controls, we have made our processes safer and reduced risks to life and assets. In an effort to make Pidilite one of the greatest places to work, we have been driving an ownership mindset where our employees feel engaged, connected and motivated towards value creation. We provide opportunities for continuous learning and professional growth to all our employees through a system of meritocracy and equal opportunity.

Our CSR initiatives help elevate the quality of life of communities that we operate in. Our program seeks to touch and transform lives by promoting development of rural areas, improvement of quality of education and ensuring requisite healthcare facilities. Our social impact extends beyond the ambit of our CSR engagements, as we extensively engage with our direct consumers like carpenters, plumbers and masons and contribute to their development.

All our efforts have been bearing fruits which reflects in our performance as showcased in this report. However, as we progress on our sustainability journey, we feel the need to put in place an integrated approach to growth. With this in mind, we are in the process of developing a sustainability strategy, displaying our commitment to our objective of responsible growth. In FY 2018-19, we formed an Apex Sustainability Council to integrate environmental and social considerations in our decision-making process and review our sustainability performance on an on-going basis.

It is our constant endeavour to stay in tune with the evolving needs and expectations of our stakeholders. We have taken several steps to respond positively to the challenges of the future and intend to build further on them. We welcome your observations and suggestions to provide added impetus to our sustainability efforts.

**Bharat Puri**
Managing Director
Pidilite Industries Limited

BUSINESS IN FOCUS

Pidilite is a customer centric organization committed to provide innovative and quality products. With a legacy of over 6 decades, it is one of India's largest and oldest adhesives and chemical company, with more than 8 consumer centric brands, and providing solutions to various industries. We have 5,742 motivated employees that are committed to deliver the expectations of our customers. We are listed with the Bombay Stock Exchange (BSE) and are ranked amongst the Top 15 brands by "FE BrandWagon" Year Book, which makes it quite evident that our products are winning hearts.

OUR GLOBAL PRESENCE

We are a multinational organization with multiple product lines and a presence in more than 70 countries. We have a total of 54 manufacturing facilities, 46 of them in India and the rest outside. Our operations also include 23 co-makers located in India. The sales and marketing of our products is supported through 8 regional offices in India as well as in several countries such as UAE, USA, Nigeria, Bangladesh, Sri Lanka, Nepal, Singapore, China, Indonesia, Thailand, Egypt, Brazil, Bahrain, Qatar, Oman, Myanmar, Ethiopia, Kenya, France, Germany, Italy, Saudi Arabia, Tanzania etc.

OUR INDIA OPERATIONS

8	REGIONAL OFFICES
5200+	SKUS OF 500+ PRODUCTS
$700 mn	GROSS SALES
23 PLANTS	23 CO-MAKERS

Headquarters in Mumbai, India.

4900+	DISTRIBUTORS
2 mn	RETAILERS
27	WAREHOUSES

OUR GLOBAL PRESENCE

International state-of-the-art manufacturing facility in Thailand, Singapore, UAE, Brazil, US, Egypt and Bangladesh, Sri Lanka, Indonesia, Morocco, Ghana, Ethiopia & Kenya

Export earnings approximately 10% & growing

Sales & service in over 100 countries across the globe

AWARDS AND RECOGNITIONS

Business Awards

- Fevicol Marine campaign won the **Gold** at the International Advertising Association 2018 Awards in the "Home Care" category.

- The Fevicryl Colours bus shelter on World Colouring Book Day won a **Bronze** at the Neon OOH 2019 outdoor advertising awards.

- Fevicol won a **Bronze** at the **EFFIE** for its "Unees Bees ka Farak" TV campaign at the Effie Awards India 2019.

- Fevicol was awarded the **"Evergreen Brand"** Award at the Pitch (Magazine) Top 50 Brands Awards 2019.

- Fevikwik – Khushiyon Ke Chand Pal TV Campaign won a **Grand EFFIE** and **2 Silver EFFIES** in "Small Town & Rural Marketing" and "Regional" Category at the Effie Awards India 2019.

- Fevicol was ranked **38** in The Economic Times-Brand Equity's survey of the **100 most trusted brands** for the year 2018.

- Dr. Fixit received a **Bronze** for "Best use of Digital Radio" for the Dr. Fixit – Radio Mixit activation at Radio Connex 2018.

- Fevicol's innovative pre-roll videos on YouTube won the **prestigious Kyoorius Award** for Best Use of Digital Platform.

WE ALSO PROVIDE SERVICE SOLUTIONS SUCH AS

- **Waterproofing**
- **Original Equipment Manufacturer (OEM)**

ENVIRONMENT HEALTH AND SAFETY

Received 5-star rating from MPCB for achieving consistent lower emission from stacks against consent norms for Mahad manufacturing site A21 and C58.

- Certificate of Appreciation by National Safety Council-Maharashtra Chapter" for meritorious performance in Industrial Safety for Mahad manufacturing site A22.

- "Certificate of Merit by National Safety Council" for achievement in Occupational Health and Safety for Mahad manufacturing site A22.

CORPORATE SOCIAL RESPONSIBILITY

- Recognition letter by the Environment and Forest Department of the Government of Gujarat for plantation of 1,10,000 trees in Mahuva Bhavnagar on 4th August 2019.

- Letter of Appreciation at the India Skill Gujarat competition 2018.
- Letter of Appreciation for contribution towards water conservation activities undertaken by Pidilite as part of 'Sujalam Sufalam Jal Abhiyan 2018', a program initiated by the Prime Minister of India and Chief Minister of Gujarat.

OUR BRANDS & PRODUCTS

STAKEHOLDER ENGAGEMENT

We always focus on understanding and addressing the needs of our stakeholders. Keeping this in mind, we have set up stakeholder-specific feedback mechanisms. Feedback received is assessed to identify critical concerns and is discussed at relevant committee meetings. The responsibility for identifying and addressing these concerns is with the relevant departments. Fostering relationships with our stakeholders helps in achieving a range of objectives such as strategic planning, innovation, new product development and defining key business priorities.

STAKEHOLDER ENGAGEMENT PROCESS

Our stakeholders were identified and prioritized based on how we impact them and how they affect our business operations. We identified eight critical stakeholder groups which have been listed in the Table 1.

TABLE 1: OVERVIEW OF STAKEHOLDER ENGAGEMENT

STAKEHOLDER CATEGORY	NATURE OF ENGAGEMENT	KEY PRIORITIES DERIVED OUT OF THE ENGAGEMENT PROCESS	FREQUENCY OF ENGAGEMENT
Workforce	• Induction programs • Trainings • Meetings • Email interaction • Employee satisfaction survey • Employee engagement activities • Open forums • Live chat	• Skill development • Workplace satisfaction • Healthy and safe operations • Employee engagement and involvement • Career progression	• Annually • Quarterly • Monthly • Need-based
Customers	• Telephone • Email • Customer meets • Personal visits • Advertisements • Customer satisfaction reports	• Availability of the product • Pricing of the product • Quality of product • New product developments • Logistics • Efficient service • Grievance redressal & transparency • Information on the safe use of products	• Annually • Quarterly • Monthly • Need-based

MATERIALITY ASSESSMENT

STAKEHOLDER CATEGORY	NATURE OF ENGAGEMENT	KEY PRIORITIES DERIVED OUT OF THE ENGAGEMENT PROCESS	FREQUENCY OF ENGAGEMENT

Investors and Shareholders	• Media Releases
	• Annual Reports
	• Investor meets
	  Analyst meet
	• Contact through
	  investors service centres
	• Annual General
	  Meeting
	• Company website
		• Financial Performance
		• Business Growth
		• Business Strategy
		• Future investments
		• Transparency
		• Good governance
		  practices
		• Social Responsibility
			• Annually
			• Quarterly
			• Monthly
			• Need-based

Suppliers	• Personal Interactions
	• Site visit
	• Telephonic
	  conversations
	• E-mail communication
		• Long term
		  association
		• Innovation
		  Opportunities
			• Annually
			• Quarterly
			• Monthly
			• Need-based

Dealers	• Help Desk
	• E-Business Portal
	• Personal interaction
	• Site visit
	• E-communication/
	  telephonic conversation
	• Dealer meets
		• Product availability
		• Product Portfolio
		• New Product
		  Development
		• Market Trend
			• Annually
			• Quarterly
			• Monthly
			• Need-based

Local Communities	• Visits • Meetings • Camps • Need assessment	• Health • Education • Indirect economic impacts • Sanitation	• Quarterly • Annually • Need based

NGOs	• CSR Initiatives
	• Site visits
	• Telephonic discussion
		• Support on
		  implementation of
		  programs in the PIL's
		  focus areas
		• Support for
		  community based
		  organization
			• Annual
			• Need based

Regulatory Authorities	• Industry bodies/Forums	• Regulatory compliance • Community initiatives	• Annually • Need-based

For the current year's sustainability report we have utilized the inputs from the above interactions to identify and prioritize our material topics.

MATERIALITY ASSESSMENT

In order to give our maiden sustainability report greater focus and relevance, we undertook a detailed materiality assessment exercise to prioritize and select from a wide ranging set of sustainability topics. We followed a 3-step approach to the materiality identification process as described below:

Selection
- Shortlisting of global material topics
- Peer review
- Review of risks and opportunities

Assessment
- Ranking by core team members
- Assessment of the ratings

Prioritization
- Scoring and prioritization
- Review and validation by Apex sustainability committee

MATERIALITY MAPPING WITH GRI STANDARDS

As a result of the materiality assessment exercise we identified 11 material topics which have been mapped with the relevant GRI Standards and disclosures as described in Table 2.

TABLE 2: LIST OF MATERIAL TOPICS AND BOUNDARY

MATERIAL TOPIC	GRI MATERIAL TOPIC	GRI STANDARDS	STAKEHOLDERS	BOUNDARY
Corporate Governance & Risk management	GRI 102: Governance Strategy	102-18 102-15	• Investors • Shareholders	Internal External
Ethical Business & Transparency	GRI 102: Ethics and Integrity GRI 205: Anti-corruption	102-16 102-17 205-1 205-2	• Employees • Investors • Shareholders • Customers	Internal External
Management of Hazardous Chemicals	GRI 301: Materials	301-1	• Employees • Local communities • Suppliers • Regulatory authorities	Internal External

MATERIAL TOPIC	GRI MATERIAL TOPIC	GRI STANDARDS	STAKEHOLDERS	BOUNDARY
Environment Management	GRI 303: Water	303-3 303-4 303-5	• Employees • Local Communities • Regulatory Authorities • NGOs	Internal External
	GRI 305: Emissions	305-1 305-2 305-3 305-4 305-5 305-7	• Employees and contractors • Investors • NGOs • Regulatory authorities • Local communities	Internal External
	GRI 306: Effluents and Waste	306-1 306-2 306-3	• Employees and contractors • Suppliers • NGOs • Regulatory authorities • Local communities	Internal External
	GRI 307: Environmental Compliance	307-1	• Regulatory Authorities • NGOs • Local communities	Internal External
Process and Product innovation	GRI 416: Customer Health and Safety	416-2	• Customers • Employees	Internal External
Energy Management	GRI 302: Energy	302-1 302-3 302-4	• Employees • Investors	Internal External
Occupational health and safety	GRI 403: Occupational health and safety	403-8 403-9 403-10	• Employees • Communities	Internal External
Economic Performance	GRI 201: Economic Performance	201-1	• Investors • Shareholders	Internal External
Process Safety	Non-GRI		• Employees and contractors • Regulatory authorities	Internal External
Employee Development & Diversity*	GRI 401: Employment	401-1 401-2 401-3	• Employees	Internal
	GRI 404: Training and	404-1		Internal

* The boundary for reporting on all human resources related indicators includes corporate and regional offices.

MATERIAL TOPIC	GRI MATERIAL TOPIC	GRI STANDARDS	STAKEHOLDERS	BOUNDARY
	Training and Education			
	GRI 405: Diversity and Equal Opportunity	405-1 405-2		Internal
Community Development	GRI 413: Local Communities	413-1 413-2	• NGO's • Local Communities	Internal External

REPORTING CRITERIA

This report provides detailed information on our practices across economic, social and environmental dimensions and is in accordance with Global Reporting Initiative (GRI) Standards: Core Option. We have applied the following principles to determine relevant topics that define the report content and ensure quality of information:

a) GRI guiding principles for defining the report content: Materiality, Stakeholder Engagement, Sustainability Context and Completeness

b) GRI guiding principles for defining the report quality: Balance, Clarity, Accuracy, Timeliness, Comparability and Reliability

The report also contains disclosures related to the National Voluntary Guidelines on Social, Environmental and Economic responsibilities of Business (NVG-SEE) published by the Ministry of Corporate Affairs, Government of India, and Principles of Business Responsibility Reporting (BRR) published by Securities and Exchange Board of India (SEBI). Our initiatives are aligned with the UN Sustainable Development Goals (SDGs) released at the United Nations Sustainable Development Summit in 2015.

This report is developed for Pidilite Industries Limited (PIL) and includes four Indian subsidiaries and joint ventures (JV) along with the corporate office at Mumbai. There are 23 Pidilite Owned manufacturing plants, 16 Job Worker sites, and 4 Joint Ventures spread across 10 states. Warehouses and international subsidiaries have been excluded from the current scope of this report. This report addresses the sustainability performance of the following business verticals:

REPORTING SCOPE AND BOUNDARY

1. Adhesives and Sealants
2. Construction and Paint Chemicals
3. Art and Craft Materials
4. Pigments and Preparations
5. Industrial Resins
6. Industrial Adhesive

DATA MANAGEMENT

The environmental data for all the Pidilite Manufacturing plants is sourced from the online Environment Health and Safety (EHS) platform, which helps us in monitoring our footprint on a quarterly basis. The rest of the parameters are monitored through specific internal platforms, which are managed by the respective departments. All the detailed financial disclosures of the Company are covered in our Annual Report 2018-19 and are available on the company's website.

This being our first sustainability report, there are no restatements and no change in the scope and boundaries of the report. We intend to publish our sustainability report on an annual basis.

SUGGESTIONS AND FEEDBACK

Your feedback, enquiries, suggestions or information are welcome, as they would enhance our report in future.

You may write back to us on

sustainability_pidilite@pidilite.com

www.pidilite.com

Pidilite Industries Ltd (Corporate & Head Office), P O Box No 17411 Ramkrishna Mandir Road, Andheri East, Mumbai – 400059

ACCOUNTABILITY TRUST AND VALUE CREATION

MANAGEMENT APPROACH

We focus on building operational reliability in our business activities while adhering to the highest ethical standards. We ensure all our business activities are conducted in accordance with ethical principles, internal policies, procedures, and applicable laws and regulations. Our corporate governance structure ensures effective management of stakeholder expectations and helps us evolve with changing times.

Through our Enterprise Risk Management (ERM) framework, our management aims to identify risks that could jeopardize achievements of our strategic objectives and adequately manage, monitor, and report those risks. Our units work towards ensuring 100% compliance with all the applicable laws.

We are consistently growing in our market presence, revenues and profitability. While doing so, we are also committed towards responsible growth through innovations, technological advancements and diverse product portfolios with best in quality offerings.

SUSTAINABLE DEVELOPMENT GOALS
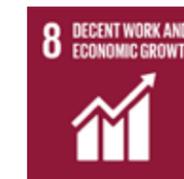
8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	17 PARTNERSHIPS FOR THE GOALS
DECENT WORK & ECONOMIC GROWTH	INDUSTRY INNOVATION & INFRASTRUCTURE	PARTNERSHIPS FOR THE GOALS

MATERIAL TOPICS

1. **Corporate governance & risk management**
2. **Ethical business and transparency**
3. **Process and product innovation**
4. **Economic performance**

1. CORPORATE GOVERNANCE AND RISK MANAGEMENT

At Pidilite, our aim is to ensure the highest standards of ethical and responsible conduct. Our robust corporate governance framework ensures effective engagement with our stakeholders and helps us evolve with changing times.

Our Board of Directors
We have a strong and active Board of Directors, who ensure the highest level of corporate governance with their experience and insights. We have 12 board members, which includes 6 independent directors. Our Board is diverse in terms of skills and expertise in the fields of sales and marketing, business and senior management, leadership and governance, legal and regulatory matters, finance, accounts and risk management and relevant technologies. The Board meets at least once a quarter to review the organization's quarterly performance.

Shri. M. B. Parekh
Executive Chairman

Shri. N. K. Parekh
Vice Chairman

Shri. Bharat Puri
Managing Director

Shri. A. B. Parekh
Whole Time Director

Shri. A. N. Parekh
Whole Time Director

Shri. Sabyasachi Patnaik
Whole Time Director

Shri. B. S. Mehta
Independent Director

Shri. Sanjeev Aga
Independent Director

Shri. Uday Khanna
Independent Director

Smt. Meera Shankar
Independent Director

Shri. Vinod Dasari
Independent Director

Shri. Piyush Pandey
Independent Director

- **Audit Committee**
- **Nomination and Remuneration Committee (NRC)**
- **Stakeholder Relationship Committee**
- **Risk Management Committee**
- **Corporate Social Responsibility (CSR) Committee**

Committees of the Board
Our Board has established five committees for smooth functioning of different aspects of the organization. The committees are Audit Committee, Nomination and Remuneration Committee (NRC), Stakeholder Relationship Committee, Risk Management Committee and Corporate Social Responsibility (CSR) Committee.

Audit Committee
The audit committee is responsible for approval of annual internal audit plan and periodically reviews the progress of audits as per approved audit plans.

The committee also reviews critical internal audit findings presented by internal auditors, status of implementation of audit recommendations and adequacy of internal controls.

Nomination and Remuneration Committee (NRC)
The remuneration paid to the Executive Directors of the Company is approved by the Board of Directors on the recommendations of the Nomination and Remuneration Committee. The increase in fixed salary of Executive Chairman, Managing Director and Executive Director is recommended by the Nomination and Remuneration Committee based on the general industry practice and the increase given to other managers in the Company. The NRC is responsible for the identification and nomination of suitable candidates for vacancies in the board. The committee ensures that the board has an appropriate mix of expertise, knowledge and skills.

Stakeholders Relationship Committee
The Stakeholder Relationship Committee looks into redress-al of shareholders' or investors' grievances such as complaints relating to transfer or transmission of shares, non-receipt of declared dividends, non-receipt of Annual Reports and so on.

Risk Management Committee
The risk management committee is entrusted with the following roles:

- Review and approval of risk management plan
- Review progress on the risk management plan
- Propose methodology on risk classification and measurement.

We have a robust risk management plan for the identification and mitigation of risks. The Risk Management Committee identifies the key risks for the Company, develops and implements the risk mitigation plan, reviews and monitors the risks and corresponding mitigation plans on a regular basis and prioritizes the risks, if required depending upon the effect on the business.

CSR Committee
The CSR committee is empowered with responsibilities which include

- Formulation and recommendation of the Corporate Social Responsibility Policy indicating the activities to be undertaken by the Company.
- Recommendation on the amount of expenditure to be incurred.
- Monitoring the implementation of Corporate Social Responsibility Policy

Sustainability Governance
Sustainability considerations are an integral part of core business systems and decision making. Sustainability is implemented by a cross functional team that consists of heads from all relevant functions. This team is governed by an Apex Committee which is chaired by the Managing Director. The Sustainability performance is reviewed on a quarterly basis. Our environmental initiatives are focused towards resource optimization, reduction of waste, water use efficiency, energy efficiency and emission reduction across operations. Across the social

dimension, we undertake employee engagement and CSR initiatives under various thematic areas such as education, healthcare, rural development and general semantics.

Policy Advocacy

We have our representation in several business and industrial associations and membership of the following organizations:

- Federation of Indian Chambers of Commerce and Industry
- Indian Specialty Chemical Manufacturers Association
- Bombay Chamber of Commerce and Industry

We actively participate in the deliberations at these associations relating to environment, sustainability, trade and economic reforms and also make representations to the relevant regulatory bodies during the framing of policies.

Risk Management

We operate in diverse industries and global markets, and therefore require a robust approach to risk management. In order to ensure that we stay committed towards meeting our goals and targets, and improve our performance, we have established robust and effective risk management.

Enterprise Risk Management (ERM) Approach at Pidilite

The ERM enables to manage the risks within acceptable limits by using risk mitigation techniques and allocating necessary resources. The ERM approach consists of structured four step approach:

TABLE 3: PIL'S ERM APPROACH

Identification	• Risks are identified by the "Risk Owners" and updated in Risk Registers. • Business risks are discussed with division CEOs and Pidilite Executive Committee (PEC). • Inputs are consolidated in the Risk Register and reviewed on ongoing basis.
Classification	• Risks are classified as Business risk and Reputation risk • Gross Risk is quantified based on Likelihood and Impact • Residual risk post mitigation is classified into implemented and planned actions
Monitoring	• Management Risk committee reviews risks, mitigation and action plans • Agreed actions are tracked and progress reviewed
Reporting	• Key risks are presented to the Board Risk Committee

We have identified key risks which can be categorized into business and reputation risks

TABLE 4: LIST OF KEY BUSINESS RISKS

SR	RISK DESCRIPTION	RISK CATEGORY
1	Business disruption risk	Business
2	Cybersecurity Risk	Business
3	Statutory Non-Compliance	Reputation
4a	Environment Compliance risk	Reputation
4b	Safety risk	Reputation
5	Volume / Profit erosion due to disruption in plant operations	Business
6	Breach of Intellectual Property Confidentiality	Business
7	Major Fraud Risk	Business
8	IPR Infringement	Business
9	Product Quality	Business
10	Key Talent Risk	Reputation

2. ETHICAL BUSINESS AND TRANSPARENCY

CATEGORY	NO. OF COMPLAINTS FILED DURING THE FINANCIAL YEAR	NO. OF COMPLAINTS PENDING AS ON END OF THE FINANCIAL YEAR
Child labor / forced labor / involuntary labour	Nil	Nil
Sexual harassment	Nil	Nil
Discriminatory employment	Nil	Nil
Shareholders Complaints	7	Nil
Legal non-compliances	Nil	Nil

We have formulated an 'Ethics Policy' which forms a part of Code of Conduct and must be followed by every employee irrespective of their designation. We aspire to reach higher ethical standards without compromising on integrity, transparency, and customer orientation, and creating a path to a long term sustainable environment.

The Board of Directors and the Company's senior leadership are involved in the development of the Company's Values and Vision, organizational strategies and policies related to sustainability performance. The Board has adopted the following codes:

1. Employee Code of Conduct

2. Code of Conduct for Directors and Senior Management

3. Whistle Blower Policy

In case any clarification is to be obtained in relation to the application of the Code of Conduct, employees can consult with the Company Secretary of the Company.

Code of Conduct
We have put in place a Code of Conduct for our Directors and Senior Management in terms of the provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. To maintain the high ethical standards, we at Pidilite have instituted the corporate 'Code of Conduct', which lays down the principles and standards that governs the action of our employees. Guidelines to follow in case of any conflicts of interest is duly specified in the 'Code of Conduct'. It is applied to all employees worldwide, in all our business subsidiaries and cultural spheres in which we operate.

Our value of "High Ethical standards" has been incorporated in every aspect of our business operations. We have always maintained a stand of zero tolerance towards all unethical conduct in our business operations which covers all our subsidiaries. We have covered issues related to fraud, insider trading, bribery and corruption, human rights discrimination, and its corrective measures in our

Code of Conduct and ethics policies. All new joiners are trained on our Code of Conduct as a part of the joining formalities.

We ensure the freedom of association, prohibition of child labor, protection of indigenous rights and prohibition of forced & compulsory labor. In FY 2018-19 there were no reported cases pertaining to child labor and forced labor.

Whistle Blower Policy
We have established a mechanism called 'Sampark' which is a one stop solution provider for all the employees to express their views and thoughts openly. We encourage all our employees to report any misconduct at any level and ensure that a corrective assessment is done, and a fair decision is taken. The policies are communicated to all the Employees and Directors of our company and posted on the company's website. There were no reported cases in FY 2018-19.

Anti-Corruption
We have zero tolerance for any corrupt business practices. To prevent cases of corruptions we have devised and implemented various actionable measures and controls. We regularly train our employees on Code of Conduct. There were no reported cases of corruption across the reporting boundary during FY 2018-19.

Grievance Resolution
We have established a stakeholder relationship committee as a step towards better Corporate Governance. The Committee investigates complaints of shareholders and investors' relating to transfer of shares, non-receipt of declared dividends, etc. The status of investor grievances and share transfers is reported to the Board on a periodic basis. There were no cases filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and anti-competitive behavior during the last five years and pending as at the end of financial year. There were 7 complaints from the shareholders during the reporting period which was resolved expeditiously, and no further complaints were pending at the end of the year.

Our grievance mechanism is equipped to address all employee grievances related to work environment and company policies. For employee grievance handling, we have an online platform "My Pidilite" where employees can raise any concerns. These concerns are tracked on a monthly basis and reported to the senior management. At our factory locations we have open forum named as "Khulla Manch" for grievance addressal.

We also have formulated a policy relating to Prevention of Sexual Harassment and any incident is investigated by Internal Complaints Committee. In FY 2018-19, we did not receive any cases pertaining to sexual harassment. Customers form a core part in creating a dynamic business environment and hence their feedback is of utmost importance. We have a dedicated helpline for the redressal of all our customer grievances and complaints.

Compliance Management

In order to efficiently monitor, manage and ensure compliance with legal and statutory requirements, we have installed compliance software "Legatrix". It is a comprehensive, robust, highly-customizable, software support solution for tracking, managing and reporting on legal, regulatory and internal compliances.

During FY 2018-19, there were no open major Legal Non-Compliances reported.

3. PROCESS AND PRODUCT INNOVATION

PARAMETER	PERFORMANCE IN FY 2018-19
R&D expenditure	15.53% increase in R&D expenditure as compared to previous year
No. of patents	7 patents filed during past 3 years

We believe in delivering world class innovation by investing in technologies to advance new and differentiated intellectual capital. Our endeavour is to transform the organization to be an innovation-led enterprise focusing on customer needs. Successful innovation is a part of our business strategy, where we can create a culture of innovation and make a way for creative thinking. We develop our products internally under the assistance of strong, research-oriented innovation process, driven by robust customer insights.

Our Key R&D Initiatives

1 Maintaining product sustainability in line with global regulations.
2 .Extending pace of innovation through technology scouting and outreach program.
3. Creating world class infrastructure and employee friendly work culture.

R&D Health, Safety and Environment

While designing the product, we ensure that the products are safe and manufacturing processes are resource efficient and sustainable. We regularly review and improve upon the manufacturing processes and services provided, incorporating product safety and environmental considerations. In FY 2018-19, there were no incidents of non-compliance concerning the health and safety impacts of our products and service.

During FY 2018-19, the following key improvement initiatives were carried out:
· Reduction of Carcinogenic, Mutagenic and toxic for Reproduction (CMR) substances, in a liquid sealant product.
· Development of Acrylic Colors with non-hazardous ingredients.

Our R&D efforts continued to develop various types of adhesives, sealants, waterproofing products, synthetic resins, pigments, pigment dispersions, intermediates, thickeners, dispersants, coatings and construction chemicals. R&D innovations have resulted in improved sales, product performance, process efficiencies, capacity debottlenecking, addressing market needs for new applications; product cost reduction and improved.

R&D Personnel

To support our R&D department, we hire scientists from various institutions who have mastered in innovation. Our total R&D manpower across India, USA and Singapore comprises of 165 employees with PhD, Master and bachelor's degrees in science and engineering. Our R&D centers in India constitutes of total 5 centers which are approved by "Department of Scientific and Industrial Research (DSIR).

Collaboration

We pursue collaboration with various institutions with the objective of capability development of each individual and thereby enhancing their knowledge and understanding of future trends. Our collaborators include Technology Institute – Taiwan and two Institutions of Eminence namely, Science and Technology National Institute, India and some universities in USA. These collaborations and intellectual exchanges gave rise to cutting edge innovative solutions, which also led to the filing of specific patents.

Intellectual Property (IP)

Our R&D team works towards making innovations rather than relying on the already developed products, taking us a step ahead from the other organizations in our industry. Committing ourselves to quality and innovation makes us the market leader in adhesives. We work not only towards innovations but also towards improvising our previous products to ensure that Pidilite continues to remain a leading player in most of our categories across the globe.

R&D EXPENDITURE

TABLE 5: R&D EXPENDITURE

R&D EXPENDITURE (INR IN CR)	FY 2018-19	FY 2017-18
Capital expenditure	0.45	5.06
Recurring expenditure	64.09	50.80
Total	**64.54**	**55.86**
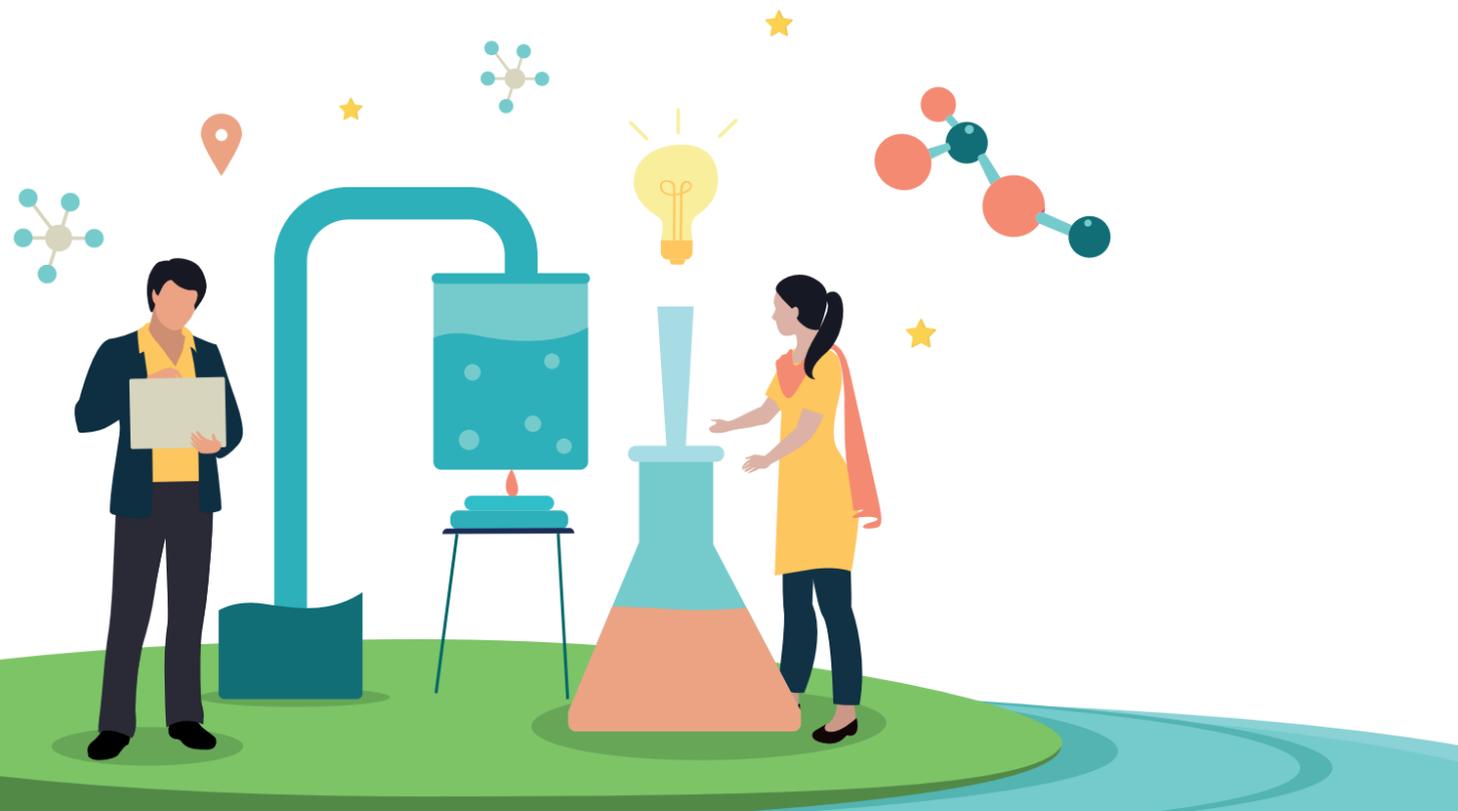
4. ECONOMIC PERFORMANCE

Parameters	Performance in FY 2018-19*
Revenue	12% increase
Net sales	15% increase
Net profit	3% increase
Employee benefit expense	16% increase
Environment, Health and Safety expenditure	29% increase

* Baseline considered for data comparison is FY 2017-18

Performance by Industry Segment

TABLE 6: ECONOMIC PERFORMANCE IN FY 2018-19

INDUSTRY	SEGMENT	% CONTRIBUTION OF SALES	% GROWTH
Consumer and Bazaar Products	Overall Branded Consumer & Bazaar Products	84.4	15.6
	Adhesives & Sealants	56.4	17.3
	Construction (including project business) and Paint Chemicals	19.6	15.7
	Art & Craft Materials	8.4	6.3
Industrial Products	Overall Industrial Products	14.8	9.2
	Industrial Adhesives	4.3	12.1
	Industrial Resins	4.9	7.2
	Pigments and Preparations	5.6	7.7

At Pidilite, our approach to growth and profitability is rooted in the ethos of creating shared value for all our stakeholders. We are significantly improving our performance by investing in automation, digital interventions, technological support and diverse product portfolios along with providing best-in-class services to our customers.

Our growth strategy has contributed to record performance, improved our competitive position and earnings potential, strengthened our offering of market-leading solutions, and helped us achieve improved social and environmental impacts. During FY 2018-19, the Net Sales grew by 14.5% with sales volume and mix growth of 10.4%. Operating Profit for the year was INR 1,489.74 crores which increased by 4.2% and Net Profit was INR 979.44 crores which increased by 2.5% as compared to previous year. Pidilite's Net Worth as on 31st March 2019, was INR 4,187 crores, giving a Compounded Annual Growth Rate (CAGR) of 15.54%.

On the economic front, through an appropriate product mix and a good understanding of customer requirements, we are consistently growing in our market presence, revenues and profitability. On the environment front, we are focused towards resource optimization, reduction of waste, energy and emissions across operations. In FY 2018-19, we incurred INR 7.62 crore as EHS expenditure. Across the social dimension, we undertake CSR initiatives, under various thematic areas such as education, healthcare, agriculture and horticulture, milk and animal health, women empowerment and rural development for local communities. In FY 2018-19, we incurred INR 23.50 crores as CSR expenditure..

TABLE 7: ECONOMIC VALUE GENERATED, DISTRIBUTED, RETAINED

ECONOMIC VALUE GENERATED AND DISTRIBUTED (EVG&D)	FY 2018-19 (INR in crores)
Economic value generated	
a) Revenues	6,095
b) Other Income	192
Total	**6,286**
Economic value distributed	
a) Operating costs	4,239
b) Employee wages and benefits	664
c) Payments to providers of capital	7
d) Payments to government	669
e) Community investments	24
Total	**5,603**
Economic value retained (before exceptional item)	
(calculated as Economic value generated less economic value distributed)	681

ENHANCING OPERATIONAL ECO-EFFICIENCY

ENHANCING OPERATIONAL ECO-EFFICIENCY

MANAGEMENT APPROACH

We consider environmental management as a material topic and are committed towards minimizing our environmental footprint by diligent use of resources such as fuel, electricity, water and raw material. In addition to this, we aim to reduce our carbon footprints by implementing gamut of energy conservation initiatives across all our offices and manufacturing plants.

As a responsible organization, we focus on minimizing the waste generated from our operations through recycling, zero waste to landfill, solvent recovery and setting up the waste collection mechanism. We identify the risks related to handling and safe disposal of toxic materials by monitoring and reviewing it on daily basis. We also ensure adherence to all the applicable environmental laws and regulations.

SUSTAINABLE DEVELOPMENT GOALS

GOOD HEALTH

CLEAN WATER & SANITATION

AFFORDABLE & CLEAN ENERGY

INDUSTRY INNOVATION & INFRASTRUCTURE

CLIMATE ACTION

MATERIAL TOPICS

1. **Environment Management**
   - Waste management
   - Water management
   - Environmental Compliance
   - Air quality

2. **Energy Management**
   - Alternative energy

3. **Management of Hazardous Chemicals**

1. ENVIRONMENTAL MANAGEMENT

We understand our responsibility towards the protection and conservation of natural resources. We have developed an Environment, Health & Safety (EHS) Policy setting the overall direction of our commitments towards achieving excellence in EHS performance. We have a dedicated EHS team at corporate and site level to monitor environment, health & safety performance.

We review the environmental performance and move towards continual improvement through internal review meetings, divisional review meetings along with internal & external audits. New projects are assessed for identifying any potential hazards related to environment, occupational health and safety.

For spreading the awareness about EHS, we have implemented various employee engagement activities such as celebration of World Environment Day and National Safety Week across all our manufacturing locations.

Energy Management

Fuel

TABLE 8: ENERGY CONSUMPTION – FUEL - FROM ALL PIL MANUFACTURING PLANTS

PARAMETER	UNIT OF MEASUREMENT	PERFORMANCE IN FY 2018-19
Total energy consumption from fuel	GJ	6,00,490
Specific energy consumption from fuel	GJ/MT of production	1.49
Energy generated from renewable fuel (Briquette)	GJ	3,13,765
Energy generated from renewable fuel (Briquette)	% of total energy generated from fuel	52%
Energy generated from less polluting fuel (PNG)	GJ	34,381
Energy generated from less polluting fuel (PNG)	% of total energy generated from fuel	6%
Total Greenhouse gas emissions due to fuel consumption	tCO_2	55,337
Specific Greenhouse gas emissions due to fuel consumption	tCO_2/ MT of production	0.14
Reduction in Greenhouse gas (GHG) emissions due to use of renewable fuel and less polluting fuel	tCO_2	24,739

As a responsible business, we seek solutions that promote energy conservation, utilization of non-fossil and cleaner fuel for reduction in green-house gas emissions. We monitor our energy performance across all our manufacturing locations and offices and implement energy conservation measures accordingly. Our energy performance for FY 2018-19 is depicted below:

GRAPH 1: ENERGY CONSUMPTION FUEL WISE BIFURCATION (000' GJ) (%)

Legend:
- High Speed Diesel
- Furnace Oil
- Piped Natural Gas
- Light Diesel Oil
- Coal
- Briquettes

Values shown:
- 25.35 / 4%
- 41.16 / 7%
- 34.38 / 6%
- 3.85 / 1%
- 181.99 / 30%
- 313.77 / 52%
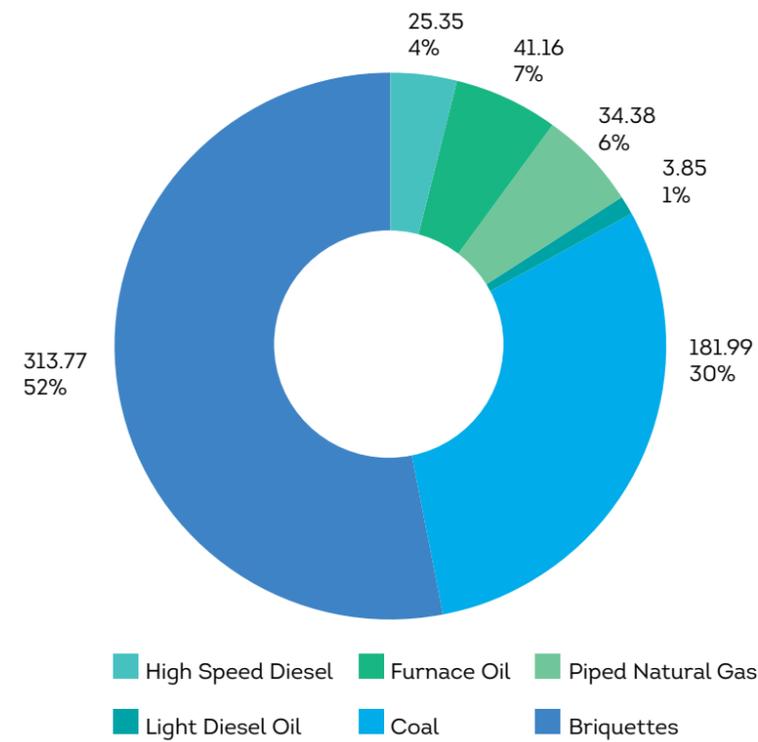
Across all our manufacturing locations, 52% of overall energy generated was from renewable source of fuel like briquette and 6% was from less polluting fuel like PNG. Our large boilers and thermic fluid heaters are operated with renewable fuels like briquette and low emitting fuels like piped natural gas. During this reporting period, we have saved 24,739 tCO_2 emissions and INR 10.8 Cr by using renewable and low emitting fuels.

Electricity and Renewable Energy

TABLE 9: ELECTRICITY AND RENEWABLE ENERGY CONSUMPTION FROM ALL PIL MANUFACTURING PLANTS

PARAMETER	UNIT OF MEASUREMENT	PERFORMANCE IN FY 2018-19
Total electricity consumption	kWh	4,08,52,641
Energy consumption due to electricity purchased from grid	GJ	1,47,070
Specific energy consumption due to electricity purchased from grid	GJ/ MT of production	0.4
Total renewable energy consumed	GJ	24,251
Total renewable energy consumed	% of total electricity consumption	16%
Solar energy consumed	GJ	7,126
Solar energy consumed	% of total electricity consumption	5%
Wind energy consumed	GJ	17,125
Wind energy consumed	% of total electricity consumption	12%
Total Greenhouse gas emissions due to purchased electricity	tCO_2	33,499
Specific Greenhouse gas emissions due to purchased electricity	tCO_2/ MT of production	0.08
Reduction in Greenhouse gas (GHG) emissions due to renewable energy generation	tCO_2	7,019
Reduction in Greenhouse gas (GHG) emissions due to renewable energy generation	% of total GHG emissions due to purchased electricity	21%

We implemented various initiatives for deployment of alternate sources of energy across our manufacturing locations. In FY 2018-19, energy consumption due to purchased electricity from State Electricity Board was 1,47,070 GJ.

Renewable Energy

16% of overall electricity consumption for manufacturing plants was generated from renewable alternate sources like Solar and Wind Energy.

A. Wind Energy

We have wind farm projects in Gujarat and Maharashtra. Power generated through these wind farm projects is utilized in our manufacturing units and corporate office in Mumbai. During FY 2018-19, total power generated from windmills was around 66 Lakh kWh compared to 57 Lakh kWh in FY 2017-18. Consumption of wind energy for our plant operations resulted in reduction of CO_2 emission by 5,412 tCO_2 and savings worth INR 4.9 crores.

B. Solar Energy

In FY 2018-19, we added two new PV projects of 0.6 MW at two of our manufacturing locations by which we achieved commissioning of PV plants with a total capacity of 1.7 MW across our 10 manufacturing plants. These projects led to saving of INR 1.7 Cr during reporting period. In FY 2018-19, 19.6 lakh kWh electricity was generated from solar PV projects compared to 6 lakh kWh in FY 2017-18. It resulted in saving of greenhouse gas emissions by 1,607 tCO_2.

C. Energy Conservation

TABLE 10: ENERGY CONSERVATION AND REDUCTION IN GREENHOUSE GAS EMISSION

PARAMETER	UNIT OF MEASUREMENT	PERFORMANCE IN FY 2018-19
Total energy saved due to energy conservation initiatives	GJ	1,401
Total GHG emissions saved due to energy conservation initiatives	tCO_2	319

We have implemented several initiatives throughout our process life cycle to improve energy efficiency and reduction in electricity, heat and steam losses. During the year, capital Investment on energy conservation equipment was INR 1.2 Crores. Some of the energy saving initiatives are listed below:

- Installation of energy efficient device for air compressor which reduces back pressure during reciprocating cycle resulting in power saving.
- Replacement of conventional lighting with LED light fixtures
- Installation of energy efficient motors
- Installation of thyristor-based heaters maintains constant temperature with out start-stop operational controls. This initiative resulted in reduction in over all power consumption and heat losses during the heater operations.
- Installation of Variable Frequency Drive (VFD) for compressors.
- Improvement in Power Factor for reduction in power losses.

During FY 2018-19, we saved 1401 GJ of energy and 319.12 tCO_2 of greenhouse gas emissions due to above mentioned Energy Saving initiatives.

Water

TABLE 11: WATER CONSUMPTION FROM PIL

PARAMETER	UNIT OF MEASUREMENT	PERFORMANCE IN FY 2018-19
Total freshwater consumption	KL	9,56,720
Specific freshwater consumption	KL / MT of production	2.38
Total rainwater harvested (reused by plant operations and recharged through ground water recharge system)	KL	78,331
Total rainwater harvested by making Check dams & Ponds under CSR program	KL	2,32,000
Total rainwater harvested (reused by plant and for ground water discharge and through making Check dams & Ponds under CSR program)	KL	3,10,331
Water Balance (Difference between fresh water consumed and rainwater harvested)	KL	6,46,389

Sources of water consumption

For our manufacturing units, we consume fresh water from water resources such as tanker water, municipal supply water and ground water. We have installed flow meters to monitor the water consumption at our manufacturing units. In FY 2018-19, we consumed 9,56,720 KL of fresh water.

GRAPH 2: TOTAL WATER CONSUMPTION – SOURCE WISE (000'KL) (%)

34.36
3%

16.24
2%

212.03
22%

710.34
73%

- Ground water
- Municipal Supply Water
- Tanker water
- Rainwater
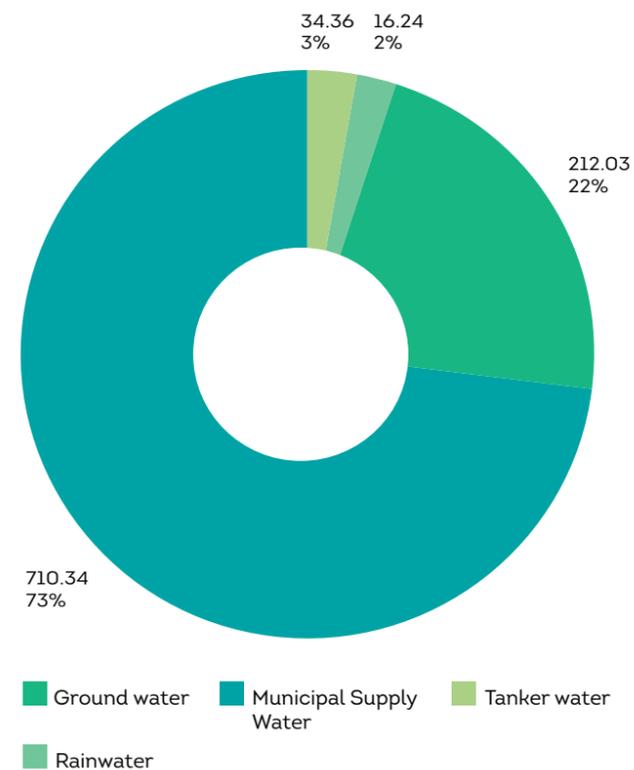
Water Conservation

In FY 2018-19 following projects were undertaken for water conservation:

- Optimization of De-mineralization Plant Regeneration led to reduction of water consumption by 1,861 KL/annum in one of our manufacturing plant.
- Reduction of water wastage through by preventing overflow and cooling tower blowdown through water check quality, resulting in saving of 1,800 KL/ annum of water in one of our manufacturing plant.
- Other water conservation initiatives such as arresting of water leakages, use of soft water for cooling tower, installation of closed loop recirculation system for water ring vacuum pump reduced overall water consumption.
- Reuse of wash water back into subsequent batch to reduce overall waste water generation and fresh water consumption.
- Initiated rain water harvesting and recycling of the same as process water at two of our manufacturing plants. This resulted in overall saving of 3830 KL of fresh water.
- Recycling of treated water for toilet flushing and gardening.
- Reuse of wash water for key processes
- All plants, where ground water acts as fresh water source, are provided with ground water recharge system.

Material Consumption

Raw Material Consumption

TABLE 12: RAW MATERIAL CONSUMPTION FROM ALL PIL MANUFACTURING PLANTS*

PARAMETER	UNIT OF MEASUREMENT	PERFORMANCE IN FY 2018-19
Total raw material consumption	MT	2,26,780
Specific raw material consumption	MT/MT of production	0.56
Major raw material consumption (Solid)	MT	12,485
Major raw material consumption (Liquid)	MT	1,04,843

* Data reported in the table includes our top 10 raw materials by weight which covers approximately 80% of total raw material consumption.

Following initiatives were implemented in FY 2018-19 for reduction in overall raw material consumption or getting more output from same input:

- Reuse of wash water containing active product.
- Use of steam transfer for reduction of losses during transfer of batch post manufacturing.
- Use of primary SS Bucket filter prior to bag filter to reduce overall cleaning cycle and loss of active product along with it.
- Recovery of residual material from empty containers prior to cleaning.
- Precision during filling and packing to avoid excess give away.
- Usage of containment pallets during dispensing to avoid losses.

Packaging Material Consumption

TABLE 13: PACKAGING MATERIAL CONSUMPTION FROM ALL PIL MANUFACTURING PLANTS

PARAMETER	UNIT OF MEASUREMENT	PERFORMANCE IN FY 2018-19
Rigid plastic packaging	MT	18,942
Flexible plastic packaging	MT	2,640
Total Plastic packaging	MT	21,582
Paper packaging	MT	409

Consumption of Recycled Material in Packaging

TABLE 14: CONSUMPTION OF RECYCLED MATERIAL IN PACKAGING FROM ALL PIL MANUFACTURING PLANTS

PARAMETER	UNIT OF MEASUREMENT	PERFORMANCE IN FY 2018-19
Flexible monolayer plastic film	MT	246
Rigid Plastic film	MT	1,438
Total recyclable monomer plastic	MT	1,683
Total Multi-layer plastic	MT	953

Following initiatives were implemented in FY 2018-19 for reduction in overall packaging material:

- Optimization of weight of Plastic weight container used for Packaging purpose, resulted in savings of overall 162 MT/annum of packaging material.
- Optimization of packaging material by replacing 5 Ply to 3 Ply used in packing of Finished Goods resulted in material reduction of over all 29 MT/annum.
- Recycling of damaged solid plastic packaging material as it is or post shredding.
- Recycling of excess plastic material generated during injection moulding of shells by packaging material supplier.

Greenhouse Gas Emissions

TABLE 15: GREENHOUSE GAS EMISSIONS

PARAMETER	UNIT OF MEASUREMENT	PERFORMANCE IN FY 2018-19
Total greenhouse gas emissions due to fuel consumption (Scope 1 emissions)	tCO_2	55,337
Specific greenhouse gas emissions due to fuel consumption (Scope 1 emissions)	tCO_2/ MT of production	0.14
Total greenhouse gas emissions due to electricity purchased from grid (Scope 2 emissions)	tCO_2	33,499
Specific greenhouse gas emissions due to electricity purchased from grid (Scope 2 emissions)	tCO_2/ MT of production	0.08
Total greenhouse gas emissions due to employee business travel (Scope 3 emissions)	tCO_2	1,758

TABLE 16: GHG EMISSION DATA BASED ON FUEL CATEGORY AND ELECTRICITY

EMISSION TYPE	FUEL CATEGORY	TOTAL GHG EMISSIONS (tCO_2)
Scope 1 emission	Briquettes	30,592
	High Speed Diesel	1,851
	Furnace Oil	3,186
	Coal	17,216
	Piped Natural Gas	2,207
	Light Diesel Oil	285
	Total	**55,337**
Scope 2 emission	Emissions due to purchased electricity from grid	33,499
Scope 3 emission	Emissions due to employee business travel	1,758

Air Emissions

TABLE 17: AIR EMISSIONS FROM ALL PIL MANUFACTURING PLANTS

PARAMETER	UNIT OF MEASUREMENT	PERFORMANCE IN FY 2018-19
Total Particulate Matter (TPM)	Kg	52,220
	kg/MT of production	0.13
Oxides of Sulphur (SOx)	Kg	47,031
	kg/MT of production	0.12
Oxides of Nitrogen (NOx)	Kg	22,135
	kg/MT of production	0.06

We are continuously working towards reducing our overall air emissions, considering regulatory requirement as a baseline. This is achieved by moving towards non-fossil and cleaner fuel consumption along with installation of necessary pollution control equipment. Third-party inspections are conducted once in every quarter at all manufacturing plants and air emissions are maintained well within permissible limits.

Effluent Discharged

TABLE 18: EFFLUENT DISCHARGED FROM ALL PIL MANUFACTURING PLANTS

PARAMETER	UNIT OF MEASUREMENT	PERFORMANCE IN FY 2018-19
Total manufacturing plants of PIL	Nos.	43
Manufacturing plants with zero liquid discharge status	Nos.	29
Manufacturing plants with zero liquid discharge status	% of total number of plants	67%
Treated effluent discharged (Industrial)	KL	4,21,759
Treated effluent discharged (Domestic)	KL	4,269
Total treated effluent discharged (Industrial + Domestic)	KL	4,26,028
Specific treated effluent discharged (Industrial + Domestic)	KL/MT of production	1.06

We achieved zero liquid discharge status for 29 Units out of 43 Units i.e. 67% of our manufacturing units have achieved zero liquid discharge status. We are planning to achieve zero liquid discharge status for rest of the manufacturing units. During the reporting year, we have discharged 421 thousand KL of effluent from our domestic and industrial processes post treatment for further treatment and disposal as per permissible regulatory requirements. Before disposal, we check the samples of effluent in our laboratories as mentioned in effluent discharge norms and standards.

Waste Management

TABLE 19: WASTE MANAGEMENT FROM ALL PIL MANUFACTURING PLANTS

PARAMETER	UNIT OF MEASUREMENT	PERFORMANCE IN FY 2018-19
Hazardous waste disposed	Kg	50,76,136
	Kg/MT of production	12.62
Non-hazardous waste disposed	Kg	71,07,547
	Kg/MT of production	17.66
Total plastic waste recycled post consumer use through extended producer responsibility	MT	530
Multi-layer plastic waste recycled	MT	296
Single use plastic waste recycled	MT	234
Manufacturing plants with zero waste to landfill	Nos.	8

As a responsible manufacturer, we have registered ourselves with CPCB as a Brand Owner and have tied up with authorized recycler for collection and recycle of empty MLP and Non MLP material for preparing compose and use as fuel for useful purpose. We have adapted Extended Producer Responsibility (EPR) and have targeted to recycle back 20% in FY 2018-19, 50% in FY 2019-20 and 100% in FY 2020-21. In FY 2018-19, we have collected over 530 MT of plastic waste out of which 296 MT multi-layered plastic were recycled. The collection was done through authorized recyclers, expert agencies and processing was done through government approved processers. We re-distill most of the solvents and co-process hazardous waste to use it as a fuel in cement industry as per applicable regulations.

Following are other initiatives implemented during FY 2018-19 for overall waste reduction:

- Implementation of Drying process for solid waste to reduce overall moisture and quantity of hazardous waste generated.
- Recycling of Ash generated from coal and briquette fired boiler for brick manufacturing or other useful purposes. In FY 2018-19, overall 168.64 MT of ash was recycled to brick manufacturer.
- For all our plants in Himachal Pradesh (HP) i.e. Baddi, Kalambh and Nalagarh, the hazardous waste generated was disposed to authorized recycler. These recyclers prepare compose and recycle the waste back as fuel for Cement Industry. Through this, all our HP Plants are declared as having Zero Waste to Land Fill site.
- Implementation of waste solvent recovery from residue by use of Rotary Cone Vacuum Dryer at Vapi Unit, reduced overall quantity of hazardous waste and further helped to recover solvent for useful purpose. In FY 2018-19, 10 MT of solvent was recycled.
- Replacement of single use secondary plastic and cardboard box for packaging material with reusable rigid plastic containers. It resulted into overall saving of 3 MT of paper waste and 400 kg of plastic waste generation since implementation in Q3 of FY 2018-19.
- Use of steam transfer process for a batch to reduce overall amount of hazardous waste generated during cleaning of vessel. It also resulted in reduction of overall frequency and water used for cleaning. This led to minimization of waste scale generation by about 33% from 2400 MT/annum to 1600MT/annum.

Environmental Compliances

We are committed to complying fully with all applicable environmental laws and regulations. In FY 2018-19, we complied as per directions provided by National Green Tribunal (NGT) related to Common Effluent Treatment Plant (CETP) compliance at Vapi.

Management of Hazardous Chemicals

Chemicals are classified based on UN Classification for Hazardous Chemicals. We are committed to proactively manage risks associated in handling and storage of hazardous chemicals.

We have taken necessary precaution to avoid spills or leakage of hazardous materials to the environment.

Initiatives undertaken for safety handling of hazardous material that are:
- For majority of chemicals bulk storage tanks necessary safety precaution during unloading, storage and transfer of hazardous chemicals are carried out
- Closed loop handling of hazardous chemicals to avoid exposure to operating personnel
- Necessary safety precautions against static electricity during unloading and transferring of flammable chemicals
- Provision of charging booth with proper aspiration system for reducing exposure for key high hazard chemicals during dispensing and charging process
- Provision of separate segregated storage facility for hazardous material for restricted controlled access
- Training and education of employees on safe handling of hazardous chemicals

CARING FOR PEOPLE
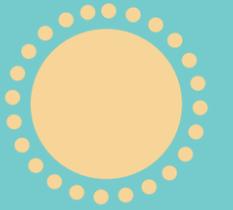
CARING FOR PEOPLE

MANAGEMENT APPROACH

Employee diversity and development is of utmost importance to us.
Our company focuses on improving employee productivity through various employee engagement initiatives and training programs. We aim to build sustainable communities through our community initiatives thus making a positive impact in our society. We have also instituted various community development programs focusing on four vital areas namely; healthcare, education, rural development and general semantics in compliance with the Companies Act 2013 towards the development of our communities.

SUSTAINABLE DEVELOPMENT GOALS

REDUCED INEQUALITIES

RESPONSIBLE CONSUMPTION & PRODUCTION

PARTNERSHIPS FOR THE GOALS

ZERO HUNGER

GOOD HEALTH

QUALITY EDUCATION

GENDER EQUALITY

CLEAN WATER & SANITATION

MATERIAL TOPICS

1.Occupational health and safety

2.Employee Development and diversity

3.Community Development
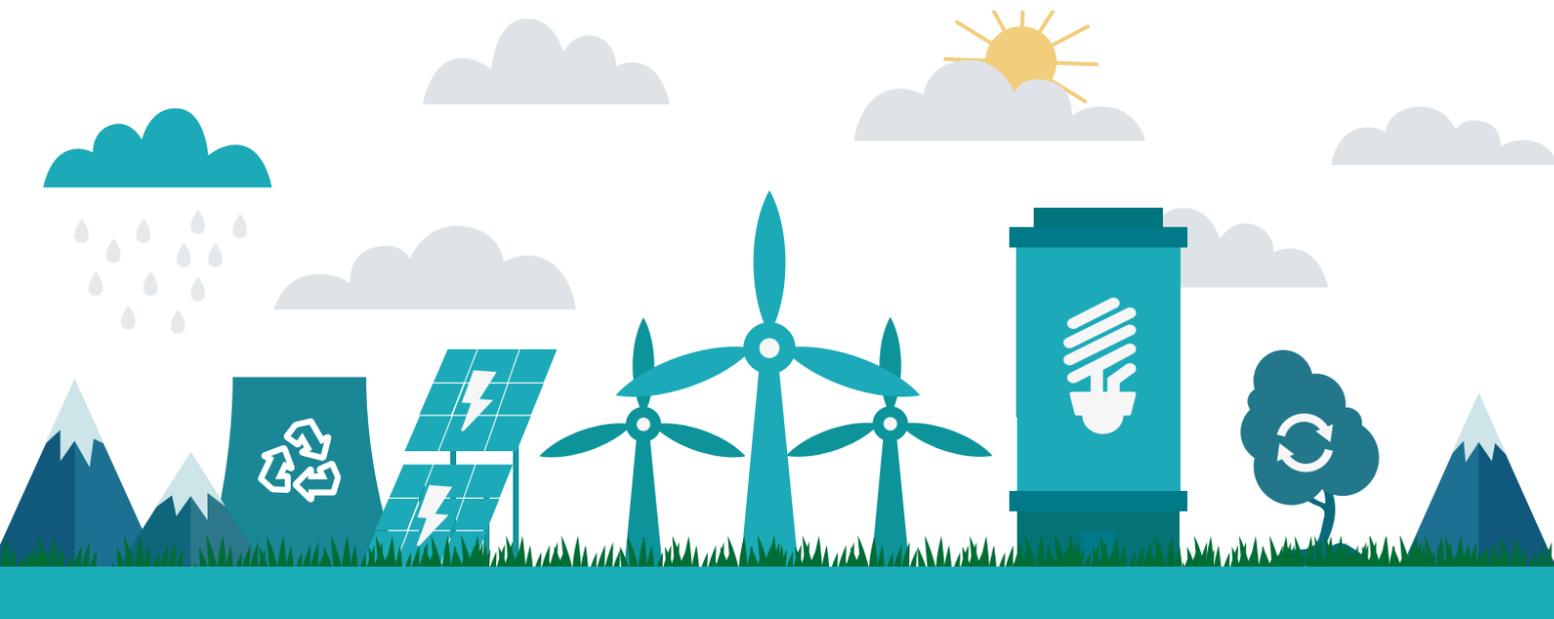
1. OCCUPATIONAL HEALTH AND SAFETY

Safety Performance FY 2018-19

TABLE 21: SAFETY PERFORMANCE OF ALL PIL MANUFACTURING UNITS

PARAMETER NAME*	UNITS	FY 2018-19
Injuries	Nos.	4
Lost days due to reportable accidents	Man days	84
Man-hours Worked	Million Man-hours	15.92
Fatalities	Nos.	0
Injury rate	per 100 workforces	0.05
Lost day rate	per 100 workforces	1.03

*Data reported is only for PIL owned manufacturing units

The Health and Safety of our employees and contractors is and always be top most priority and is integral part of our business strategy. We are committed to our long-term objective of "Zero Accidents" across our value chain. We have adopted OHSAS 18001 Management Systems for achieving our goals. All our Pidilite Manufacturing Plants are certified for OHSAS 18001 Management Systems.

Safety Management

We have an Environment, Health & Safety (EHS) Policy that sets the tone for the organization's commitment towards achieving health & safety performance excellence. The Director of Operations is responsible for the implementation of EHS policies. In line with the EHS Policy, various processes have been deployed across the organization, including our joint ventures, to continually improve the health and safety performance. We have also implemented an integrated EHS management system at all manufacturing units to mitigate potential risks.

Key highlights for ensuring strong safety performance

- EHS Policy as a commitment of top management towards safety and health
- Compliance to all applicable Regulatory requirements
- Strengthening EHS Organization
- Development of Safety Standards to maintain uniform systems across Organization
- Safety Communication for creating awareness about Safety Performance
- Safety Culture Building through Regular Safety Committee Meetings, Safety Week Celebration, regular Tool Box Talks
- Risk Management of all activities through tools like Job Safety Analysis, Risk Assessment etc.
- Health Infrastructure
- Accident, Incidents, Near Miss Reporting, Investigation and learnings
- Training on EHS Parameters for Capability Building
- Safety Audits
- Emergency Preparedness through Mock Drills

Major initiatives related to Health and Safety

- Upgradation of Fire Infrastructure across plant for mitigation of fire risks
- Risk Reduction of Packing Machines by moving towards tamper proof interlocks
- Formation and implementation of key standards for Project Safety Management
- Project Risk Management to ensure evaluation and incorporation of Safety and health requirements at various stages of projects
- Installation of Human Static Discharge system in areas where flammable chemicals are used
- Closure of critical gaps identified during External Fire and Electrical Safety Risk Audit

Safety Committee

Our safety committee consists of equal number of representatives of workers and management. The committee has been entrusted with the role of ensuring safe and healthy working conditions across the organization. There is a dedicated and competent EHS team at corporate and site level to take care of all day to day occupational health & safety issues arising out of company activities.

Process Safety

We understand the importance of process safety while managing our business operations. We apply best-in-class process design frameworks, engineering and operating processes across all our manufacturing locations. We regularly monitor our business operations and assess risks regarding storage and handling hazardous substances, fire, explosions etc.

Following are key initiatives related to Process Safety Implementation:

- Control of key manufacturing activities through automation by use of Distributed Control System (DCS) with necessary process and safety interlocks.
- Closed loop handling of key hazardous chemicals.
- Installation of Intelligent Earth monitoring system for protection against Static Electricity while handling of flammable chemicals.
- Toxic material charging booth for eliminating human contact and related health hazards.
- Infrastructure upgradation for reduction of overall process safety risk during charging of solids into flammable liquids. Installed screw feeders, inertization for oxygen control and area humidification.
- Design and installation of appropriate Over Pressure Protection Systems for Pressure Plants.

2. EMPLOYEE DEVELOPMENT AND DIVERSITY

PARAMETER	PERFORMANCE IN FY 2018-19
Young talent in PIL	26% of employees are millennials
Employee turnover	9% employee attrition rate
Employee retention post parental Leave	100% retention rate
Employee training	Average training hours per employee: 28 hours

We focus on inculcating a culture that emphasize on fulfilling our employee's long-term professional aspirations. We are also continuously setting and implementing HR processes and systems to foster learning, development and skill enhancement among our workforce. As a responsible organization, we promote diversity and provide equal opportunities for all employees without discriminating them, based on sex, race, gender, age, religion, disability etc. This has helped us to generate creativity within the organization, therefore contributing to a strong and sustainable long-term business growth.

As of March 31st, 2019, our total employee strength was 5,742 and women constituted 6% of them. The total strength of our contract employees was 5,391 and women constituted 14% of them. We have recognized employee unions and associations at various sites which encourage employees to participate freely in constructive dialogue with the management.

We inducted 904 employees into the organization and our employee turnover was 9% during FY 2018-19. Out of the total employee strength, about 26% of our employees are under the age of 30 thus representing a good blend of youth and senior experienced professionals in our workforce.

GRAPH 3: PIL EMPLOYEES – JOB CATEGORY WISE
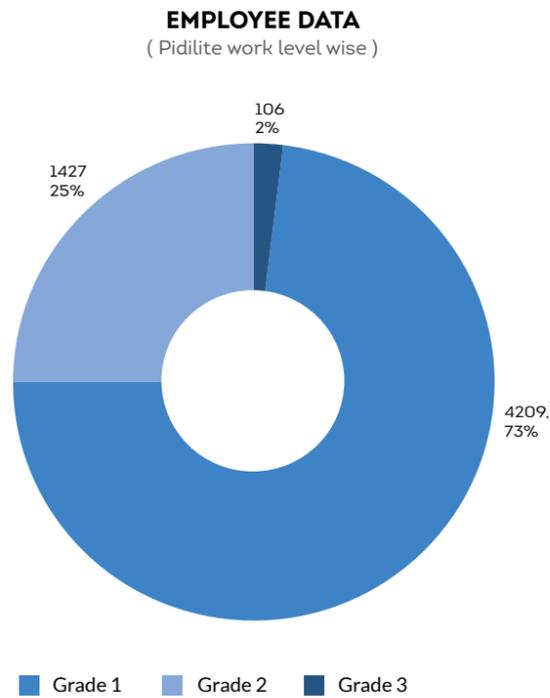
GRAPH 4: PIL EMPLOYEES -AGE WISE

EMPLOYEE DATA
(Pidilite work level wise)

106
2%

1427
25%

4209,
73%

- Grade 1
- Grade 2
- Grade 3

EMPLOYEE DATA
(Age wise)

1491,
26%

732,
13%

3519,
61%

- Less the 30 years
- 30 - 50 Years
- More than 50 years
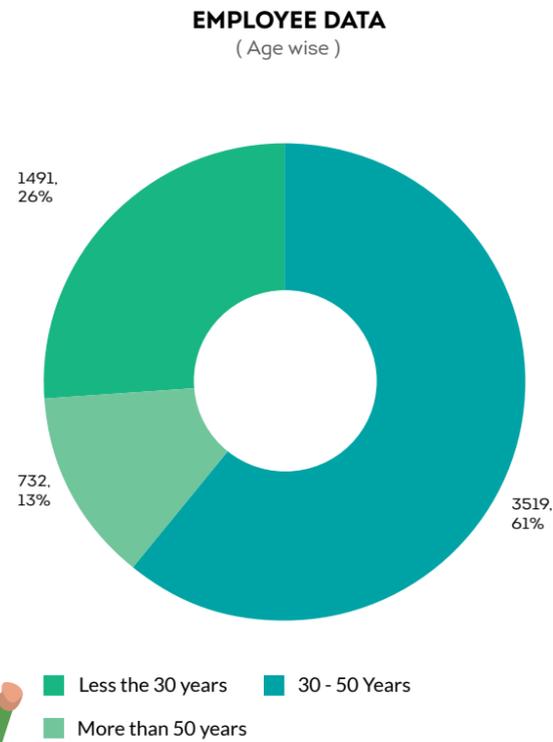
GRAPH 5: NEW JOINERS - AGE WISE
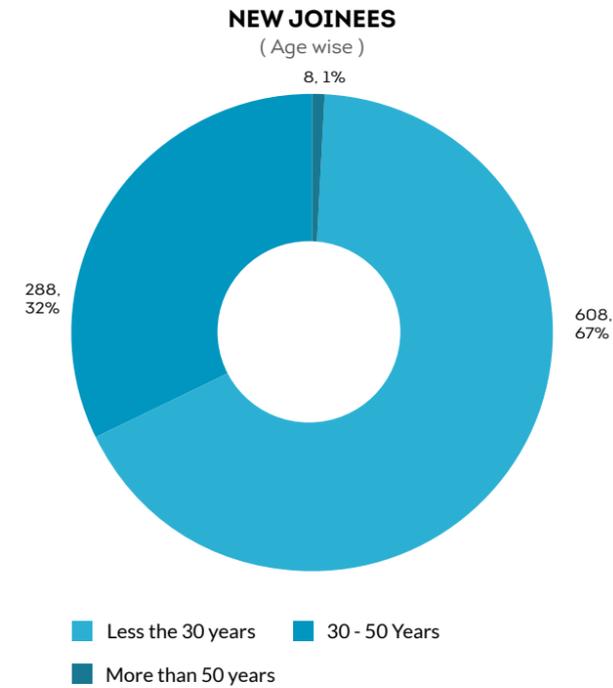
GRAPH 6: EMPLOYEE TURNOVER -AGE WISE

NEW JOINEES
(Age wise)

8, 1%

288,
32%

608,
67%

- Less the 30 years
- 30 - 50 Years
- More than 50 years

EMPLOYEE TURNOVER
(Age wise)

60,
12%

279,
56%

158,
32%

- Less the 30 years
- 30 - 50 Years
- More than 50 years
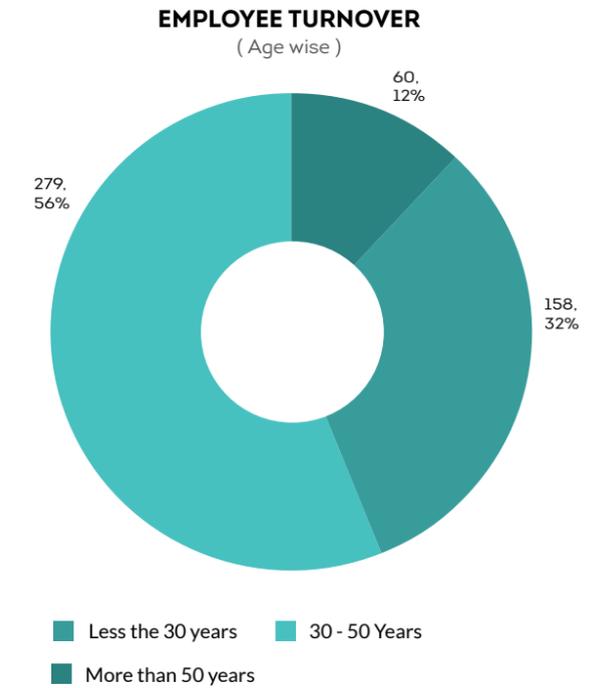
Young Talent Management (YTM)

The Young Talent Management (YTM) is a Flagship Program of Pidilite. Under this program, students from the fields of business,technology and research are provided an opportunity to work on live projects related to business in the domains of sales and marketing, supply chain management, Finance and Research. YTM draws its pool from Graduate Engineer Trainees, Management Trainee and other similar programs that are run across Pidilite and its business groups. This platform provides real time opportunities for the students to understand real life challenges and suggest innovative solutions.

Benefits Provided To Employees

We offer our permanent employees a broad range of benefits that helps contribute to their overall well-being. These include standard benefits such as life insurance, health care, disability and invalidity coverage, retirement provision and stock ownership etc.

Parental Leaves

At Pidilite, we have provisioned the options of parental leaves for both of our female and male employees. Every female employee is eligible for a parental leave of 6 months. Similarly, all our male employees are eligible for 15 days of parental leave. During FY 2018-19, 26 employees (17 Male and 9 Female) employees availed the parental leave. All our 26 employees rejoined after the leave and have been associated with us for over 12 months. This 100% retention rate reflects our provision for a healthy work-life balance for all our employees.

Employee Engagement Initiatives

At Pidillite, we believe that engaging with our employees is of utmost importance and regular engagement helps to drive performance and productivity. Our employee engagement strategy is aimed at building a culture of connect, commitment and celebration. We follow various channels of two-way communication with our employees such as field forums, workplace live sessions, internal helpline etc. The annual NPS survey and attrition analysis data are also used for measuring employee engagement levels and impact of various initiatives under the engagement platform. During FY 2018-19, we carried out the following employee engagement activities:

1) Listening Forums & Collaborative Work Platform [CWP]
We at Pidilite are always open to views and suggestions expressed by our employees. The CWP acts as a one stop automated query capture and resolution process. It combines all listening forums and gives real time dashboards for all queries received from various forums, thus helping in quick resolution of employee concerns.

Some of the major initiatives under this CWP platform are,
1. Internal Helpline: We have an internal helpline number where employees can call and raise their issues and concerns. This forum acts as a one stop solution for quick employee issues resolution.
2. Field Forum: 'Sampark' is a legacy forum for recording and resolving suggestions, grievances and issues of all our field employees. A total of 133 suggestions were provided under Sampark during FY 2018-19.
3. Work Platform for Operations: 'Khulla Munch' an open forum, 'Manyataa' as a platform for reward and recognition, 'Gyanodaya' as a platform for mutual learning and development.
4. Net Promoter Score (NPS): We conduct an annual engagement survey to understand the overall engagement pulse under different demographics like age, gender, location etc. This helps us understand and curate initiatives for different target groups. In FY 2018-19, the NPS score was 48. In addition to this, we also conducted a Sustainable Engagement Survey (SES) and achieved a score of 93%.
5. Birthday Lunch: A birthday lunch is organized with the Chairman himself for all employees who have their birthdays in a given week. Through this forum, employees share their experiences in Pidilite and suggest any improvements. During the year, 303 suggestions were provided under this platform.

2) Workplace
Closed controlled network referred as "Workplace" is a platform for communication and sharing of information. It has enabled us to gauge the sentiment, note opinion and make changes to any new initiative almost on a real time basis. Currently, around 89% of our employees are using Workplace.

3) Happy & Healthy Pidilite [HAH]
Under the HAH umbrella, we develop events which not only bring employees together but also provide them an opportunity to express themselves in the areas of their interest. Festival Celebrations, Marathons, Talent Hunt, Indoor &

Outdoor Sports Competitions & Wellness based activities are some of the key initiatives extended to employees through HAH. During FY 2018-19, 45% of our employees participated under various HAH initiatives which saw an improvement from 21% in FY 2017-18.

Training and Development

TABLE 22: PIL EMPLOYEE TRAINING DATA

	FY 2018-19
Total number of training hours provided – PIL Employees	2,78,544
Total No of PIL Employees	5,742
Average hours of training per employee - PIL Employees (Hr/Employee)	48.55
Total number of training hours provided – Plant Location	32,828
Total No of Job work employees (Non PIL employees)	5,391
Average hours of training per employee – Job work employees (Non PIL employees) (Hr/Employee.)	6.1
Average hours of training per employee (PIL + Non PIL) (Hr/Employee)	28

Our employees are integrated into the Pidilite culture through extensive training programs, targeting knowledge, skill and attitudinal aspects. These trainings act as an enabler for our employees to explore opportunities on their developmental needs.

Our training and development strategy is divided into three parts, namely Induction and Integration, skilling on competency and signature programs. Below is the list of various training and development programs provided to our employees:
• Induction and Integration: This program covered approximately 740 new joinees which helps the field force to induct and integrate into their respective field roles. In other activity, 240 new lateral hires were covered.
• Skilling on Competencies: Covered approximately 1500 employees across various levels
• Signature Program: Covered more than 400 employees from Sales & Marketing on key organizational initiatives.

3. COMMUNITY DEVELOPMENT
At Pidilite, Corporate Social Responsibility is ingrained in the way we do business. We strive to make a long-lasting impact on the lives of the communities we operate in. Social and environmental consequences are an imperative part to our community decisions. Discerning the needs of communities around us, we consign hundreds of man-hours every year to solve these issues. We not

only create employment opportunities for the locals around our manufacturing facilities, but also take steps to improve their health and lifestyle through several initiatives in medical aid, agriculture, horticulture, water management, animal husbandry and education. Community initiatives are implemented by Pidilite with the help of some implementing agencies.

We have a CSR policy as per the Companies Act, 2013 which defines our objectives and identifies key areas of initiatives. Our initiatives are targeted to four focus areas:
• Healthcare
• Education
• Rural Development
• General Semantics

The activities undertaken are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural development projects. In FY 2018-19, we spent INR 23.50 crores on our CSR initiatives.

Healthcare
• Presented the 14th edition of Fevicol 'Caring with Style' in association with CPAA to help over 100 children suffering from Leukemia.
• A free eye checkup was conducted in 48 villages of Mahuva, screening around 3,850 patients and performing 225 cataract surgeries.

The healthcare sector plays a critical role in maintaining the health and well-being of the masses which in turn leads to the economic development of the nation. With rapid population growth, we realize the need for high-quality healthcare services and also to provide them at an affordable cost.

a) BK Parekh Parkinson's Disease & Movement Disorder Society
With the intent of enhancing the standard of life of people with Parkinson's disease and their caretakers, we have extended our support towards such people. Various activities such as Parkinson's information, physiotherapy and others are organized with the help of neurologists and other experts. BKPPD-MDS is currently operating in 9 centers across the state of Gujarat and also has 1 center in Pune.
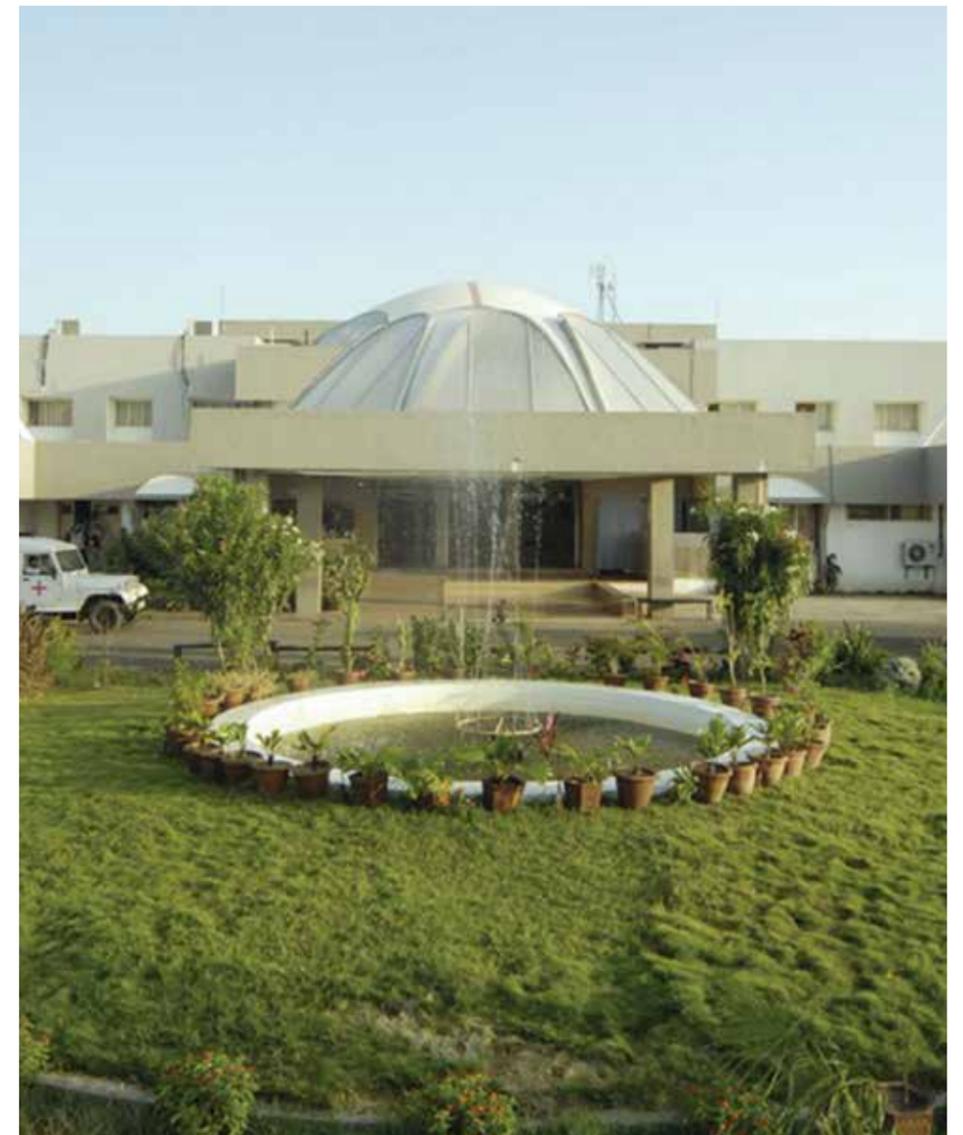
b) Hanumant Hospital, Mahuva
• Treatment given to over 52,207 outpatients, performed over 2,149 surgeries and handled 4,058 cases of emergency.
To provide best health care services to the remote locations of Mahuva, Gujarat, we have undertaken the responsibility of managing the Hanumant Hospital. We have provided best-in-class service and aim to treat patients with utmost respect.

In FY 2018-19, Hanumant Hospital in Mahuva, Gujarat, treated over 52,207 outpatients, performed over 2,149 surgeries and handled 4,058 cases of emergency. 55 specialty medical camps were conducted in-house and in the surrounding areas under the Doctor Connect program. In association with the Government Health Department, pediatricians from Hanumant Hospital organized OPDs two days a week at various Primary Health Centres (PHCs) and Community Health Centers (CHCs).

c) Milk and Animal Health

We have supported the Milk and Animal Health Initiative in Mahuva Taluka of Gujarat. A survey was conducted with 400 farmers of 25 villages of the area to understand the existing animal husbandry practices and provide the scope of improvement. The survey helped in identifying the best practices adopted by the farmers and their villages were identified based on the productivity of the cattle. Checkups of cattle by veterinarian doctors from 3 centers were conducted through medical and infertility camps. The veterinarian doctors recommend the treatment to the farmers on case to case basis as per their diagnosis.

Education

· Assisted in installation of additional 50 new learning software (300 since inception) to refine the level of primary education in rural areas

We believe that in order to progress, our country must first be educated.
To encourage higher education in the unprivileged sections of the society, we have commenced various educational centers. We strive to provide basic learning facilities to the children in rural areas.

a) Project WAGALE

WAGALE stands for Wanchan-Ganan-Lekhan. This is a unique program which guides students with lesser learning abilities by providing them training sessions through practical methods, visual representations, and interactions with the academically better students. This program was launched in 34 schools this year. More than 6,000 children are enrolled under WAGALE initiative. Initially before this program implementation, a baseline assessment for Gujarati and Mathematics subject showed that 60% of total students were in the low scoring category (who have obtained 0-10 marks out of 40). An assessment done after the implementation of program showed that only 16% students fell in low scoring category.

b) Shri N N Mehta Memorial Education Trust

Shri N N Mehta Memorial Education Trust provided scholarship amounting to INR 36 lakh to 227 deserving students for higher education. Prizes amounting to INR 1,84,000 were given to 126 students for sports and cultural activities.
The increase in number of students getting scholarship and prizes is an indication of increase in the standard of education in the area.

c) Skill Development

We continued our association with the Department of Employment and Training (Government of Gujarat) as a knowledge partner for our skill development initiatives. With the help of 155 ITI's carpentry, plumbing, electrician and construction technician courses were carried out benefitting more than 7,000 students. We also extended our support as an industry partner in Gujarat for World Skill Competition, 2019 by mobilizing carpenters (ITI students and FCC wards), screening candidates and facilitating assessment at zonal and state levels. One of the ex-students of carpentry won second prize at the national level competition. The success was felicitated by the Honourable Chief Minister of Gujarat. As a part of the skill development initiative in Rajasthan, plumbing trade has been started in ITI-Kapasan, ITI-Jodhpur and carpentry trade has been started in ITI-Jaipur.

Rural Development

We understand that rural development is essential for an overall development of the country. Development of rural areas has been at the core of our community initiatives. We work on various objectives under rural development, as elaborated below:

1) Sustainable Livelihood

a) Agriculture and Horticulture

- Formation of 140 new Farmer Clubs in Bhavnagar and Amreli district.
- 15% decrease in cost of cultivation of cotton and groundnut crops.
- Field training provided to more than 4,500 farmers
- Total 2071 farmers have shifted from toxic fertilizer/ pesticides to bio-based fertilizers and natural farming.
- 1500 litres of approximate reduction in monocrotophose.

We continuously work towards developing a more sustainable agriculture and horticulture practice for farmers. Supporting this, we have made arrangements/ signed MOUs with various institutes and expert organizations, for providing technical inputs to farmers. In FY 2018-19, we supported the formation of 140 new Farmer Clubs in Bhavnagar and Amreli District (for Cotton, Groundnut, Onion and other relevant crops). With these additions, now therxe are over 340 Farmer Clubs, covering over 11,500 farmers. Data of these 11,500 farmers have been geotagged with area mapping on a digital portal which helps in enhanced analysis for adoption of best practices such as soil management, intercropping, drip irrigation, etc. The geotagging has facilitated provision of specific recommendations to the farmers about increasing the yield and reduction in the cost of cultivation. Through this, about 65% farmers have experienced a cost reduction of 15% in cotton and groundnut crops. Further, field training on cropping techniques and alternatives was provided to more than 4,500 farmers through Agricultural Technology and Management Agency (ATMA), State Department of Agriculture at the Centre for Agriculture-Horticulture Development. In the Bhavnagar district, there was a shift of 2,071 farmers, with an average land holding of 2.5 acres per farmer, from toxic fertilizers/pesticides to bio-based fertilizers and natural farming. This initiative led to an approximate reduction of 1500 litres of monocrotophose in the district.

b) Centre for Agriculture Horticulture Development at Gram Daxina Murti, Manar

With the aim of delivering latest recommended cultivation practices to the farmers, we have collaborated with Agriculture, Farmers Welfare & Co-operation Department, Government of Gujarat to support sustainable agriculture and horticulture growth. Demonstrations on various aromatic, medicinal and ayurvedic crops namely lemon grass, palmarosa, shankpushpi, aloevera and others have been performed. These demonstrations assisted the farmers in gaining practical knowledge about the latest cultivation practices and eventually allowing them to earn more income. Innovative techniques such as yellow trap, fruit fly trap and light trap are also demonstrated to the farmers for effective Intercropping Pest Management. We have also collaborated with the Institute of Chemical Technology (ICT) for initiating seaweed unit for its value-added products. This collaboration will prove to be beneficial to women and farmers as it is used to develop organic growth hormone for plants and other applications. In-order to provide the farmers with a complete knowledge of agricultutre and horticulture, an in-house training centre is made available so that they can obtain valuable information from experts, scientists and universities.

2) Water and Sanitation

a) Water Management

· Completed construction of 31 check-dams and deepening of 40 ponds in FY 2018-19
· Cultivated 300 hectares of farmland into drip irrigation
· Recharged 124 wells across 20 villages
· Total 232 million litres of rainwater harvested in Bhavnagar district in FY 2018-19

We endeavour to create sustainable water systems by continuing our support for water management activities with the Department of Narmada, Water Resources, Water Supply and Kalpsar Department of Government of Gujarat, in the PPP mode.

In FY 2018-19, through this partnership 31 check dams and 40 ponds deepening have been completed. We continued our support of watershed construction resulting in five watershed centres in Bhavnagar and Amreli district. The centers are equipped with all the required machineries and work is done under supervision of experienced civil engineers. During the year, 300 hectares of additional farmland was converted into drip irrigation and more than 124 additional wells spanning over 20 villages were recharged, for improving the quality of ground water. In the Bhavnagar district, we have harvested a total of 232 million litres of rainwater through construction of new check dams, farm ponds, along with desilting and deepening of existing check dam/ pond.

Highlights

· 69 check dams and 248 farm ponds have been completed till date.
· Since inception 1500 hectares of land has been converted into drip irrigation

b) Sanitation

We supported the construction of 3,200 new toilets in Mahuva Taluka supporting the vision of open defecation-free status for the villages. More than 11,000 toilets have been constructed till date. A total of 14 villages in Gujarat have been dclared Open Defecation-Free due to our continuous efforts.

c) Initiatives for Women Nurtured 70 new Self Help Groups in Bhavnagar

In FY 2018-19, we have helped in forming, nurturing and developing 70 new Self-Help Groups (SHGs) - Mahila Mandals in Bhavnagar and Amreli district, Gujarat. Since inception, we have a supported total of 250 SHGs consisting of 2,700 women. These groups act as a platform for sharing knowledge, encouraging savings and promoting an entrepreneurial spirit among women. A supportive ecosystem is created for the members of these federations by helping them in case of family emergency, natural calamity, provision of loan for initiating an income generation activity and others. In FY 2018-19, different types of trainings were provided for women. They were assisted in starting Khakhra production, introduced different flavours of masala, seaweed value-added products, bakery, neem ark extraction unit, as well as initiated unconventional cotton-picking bags for minimizing labour of cotton pickers. Other projects undertaken included making of sanitary napkins, Channapatnam wooden toys, bio phenyl, jute and cloth bags, plant nursery, etc.

3) Infrastructure Development

a) Model village: Kushal Gram

Under the unique initiative "Model Village: Kushal Gram" at Kalsar, Gujarat, 3,000 additional villagers were skilled in various vocations, taking the total tally to over 8,500 villagers. As a part of the cleanliness drive, more than 1,800 households were helped to create sanitation facilities within their dwelling units. The villagers were also trained to paint their houses under Project Rangeen Kalsar and during the year, an additional 300 of such houses were painted taking the total number to 1,400 houses since inception.

Development of green cover

• Planted 1.20 lakh trees in Mahuva taluka

We understand our responsibility towards mitigating environmental issues and aligning our practices towards a greener environment. Considering the need for reducing the carbon footprint, our participation through tree plantation was extremely important to restore the ecological balance.

We had undertaken a tree plantation initiative in the Mahuva region of Bhavnagar district for expanding green cover as well as to address problem of environment imbalance. This initiative was intended to implement plantation on a large scale across the rural areas to promote greenery. Through this implementation, we have successfully planted 1.20 lakh trees in FY 2018-19. For this initiative, we had received a recognition letter by the Environment and Forest Department of the Government of Gujarat.

General Semantics

Under the Balvant Parekh Distinguished Lecture Series, Professor Rajeswari Sunder Rajan, Global Distinguished Professor, New York University, spoke on "A Woman's Worth," in July 2018 in Vadodara. The lecture incorporated a nuanced analysis of innumerable court verdicts that aspired to 'determine' the worth of women on basis of domestic labour and their right to inheritance. Balvant Parekh Centre for General Semantics and Other Human Sciences organized a national symposium on "General Semantics in India: Possibilities and Prospects" to mark the 10th anniversary of the organization in March 2019.

The National Workshop on "Pedagogy of General Semantics as a Mode of Communication" was conducted in March 2019 in collaboration with Vikram Deb Autonomous College, in Jeypore, Odisha, by Mr. Sura P. Rath from University of North Texas, Dallas. During the year, the Balvant Parekh Centre for General Semantics & Other Human Sciences has broadened its activities into the area of Art Education and a series of collaborative and participative programs with children and art educators have been initiated. An art workshop is organized every fortnight titled "Rang Rang Vadalia" at Spandan-A School for the Intellectually Challenged children

KEY
PERFORMANCE
INDICATORS

KEY PERFORMANCE INDICATORS

TABLE 23: KEY PERFORMANCE IN FY 2018-19

INDICATORS	UNITS OF MEASUREMENT	PERFORMANCE IN FY 2018-19
Economics		
a. Production	MT	4,02,360
b. Sales	INR in Cr	6,095
c. Revenue	INR in Cr	6,286
d. R&D Expenses	INR in Cr	64
e. CSR Expenses	INR in Cr	24
Employee		
a. Attrition Rate	%	9
b. Total Employees	Nos.	5,742
c. Female Employees	Nos.	352
d. Injury Rate		0.05
e. Lost Day Rate		1.03
Environment Protection		
a. Energy Consumption	000' GJ	771
b. Energy Ratio	GJ/MT	1.92
c. Energy Generated from renewable energy sources	% of total electricity consumed	16
d. Renewable and less polluting fuel use (Biomass & PNG)	%	58
e. Scope 1 Emission	tCO_2	55,337
f. Scope 2 Emission	tCO_2	33,499
g. Greenhouse gas saved (Using Renewable and less polluting fuel use)	tCO_2	24,739
h. Greenhouse gas saved (Due to Wind Energy generation)	tCO_2	5,412
i. Greenhouse gas saved (Due to Solar energy generation)	tCO_2	1,607
j. Greenhouse gas saved (Through Energy Reduction Projects)	tCO_2	319
k. Water Consumption	000' KL	956
l. Water Ratio	KL/MT	2.38
m. Total rainwater harvested (reused by plant and for ground water discharge and through making Check dams & Ponds under CSR program)	KL	3,10,331
n. Water Balance (Difference between fresh water consumed and rainwater harvested)	KL	6,46,389
o. Effluent Discharged (Industrial &Domestic)	KL	4,26,028
p. Plastic Recycled (Non MLP)	MT	530
q. Plastic Recycled (MLP)	MT	296

Since this is the first year of Pidilite's Sustainability Reporting, we have considered the above-mentioned Key Performance Indicators (KPI's) for measurement of our economic, social and environment performance. Moving forward, we will consider these KPI's as base line and would benchmark our performance in the future sustainability reports.

ANNEXURES

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	REFERENCE SECTION/ PAGE NUMBER	OMISSION
GRI 101: Foundation 2016 (GRI 101 does not include any disclosures)			
General Disclosures			
GRI 102 General Disclosures 2016	**Organization Profile**		
	102-1	Name of the organization	Page 5
	102-2	Activities, brands, products, and services	Page 7-9
	102-3	Location of headquarters	Page 7
	102-4	Location of operations	Page 7
	102-5	Ownership and legal form	PIL AR 2018-19 Page 164-165,203
	102-6	Markets served	Page 16
	102-7	Scale of the organization	Page 7,64
	102-8	Information on employees and other workers	Page 49-51
	102-9	Supply chain	Page 7
	102-10	Significant changes to the organization and its supply chain	In FY 2018-19, there were no significant changes to company and our supply chain operations.
	102-11	Precautionary Principle or approach	Page 22-23
	102-12	External initiatives	Page 16
	102-13	Membership of associations	Page 22

GRI STANDARD	DISCLOSURE	REFERENCE SECTION/ PAGE NUMBER	OMISSION	
		Strategy		
	102-14	Statement from senior decision-maker	Page 4-5	
	102-15	Key impacts, risks, and opportunities	Page 22-23	
		Ethics and Integrity		
	102-16	Values, principles, standards, and norms of behaviour	Page 3	
	102-17	Mechanisms for advice and concerns about ethics	Page 25	
		Governance		
	102-18	Governance structure	Page 20	
STAKEHOLDER ENGAGEMENT				
	102-40	List of stakeholder groups	Page 11-12	
	102-41	Collective bargaining agreements	Currently, we do not track this information.	
	102-42	Identifying and selecting stakeholders	Page 11	
	102-43	Approach to stakeholder engagement	Page 11-12	
	102-44	Key topics and concerns raised	Page 11-12	
REPORTING PRACTICE				
	102-45	Entities included in the consolidated financial statements	PIL AR 2018-19 Page 230	
	102-46	Defining report content and topic boundaries	Page 16	
	102-47	List of material topics	Page 14-16	
	102-48	Restatements of information	Page 17	
	102-49	Changes in reporting	Page 17	

GRI STANDARD	DISCLOSURE	REFERENCE SECTION/ PAGE NUMBER	OMISSION	
	102-50	Reporting period	Page 5	
	102-51	Date of most recent report	This is the first sustainability report to be published by Pidilite Industries Ltd.	
	102-52	Reporting cycle	Page 17	
	102-53	Contact point for questions regarding the report	Page 17	
	102-54	Claims of reporting in accordance with the GRI Standards	Page 16	
MATERIAL TOPICS				
GRI 201: ECONOMIC PERFORMANCE				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	Page 15,19	
	103-2	The management approach and its components	Page 19	
	103-3	Evaluation of the management approach	Page 19	
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Page 30	
GRI 205: ANTI-CORRUPTION				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	Page 14,19	
	103-2	The management approach and its components	Page 19	
	103-3	Evaluation of the management approach	Page 19	
GRI 205: Anti-Corruption 205:	205-1	Operations assessed for risks related to corruption	Page 25	

GRI 301: MATERIALS

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	Page 14,32
	103-2	The management approach and its components	Page 32
	103-3	Evaluation of the management approach	Page 32
GRI 301: 2018	301-1	Materials used by weight or volume	Page 39-40

GRI 302: ENERGY

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	Page 15,32
	103-2	The management approach and its components	Page 32
	103-3	Evaluation of the management approach	Page 32
GRI 302: Energy	302-1	Energy consumption within the organization	Page 33-35
	302-3	Energy intensity	Page 33,35
	302-4	Reduction of energy consumption	Page 36-37

GRI 303: WATER

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	Page 15,32
	103-2	The management approach and its components	Page 32
	103-3	Evaluation of the management approach	Page 32
GRI 303: Water and Effluents	303-4	Water discharge	Page 42
	303-5	Water consumption	Page 37-38

GRI 305: EMISSIONS

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	Page 15,32
	103-2	The management approach and its components	Page 32
	103-3	Evaluation of the management approach	Page 32
GRI 305: Emissions	305-1	Direct (Scope 1) GHG emission	Page 40-41
	305-2	indirect (Scope 2) GHG emissions	Page 40-41
	305-3	Other indirect (Scope 3) GHG emissions	Page 40-41
	305-4	GHG emissions intensity	Page 40
	305-5	Reduction of GHG emissions	Page 36-37
	305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other	Page 41

GRI 306: EFFLUENTS AND WASTE

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	Page 15,32
	103-2	The management approach and its components	Page 32
	103-3	Evaluation of the management approach	Page 32
GRI 306: Effluents and Waste	306-2	Waste by type and disposal method	Page 42-43
	306-3	Significant spills	Omitted

GRI 307: ENVIRONMENTAL COMPLIANCE

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	Page 15,32
	103-2	The management approach and its components	Page 32

	103-3	Evaluation of the management approach	Page 32
GRI 307: Environmental Compliance	307-1	Non-compliance with environmental laws and regulation	Page 43

GRI 401: EMPLOYMENT

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	Page 15-16,46
	103-2	The management approach and its components	Page 46
	103-3	Evaluation of the management approach	Page 46
GRI 401: Employment	401-1	New employee hires and employee turnover	Page 49-51
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employee	Page 51
	401-3	Parental leave	Page 51

GRI 403: OCCUPATIONAL HEALTH AND SAFETY

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	Page 15,46
	103-2	The management approach and its components	Page 46
	103-3	Evaluation of the management approach	Page 46
GRI 403: Occupational health and safety	403-8	Workers covered by an occupational health and safety	Page 47
	403-9	Work-related injuries	Page 47
	403-10	Work-related ill health	Page 47-48

GRI 404: TRAINING AND EDUCATION

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	Page 15,46

	103-2	The management approach and its components	Page 46
	103-3	Evaluation of the management approach	Page 46
GRI 404: Training and Education	404-1	Average hours of training per year per employee	Page 53
	404-2	Programs for upgrading employee skills and transition assistance programs	Page 53

GRI 405: DIVERSITY AND EQUAL OPPORTUNITY

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	Page 16,46
	103-2	The management approach and its components	Page 46
	103-3	Evaluation of the management approach	Page 46
GRI 405: Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	Page 49-50
	405-2	Ratio of basic salary and remuneration of women to men	Omitted

GRI 413: LOCAL COMMUNITIES

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	Page 16,46
	103-2	The management approach and its components	Page 46
	103-3	Evaluation of the management approach	Page 46

GRI 413: Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	Page 53-62
	413-2	Operations with significant actual and potential negative impacts on local communities	Omitted

GRI 416: CUSTOMER HEALTH AND SAFETY			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundaries	Page 15,19
	103-2	The management approach and its components	Page 19
	103-3	Evaluation of the management approach	Page 19
GRI 416: Customer Health and Safety	416-2	Incidents of non-compliance concerning the health and safety impacts of products and service	Page 27

GLOSSARY

ATMA	Agricultural Technology and Management Agency
BKPPDMDS	BK Parekh Parkinson's Disease & Movement Disorder Society
BRR	Business Responsibility Reporting
BSE	Bombay Stock Exchange
CAGR	Compounded Annual Growth Rate
CEMS	Continuous Emission Monitoring System
CEO	Chief Executive Officers
CETP	Common Effluent Treatment Plant
CHC	Community Health Centers
CMR	Carcinogenic, mutagenic, reprotoxic
CPCB	Central Pollution Control Board
CSR	Corporate Social Responsibility
CWP	Collective Work Platforms
DCS	Distributed Control System
DM	De-mineralization Plant
DSIR	Department of Scientific and Industrial Research
EHS	Environment Health and Safety
EPR	Extended Producer Responsibility
ERM	Enterprise Risk Management
EVG&D	Economic Value Generated and Distributed
FV	Fevicol
FY	Financial Year
GHG	Green House Gas
GJ	Giga Joules
GRI	Global Reporting Initiative
HAH	Happy and Healthy Pidilite
HP	Himachal Pradesh

HR	Human Resource
ICT	Institute of Chemical Technology
INR	Indian Rupee
IP	Intellectual Property
ISO	International Organization for Standardization
IT	Information Technology
ITI	Industrial Training Institute
JV	Joint Ventures
KL	Kilo Litre
LED	Light Emitting Diode
MD	Managing Director
MEP	Mechanical, Electrical and Plumbing
MLP	Multi-Layered Plastic
MoEFCC	Ministry of Environment and Forest & Climate Change
MOU	Memorandum of Understanding
MT	Metric Tonnes
MW	Mega Watt
NGO	Non-Government Organization
NGT	National Green Tribunal
NOx	Oxides of Nitrogen
NPS	Net Promoter Score
NRC	Nomination and Remuneration Committee
NVG-SEE	National Voluntary Guidelines on Social, Environmental and Economic responsibilities of Business
OEM	Original Equipment Manufacturer
OHSAS	Occupational Health and Safety Assessment Series
OPD	Out Patient Department
PEC	Pidilite Executive Committee
PHC	Primary Health Centres
PIL	Pidilite Industries Limited
PLC	Programmable Logic Controller
PNG	Piped Natural Gas

PPP	Public-private partnership
PVC	Poly-Vinyl Chloride
R&D	Research and Development
REACH	Registration, Evaluation, Authorisation and Restriction of Chemicals
SDG	Sustainable Development Goals
SEBI	Securities and Exchange Board of India
SHG	Self-Help Group
SOx	Oxides of Sulphur
SPCB	State Pollution Control Board
TPM	Total Particulate Matter
UAE	United Arab Emirates
UN	United Nations
USA	United States of America
VFD	Variable Frequency Drive
VOC	Volatile Organic Compounds
WAGALE	Wanchan-Ganan-Lekhan
YTM	Young Talent Management

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