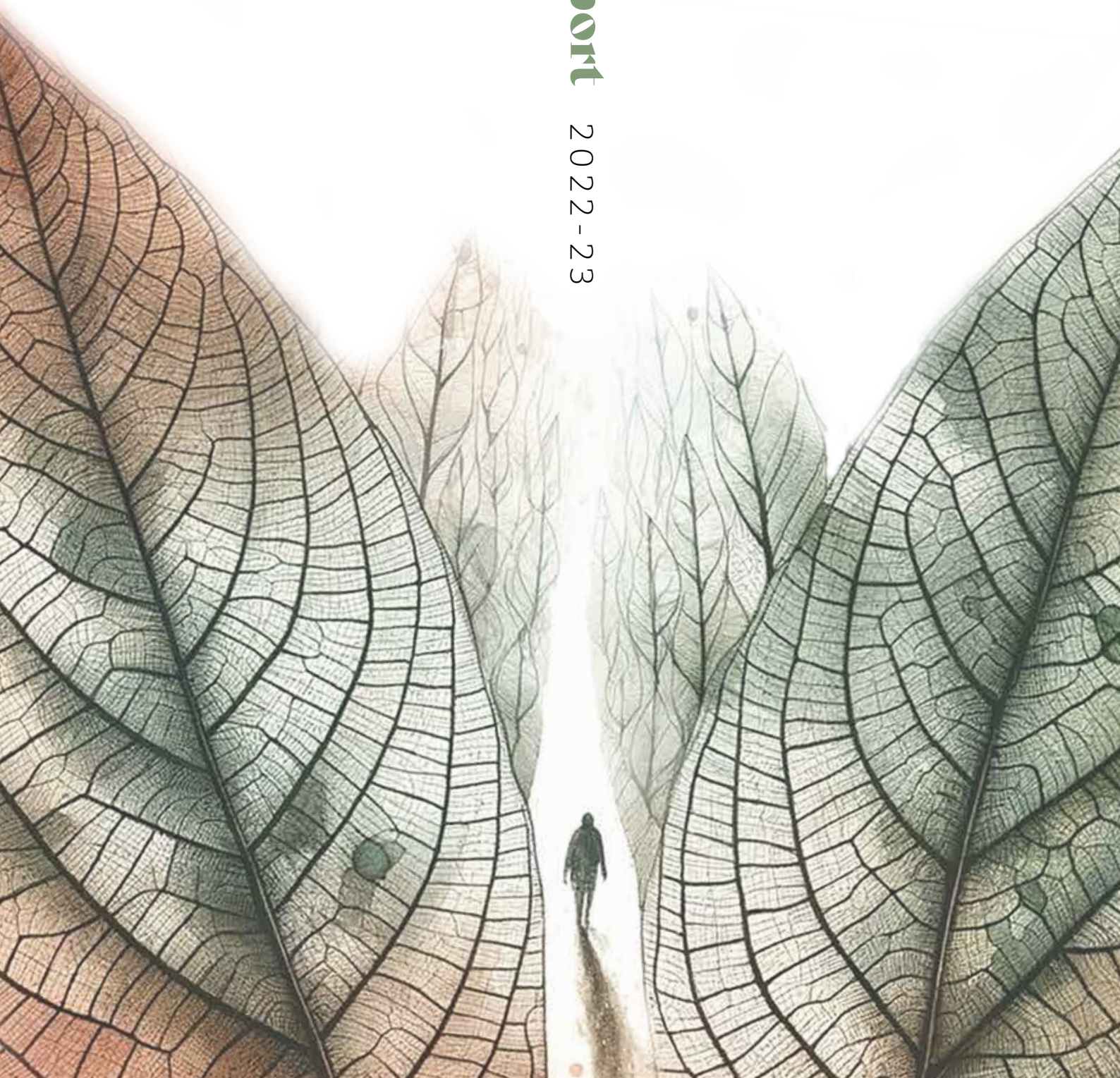


Sustainability Report

2022 - 23



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about the report

Introduction

At Pidilite Industries Limited (Pidilite), over the past few years, we have been monitoring our ESG parameters and publishing the Sustainability Reports. This is our fifth annual sustainability report which highlights our quantitative and qualitative performance on ESG parameters and reflects Pidilite's performance as of, and for the financial year ended March 31st, 2023. Our previous sustainability report can be accessed at <https://pidilite.com/wp-content/uploads/2023/07/Sustainability-Report-04-07-2023.pdf>

This report has been prepared with reference to the Global Reporting Initiative (GRI) Standards. Furthermore, we have aligned our sustainability disclosures to United Nations Sustainable Development Goals (UN SDGs).

Report Content and Topic Boundary

This report covers disclosures for Pidilite Industries Limited, the domestic subsidiaries and job worker units. We operate under two major business segments i.e., Branded Consumer & Bazaar and Business to Business. Our operational facilities cover 33 Pidilite-owned manufacturing plants, 04 domestic subsidiary manufacturing plants, and 35 job worker sites spread across 10 states. We have excluded international subsidiaries from the current scope. During FY 2022-23, there were no material changes that have had any effect on our sustainability report.

We are a responsible organisation that acknowledges the role every company must play in the growth and adoption of ESG. Thus, through our environmental policy, we aim to inculcate sustainable business practices by preventing pollution, reducing the impact on the environment and demonstrating care for our community.

We are integrating ESG into our company practices and our business operations in cognizance of our journey toward sustainability, which is further described in this report.

Point of Contact for Feedback and Queries

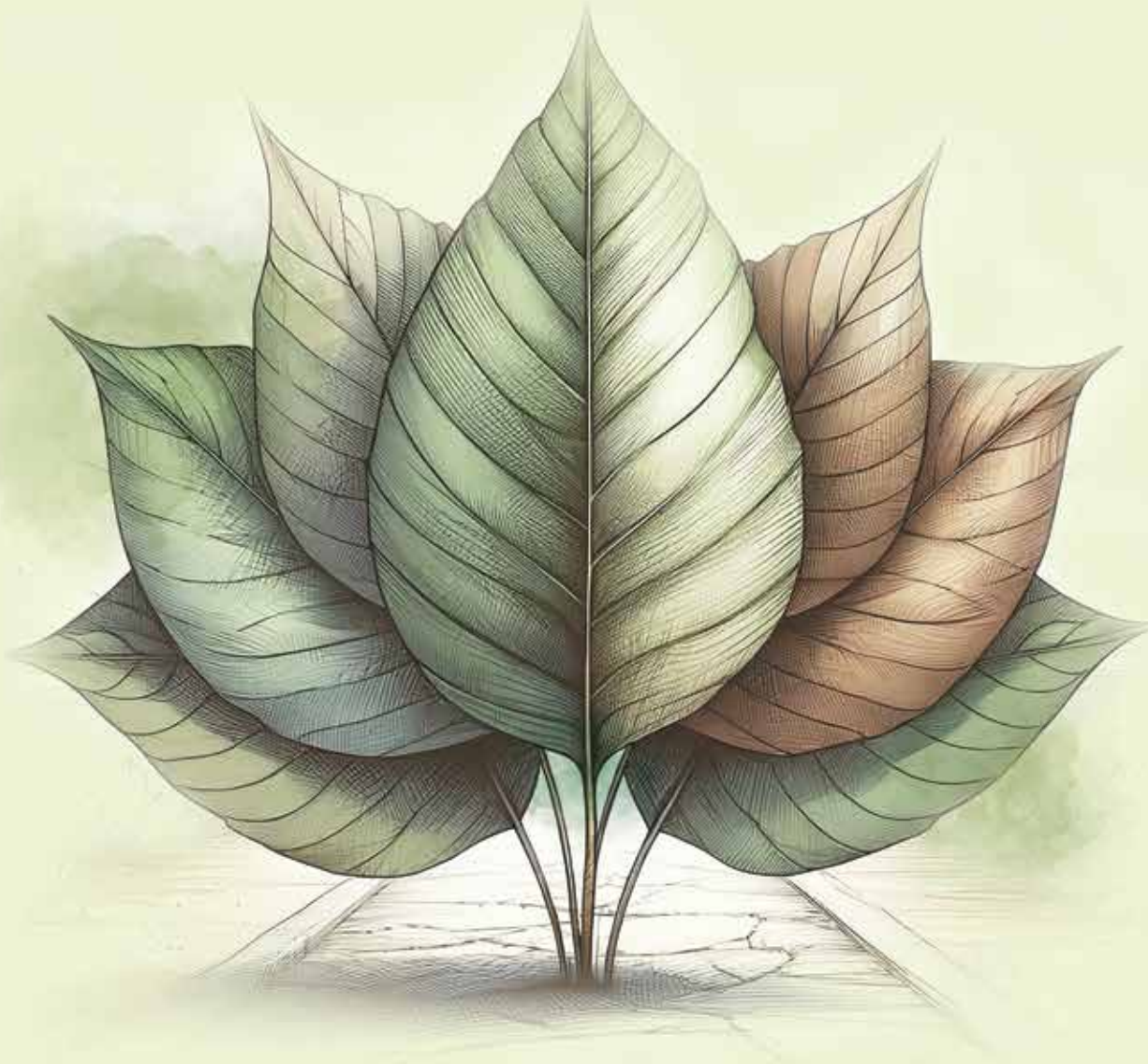
We will be glad to receive your feedback on this report. Please reach out to: esg@pidilite.com

Forward Looking Statement Disclosure

This Report contains a few forward-looking statements that reflect our goals and commitments for future events and performance. Forward-looking statements shall be identified by words such as "achieve", "believe", "could", "expect", "will" and other words of similar meaning in connection with a discussion of future operational, environmental, and social performance. These statements are based on reasonable assumptions and past performance. These statements include all the statements other than historical facts, performance highlights, objectives, approaches, and mitigation plans. They are subject to change considering developments in the industry, geographical market conditions, government regulations, laws, and other incidental factors. Consequently, no forward-looking statement can be guaranteed, and actual results may vary materially causing a material impact on the Company's operations and performance.

Disclaimer: All the images in this report are AI generated images.

statement from leadership



We share with you our Sustainability Report for 2022-23 which details various aspects of our sustainability journey and focuses on new commitments, performance benchmarks and efforts towards continuous improvements. At Pidilite, we are constantly exploring how our products, operations, and people can positively contribute to solving the needs of our consumers.

Pidilite continues to invest in research and development, manufacturing capabilities, and digital technologies to deliver better and more sustainable solutions for today and beyond. Our focus on ESG has helped us identify new opportunities, manage risks more efficiently, and improve performance of our ESG goals. We will continue to ensure that sustainable practices are inculcated in our decision making.

We have implemented several initiatives to reduce our environmental footprint. The key drivers of our environmental performance in FY 2022-23 were reduction in water and energy consumption intensity, reduction in waste disposal intensity, encouraging circularity in our plastic packaging through reduce, reuse and recycle, and promoting sustainable sourcing practices.

We have a strong commitment to ensuring the physical and mental health, occupational safety, and wellbeing of our employees. Our Corporate Social Responsibility (CSR) initiatives were directed towards the holistic wellbeing of communities. We focused on issues such as sanitation, education, women empowerment, skill development, agriculture, water management and development of green cover.

Our governance practices are designed to ensure transparency, accountability, and ethical conduct in all our operations. We continue to practice a stringent Code of Conduct and provide training to all our employees.

Our overall performance is testimony to our resilient business model, strong financial performance, and agile responses to a dynamic environment. This Sustainability Report for FY 2022-23 serves as our communication to stakeholders on our progress in implementing our ESG strategy. We thank our stakeholders for their continued support and trust, and for encouraging us to do better.

M.B. Parekh

Executive Chairman

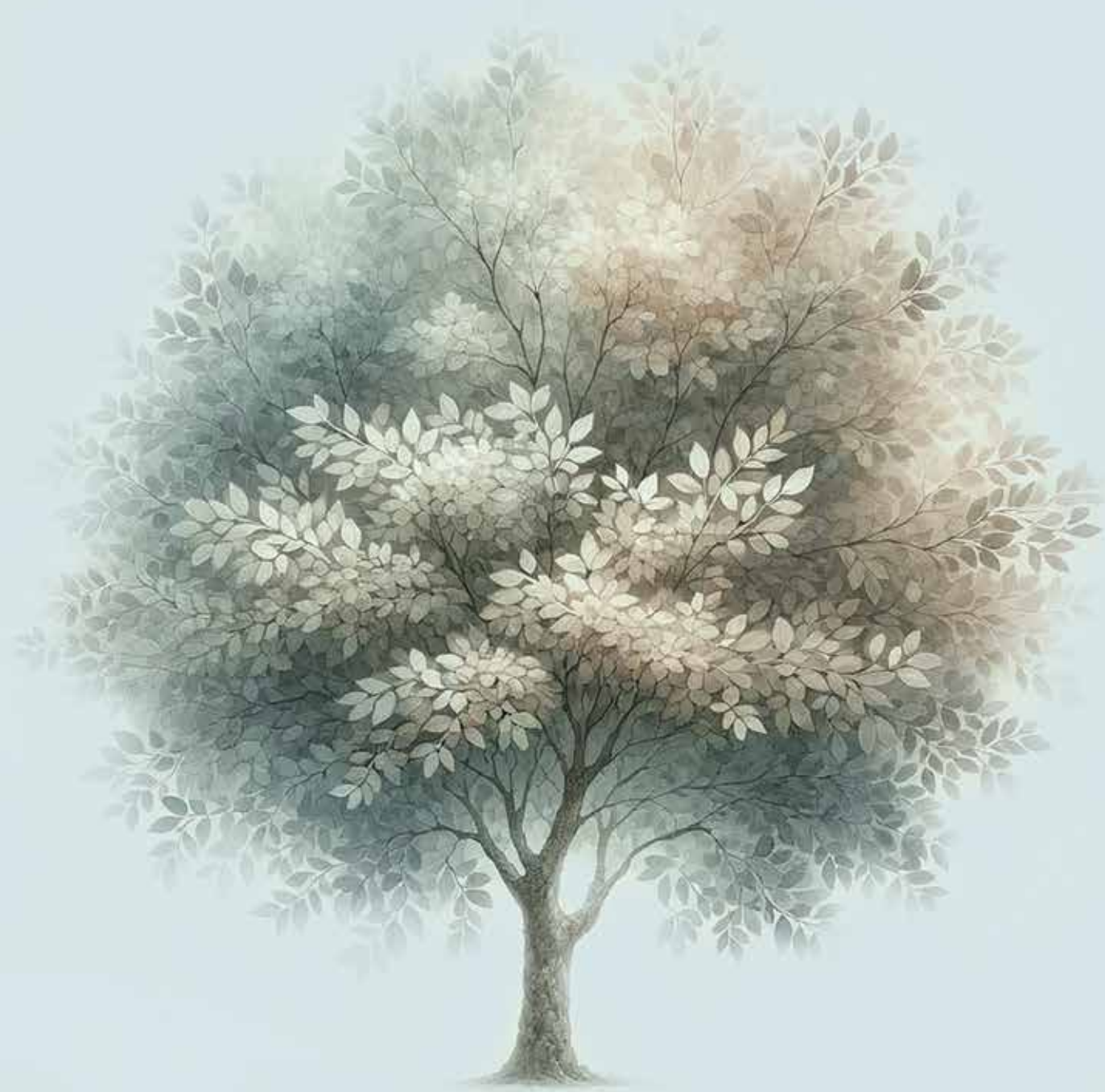
Pidilite Industries Limited

Bharat Puri

Managing Director

Pidilite Industries Limited

we are pidilite



Our Journey

Established in 1959, Pidilite is a pioneer in consumer and specialty chemicals. Through the years, Pidilite has developed a diversified product portfolio with a history of creating strong brands. Pidilite has been exporting pigments to emerging markets as well as Europe and North America over the years. We have been involved in the development of various products for home and industrial environments.

Our brands help us foster strong relationships and bonds with our internal and external stakeholders. Our vision is to cultivate an environment of innovation and high-performance standards. Our values encourage us to always act like owners and demonstrate high ethical standards, transparency and fairness, empathy and respect.

We are a well-established Indian multinational actively contributing to business across various geographies. We offer a wide range of products, including adhesives, sealants, construction chemicals, art and craft products, and polymer emulsions.

Pidilite's Corporate office is in Mumbai with regional offices, manufacturing plants, and job worker units in various locations pan-India and abroad. As of March 31st, 2023, Pidilite had a total workforce of 7300+ employees.

We have established a wide-reaching distribution and sales network with a worldwide presence. This has enabled our product portfolio to reach customers situated across geographies. Our products are sold in 69 countries, including, but not limited to, China, Singapore, UAE, UK and USA.

Pidilite is represented at several industrial, and business association platforms and is an active member of the following national associations / chambers / trade groups.

1. Federation of Indian Chambers of Commerce and Industry
2. Indian Chemical Council
3. Confederation of Indian Industry
4. National Chemical Laboratory
5. The Advertising Standards Council of India

India Operations

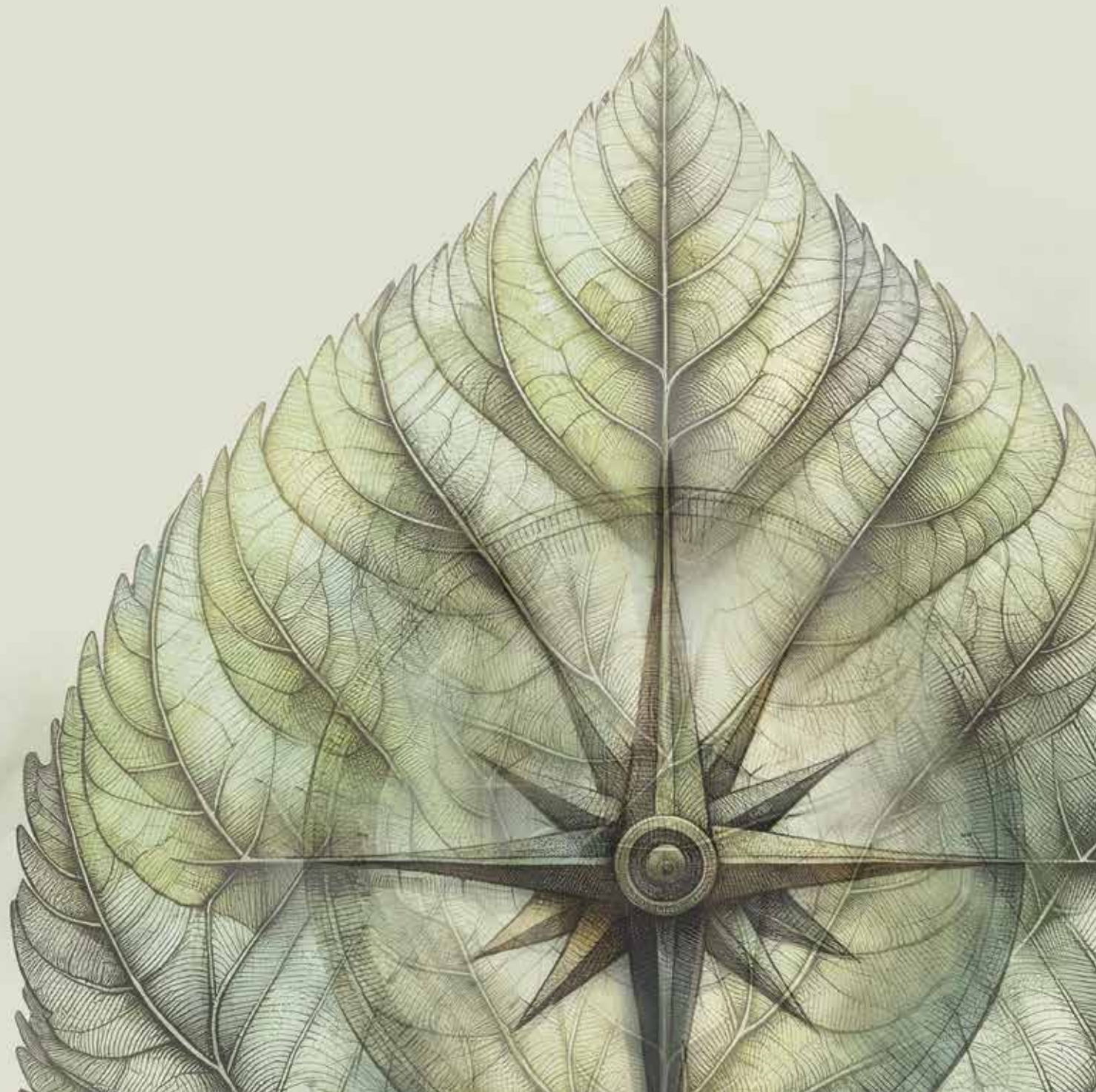
1. Sales Revenue of ₹ 10,545 Cr
2. Producing 900+ products
3. 05 R&D centres
4. 33 manufacturing plants and 35 job worker units
5. 7 regional offices and 4 RDCs
6. 44 warehouses

International Presence & Reach

Pidilite has been expanding its international presence and reach

1. Manufacturing facilities are in seven countries around the world - in Bangladesh, Brazil, Egypt, Kenya, Sri Lanka, Thailand and UAE.
2. Sales and service operations in 69 countries.
3. Export earnings and international operations make up around 8.3% of the total revenue.

vision and values



Corporate Vision

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

Our Values



High Ethical Standards

Zero tolerance for unethical dealings mandates that all legal and company laws, rules and regulations, policies and procedures are scrupulously adhered to.



Fairness and Transparency

All information, communication and expectations are openly and honestly shared at all levels. This creates mutual trust and respect.



Empathy and Respect

Be sensitive to, listen to, and learn from people across all levels. Respect time and opinions. Reprimand actions, not people.



Act like Owners

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 ones.



awards and accolades



Environment, Health & Safety

Pidilite received the prestigious Indian Green Building Council (IGBC) Greenpro certificate for the Roff and HVAC product range, at the grand Green Building Congress in Hyderabad. This showcases our commitment to sustainable and eco-conscious solutions.

Pidilite received the GRIHA Council certification for Heating, Ventilation and Air Conditioning (HVAC) products, this year. This means our top-notch range of Pidilite products perfectly align with the Green Rating for Integrated Habitat Assessment (GRIHA) and Simple Versatile Affordable GRIHA (SVAGRIHA) norms, ensuring a greener and more sustainable future.

Our Baddi-2 and Vapi 78 manufacturing units received the Award for Best Safety Practices Adoption from FICCI and Quality Circle Forum of India respectively.

Our Mahad A22 manufacturing unit received the Award for Longest Accident-Free Period from National Safety Council.



Business Awards

We are thankful for the overwhelming recognition of our marketing endeavours received in FY 2022-23. We won over 20 esteemed marketing and media awards, predominantly for engaging mobile creatives that won 'Best Use Of Memes And Moments'. We also received prestigious corporate recognition.

Some of the prominent accolades include:

- Gold for "Best CSR Campaign" at the ET Brand Equity Shark Awards 2022, for Fevicol's quirky social distancing communication around the pandemic
- Gold for "Most Engaging Mobile Creative" at the MADDIES 2022, for our timely social media post following Ronaldo's Coca-Cola snub
- Gold for "Best use of Memes & Moments" at the SAMMIES 2022, for turning Ronaldo's Coca-Cola snub into an advertising moment



Our sustainability strategy



At Pidilite, we had taken a proactive approach to integrate sustainability into our business strategy well before ESG became the focus point. Our sustainability strategy aims to create value for our stakeholders and continues to care for our communities, while reducing the ecological footprint of our operations. We have been disclosing our sustainability goals, strategy, and progress against goals since FY 2018-19.

Strategy Refresh

In FY 2022-23, we did a strategy refresh to broaden our sustainability framework. Our framework now aims to responsibly create sustainable value for stakeholders by structurally combating climate change, while continuing to serve people and communities. We have categorized key focus areas under the following three pillars

Key focus areas

Combating Climate Change	Servicing People and Communities	Responsible Value Creation
<ul style="list-style-type: none"> • Water Use Intensity Reduction • Energy Use Intensity Reduction • Increase Renewable Energy Mix • GHG Emissions Reduction • Waste to Landfill Elimination • Increase use of Sustainable Materials • Develop Circular Economy for packaging 	<ul style="list-style-type: none"> • Occupational Health & Safety • Employee Wellness • Diversity & Inclusion • Livelihood Improvement • Product Safety 	<ul style="list-style-type: none"> • Efficient Risk Management • Compliance Assurance • Transparent Disclosure • Responsible Sourcing • Innovation & Digitization



Our long-term sustainability targets

We have revised our long-term sustainability targets to be achieved by 2030 (against FY 2018-19 baseline). Action plans for improvement and their implementation are continuously monitored by the management. The revised 2030 targets and their status as of FY 2022-23 are indicated in the table below.

Parameter	Target 2030	FY 2022-23 Status vs. FY 2018-19 Baseline
Combating Climate Change and Sustainable Innovation		
Water Use Intensity Reduction	Reduce freshwater consumption intensity by 50% compared to FY 2018-19	44% decrease [1.33 KL/MT in FY 2022-23 vs 2.38 KL/MT in FY2018-19]
To achieve our water use intensity targets, we will focus on:		
<ul style="list-style-type: none"> Achieving Zero Liquid Discharge (ZLD) status at all feasible manufacturing units Achieving zero discharge of domestic effluent outside plant premises Water conservation through reduction, reuse, and recycling 		
Energy Use Intensity Reduction	Reduce energy consumption intensity by 50% considering 2018-19 as baseline	47% decrease [1.00 GJ/MT in FY 2022-23 vs 1.92 GJ/MT in FY 2018-19]
To achieve our energy use intensity targets, we will focus on:		
<ul style="list-style-type: none"> Implementing energy-saving initiatives as well as leveraging technological advancement for the same Implementing energy recovery systems like heat recovery from process 		
Increase Renewable Energy Mix (Fuel and Electricity)	Increase overall renewable energy consumption to 80% of overall energy consumption compared to FY 2018-19	49 % Renewable Energy Consumption vs. 45.0 % in FY 2018-19
To increase the proportion of renewable energy in our energy mix, we will:		
<ul style="list-style-type: none"> Replace fossil fuel use with renewable fuels or low-carbon intensive fuels Increase overall generation and consumption of renewable electricity from solar and wind 		

Parameter	Target 2030	FY 2022-23 Status vs. FY 2018-19 Baseline
GHG Emissions Reduction	Reduce GHG emissions intensity per unit of production by 80% compared to FY 2018-19	57% decrease [0.073 tCO2e/MT in FY 2022-23 vs 0.170 tCO2e/MT in FY 2018-19]
To achieve our GHG emission targets, we will focus on:		
<ul style="list-style-type: none"> Increasing the percentage of renewable sources (fuel and electricity) Implementing energy-saving initiatives 		
Waste Disposed	Achieve zero waste to landfill	47% decrease [10.88 Kg/MT in FY 2022-23 vs 20.35 Kg/MT in FY 2018-19]
To achieve our waste disposal intensity targets, we will focus on:		
<ul style="list-style-type: none"> Reducing generation of waste at source Promoting reuse / recycling of wastes through co-processing 		
Servicing People and Communities		
Occupational Health and Safety	<ul style="list-style-type: none"> Zero occupational illness Zero incidents of property damage. 	0.045 per 100 workers in FY 2022-23 vs 0.05 per 100 workers in FY 2018-19
To achieve our occupational health and safety goal, we will focus on:		
<ul style="list-style-type: none"> Eliminating hazards / providing engineering controls during design stage of projects Adopting technologies and processes to avoid / minimize the manual interfaces with process and machineries 		



Preparedness To Adopt to Climate Change

Unprecedented changes in climatic conditions are becoming a growing threat for economies and businesses across the globe. The world is currently witnessing abrupt climate events and extreme weather patterns that have the potential to alter the course of humanity. Pidilite recognizes this paradigm shift and is actively working towards mitigating these risks and adapting to climate change.

To understand the risks, impacts and opportunities of climate change on our business, during the reporting period, we commissioned an external professional agency to conduct Climate Change Risk Assessment (CCRA), and to improve our climate related disclosures aligned with TCFD framework. This has given us a better understanding of the potential consequences of climate change, and make more informed decisions about current and future decarbonization plans.

In our endeavour to shift to a more climate resilient business and provide greater transparency, we have aligned our climate related disclosures with the TCFD recommendations.

Sustainability Governance

Sustainability considerations are an integral part of core business systems and decision making. We have set up a Sustainability Management Council (SMC) which is chaired by the Dy. Managing Director. The heads of all relevant functions are members of SMC. This governance structure ensures broader cross-functional engagement and effective oversight and execution of the sustainability agenda across the organization.

The SMC continuously reviews and drives the sustainability agenda, in line with the vision set by the Board. The SMC monitors the Company's major initiatives and its policies and practices to align with the Company's long-term sustainability goals. The SMC also reviews and approves the annual Sustainability reports.

At the corporate level, the Company has a central sustainability team to monitor and drive the sustainability agenda in line with the vision set by the Board. The vision is percolated down to the site level through key initiatives, annual targets and its implementation is regularly monitored through KPIs.

At each of our sites, the respective unit head and EHS (Environment Health and Safety) teams are responsible for implementing key initiatives to achieve our sustainability targets and minimise our long-term climate impact.

The key initiatives focus on reducing freshwater consumption, reducing energy consumption, increasing the mix of renewable energy, reducing waste disposal and reducing and recycling of plastic packaging.

Furthermore, the Director of Operations and key management team members have sustainability improvement projects included in their Key Responsibility Areas (KRAs).

Strategy

We understand the importance of assessing climate risk and opportunities. We diligently evaluated the risk factors that have the potential to significantly and negatively impact our business. We considered several scenarios that covered a wide range of climate outcomes, to acquire a better understanding of the potential risks. We mapped each scenario for the projected time frame of 2022-2050, categorized into three horizons as Short-term: 2022 - 2027, Medium-term: 2028 – 2035 and Long-term: 2036 – 2050.

The key findings of the assessment of physical and transitional risks are as follows:

Physical Risk

Climate change related physical risk assessment involved identification, analysis, and further evaluation of the risk exposure on our operations. The assessment thoroughly examined the risks arising from changes in climatic patterns (chronic risks) and sudden extreme weather events (acute risks). We considered IPCC Representative Concentration Pathways (RCP) 8.5 and RCP 4.5 for assessing location-specific physical risks.

The key physical risks identified included exposure to heavy rainfall, cyclone, water scarcity, sea level rise, and exposure to heatwave or rise in temperature for multiple sites.

Transition Risk

We assessed the possible transition risks that could impact our operations, due to the transition to a low carbon economy. This assessment was undertaken based on transition scenarios defined by International Energy Agency. We considered IEA World Energy Outlook (WEO) 2021 Stated Policies Scenarios (STEPS) and Sustainable Development Scenario (SDS) for assessing the transition risks. The assessment exercise has been performed using data available in the public domain on current and future projections of policy, market and technology landscape and measures/ strategies/ future plans for our operations. The assessment has been carried out at Chemicals/ Adhesives sector in India.

Based on the analysis, our operations are likely to be exposed to policy / regulatory risks pertaining to water, waste and emissions management, market risk driven by changing consumer perception and the demand for sustainable products, and reputational risk related to coping with the commitment to reduce carbon footprint and reducing the negative impact of our operations on biodiversity and community.

stakeholder engagement

Risk Management

Resilience measures are included in the design considerations for climate events like heavy rainfall and cyclones, depending on the geographical location. Our approach to water risk focuses on reduction in water intensity through reduce, reuse and recycle, achieving Zero Liquid Discharge (ZLD) status where feasible at manufacturing units, and zero discharge of domestic effluent outside plant premises by promoting the utilisation of treated grey water. Additionally, we are committed to becoming water neutral across our manufacturing clusters, by increasing rainwater harvesting and recharging within manufacturing plants, and by identifying and executing projects like rejuvenating natural ponds and restoring wetlands, within the water sheds we operate in.

At Pidilite, we have implemented strong internal mechanisms to continuously review and assess our systems and processes, to ensure compliance with regulatory requirements. Any new / amendments in existing regulatory policies / notifications are also being tracked and monitored on a continuous basis.

Metrics and Targets

We use the following metrics to assess climate related risks and opportunities.

Energy & Emissions	Water	Circular Economy
<ul style="list-style-type: none">• Energy use intensity• Renewable Energy mix• GHG Emissions	<ul style="list-style-type: none">• Water use intensity• Water replenishment	<ul style="list-style-type: none">• Waste to landfill intensity• Sustainable Materials• Plastic Packaging Recycling



Nurturing Stakeholder Relationships

Our stakeholders' trust and support are of paramount importance to us and we maintain an open, ongoing, and systematic communication with them. These interactions help us to understand and manage their expectations and concerns, and thereby co-create long-term value.

We have set up specific feedback mechanisms for each stakeholder group, and periodically engage with them to understand material issues. Their feedback is assessed to identify critical concerns and is discussed at relevant committee meetings. The relevant departments then assume responsibility for identifying and addressing these concerns. 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

To effectively communicate with our stakeholders, we have identified and prioritized them, based on how we influence them and how they affect our business operations. Eight critical stakeholder groups have been identified as listed below. The stakeholders that we identified are not falling into vulnerable / marginalized groups. We engage with our stakeholders on an ongoing / need basis.

List of stakeholder groups

Stakeholder group	Channels of communication	Purpose and scope of engagement including key topics and concerns raised during such engagement
Workforce	<ul style="list-style-type: none"> • Trainings • Meetings • Email interaction • Employee satisfaction survey • Employee engagement activities • Open forums • Live chat 	<ul style="list-style-type: none"> • Skill development • Workplace satisfaction • Healthy and safe operations • Employee engagement and involvement • Career progression • Emotional and mental well-being
Users / applicators	<ul style="list-style-type: none"> • Trainings • Field Meetings • Telephonic conversations • Help desk • Email Interaction 	<ul style="list-style-type: none"> • Skill development • Product application training • Loyalty program • Quality of the product • New product development • Design ideas • Community Initiatives

Stakeholder group	Channels of communication	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	<ul style="list-style-type: none"> • Telephone • Email • Customer meets • Personal visits • Advertisements • Customer satisfaction reports 	<ul style="list-style-type: none"> • Availability of the product • Pricing of the product • Quality of the product • New product development • Logistics • Efficient service • Grievance redressal and transparency • Information on the safe use of products
Investors and Shareholders	<ul style="list-style-type: none"> • Media releases • Annual reports • Investor meets • Analyst meets • Contact through investor service centres • Annual general meeting • Company website 	<ul style="list-style-type: none"> • Financial performance • Business growth • Business strategy • Future investments • Good governance practices • Social responsibility • Sustainability
Dealers	<ul style="list-style-type: none"> • Help desk • E-business portal • Personal interaction • E-communication/ telephonic conversations • Dealer visits/meets 	<ul style="list-style-type: none"> • Product availability • Product portfolio • New product development • Market trend
Suppliers	<ul style="list-style-type: none"> • Personal interaction • Telephonic conversations • Email communication 	<ul style="list-style-type: none"> • Long-term association • Innovation opportunities
Local communities	<ul style="list-style-type: none"> • Visits • Meetings • Medical camps • Need assessment 	<ul style="list-style-type: none"> • Health • Education • Indirect economic impact • Sanitation
Non-governmental organizations (NGOs)	<ul style="list-style-type: none"> • CSR initiatives • Telephonic discussions 	<ul style="list-style-type: none"> • Support on implementation of program in PIL's focus areas • Support for community-based organizations
Regulatory authorities	<ul style="list-style-type: none"> • Industry bodies and forums 	<ul style="list-style-type: none"> • Regulatory compliance • Community initiatives

materiality assessment



To understand the Environment, Social and Governance topics that impact our stakeholders, we initiated a materiality assessment in FY 2020-21. This gave us the opportunity to interact with internal and external stakeholders to gain clarity on, and analyse, many ESG topics concerning Pidilite. The materiality matrix was reviewed during the reporting period and found to be of continued relevance for the current financial year as well. The materiality assessment exercise was executed using a three-step process, as described below.

For the purpose of sustainability reporting, the GRI 2021 standards have been followed to report on Pidilite's material issues. Moreover, we have made conscious efforts to recognise and evaluate the disclosure requirements of various external ESG rating agencies and have incorporated the necessary information as defined by them in this report.

Materiality Assessment Process

Selection	Assessment	Prioritisation
We defined material topics based on their impact on our business. We also conducted a review of peers' ESG disclosures, and risks and opportunities.	For each of the identified issues, we evaluated various external factors and assessed the impact they have on our business, after discussion with the core team members.	ESG material topics were classified based on the importance of stakeholders' feedback, and post validation by the Corporate Sustainability team.



Following are the identified ESG material topics

Material Topics	GRI material topics	GRI disclosures	Stakeholders	Boundary	Read More
Corporate governance and risk management	GRI 2: General Disclosures 2021	2-9 to 2-29	<ul style="list-style-type: none"> Investors Shareholders 	Internal External	Page 28
Ethical business and transparency	GRI 2: General Disclosures 2021 GRI 205: Anti-corruption	2-16	<ul style="list-style-type: none"> Employees 	Internal	Page
		2-26	<ul style="list-style-type: none"> Investors 	External	32
		205-1 205-2	<ul style="list-style-type: none"> Shareholders Customers 		
Sustainable procurement	GRI 204: Procurement Practices	204-1	<ul style="list-style-type: none"> Value chain partners Investors Shareholders Customers 	External	Page 35
Fresh water use	GRI 303: Water	303-3	<ul style="list-style-type: none"> Employees 	Internal	Page
		303-4	<ul style="list-style-type: none"> Local communities 	External	50
		303-5	<ul style="list-style-type: none"> Regulatory authorities NGOs 		
Energy use	GRI 302: Energy	302-1	<ul style="list-style-type: none"> Employees 	Internal	Page
		302-3	<ul style="list-style-type: none"> Investors 	External	43
		302-4			
GHG emissions	GRI 305: Emissions	305-1	<ul style="list-style-type: none"> Employees 	Internal	Page
		305-2	<ul style="list-style-type: none"> Value chain partners 	External	47
		305-3	<ul style="list-style-type: none"> Investors 		
		305-4	<ul style="list-style-type: none"> NGOs 		
		305-5 305-7	<ul style="list-style-type: none"> Regulatory authorities Local communities 		
Waste disposal	GRI 306: Waste	306-5	<ul style="list-style-type: none"> Employees 	Internal	Page
			<ul style="list-style-type: none"> Value chain partners 	External	54
			<ul style="list-style-type: none"> NGOs 		
			<ul style="list-style-type: none"> Regulatory authorities Local communities 		

Material Topics	GRI material topics	GRI disclosures	Stakeholders	Boundary	Read More
Environmental compliance	GRI 307: Environmental Compliance	307-1	<ul style="list-style-type: none"> Regulatory authorities NGOs Local communities Investors 	Internal External	Page 58
Management of hazardous chemicals	GRI 301: Materials	301-1	<ul style="list-style-type: none"> Employees Local communities Value chain partners Regulatory authorities 	Internal External	Page 57
Process and product innovation	GRI 416: Customer health and safety	416-2	<ul style="list-style-type: none"> Customers Employees 	Internal External	Page 59
Occupational health and safety	GRI 403: Occupational health and safety	403-8	<ul style="list-style-type: none"> Employees 	Internal	Page
		403-9	<ul style="list-style-type: none"> Communities 	External	63
		403-10	<ul style="list-style-type: none"> Regulatory authorities 		
Economic Performance	GRI 201: Economic performance	201-1	<ul style="list-style-type: none"> Investors Shareholders Employees 	Internal External	Page 36
Employee development and diversity	GRI 401: Employment	401-1	<ul style="list-style-type: none"> Employees 	Internal	Page
		401-2	<ul style="list-style-type: none"> Investors 		68
		401-2	<ul style="list-style-type: none"> Regulatory authorities 		
	GRI 404: Training and education	404-1	<ul style="list-style-type: none"> Employees 	Internal	Page 73
	GRI 405: Diversity and equal opportunity	405-1	<ul style="list-style-type: none"> Investors 	External	Page
405-2		<ul style="list-style-type: none"> Shareholders Employees Regulatory authorities 	Internal	68	
Community development	GRI 413: Local communities	413-1	<ul style="list-style-type: none"> Local communities 	External	Page
		413-2	<ul style="list-style-type: none"> NGOs Investors Regulatory authorities 	Internal	75

responsible value creation



At Pidilite, our aim is to ensure the highest standards of ethical and responsible business conduct. Our robust corporate governance framework ensures effective engagement with our stakeholders and helps us evolve with changing times. The directors are responsible for overseeing management functions to ensure we create value responsibly and effectively.

Material Topics

01

Corporate
governance

02

Ethical and
Transparent Business
Practices

03

Sustainable
Procurement

04

Economic
Performance

Sustainable Development Goals Being Addressed



In FY 2022-23, the Board consisted of sixteen directors, including two women directors. This composition complies with Regulation 17 of the SEBI Listing Obligations and Disclosure Requirements Regulations, 2015 ('Listing Regulations') and the Companies Act, 2013 ('the Act'). We have established a Board diversity policy to ensure a diverse mix of directors inclusive of experience and gender.

There are eight independent directors on the Board, which is half the total number of directors. The average tenure of all Board members is 5 years (except one director who retires by rotation). During the current financial year, a total of five board meetings were held, on May 18th, 2022, August 10th, 2022, November 9th, 2022, November 24th, 2022, and January 24th, 2023.

The below table details the Board's composition:

Sr. No.	Name	Designation
1	Shri. M B Parekh	Executive Chairman
2	Shri. N K Parekh	Non-Executive Director (w.e.f. 08.05.2023) (Vice Chairman till 07.05.2023)
3	Shri. Bharat Puri	Managing Director
4	Shri. A B Parekh	Executive Vice Chairman
5	Shri. A N Parekh	Executive Vice Chairman (w.e.f. 08.05.2023)
6	Shri. B S Mehta	Independent Director
7	Shri. Sanjeev Aga	Independent Director
8	Shri. Uday Khanna	Independent Director
9	Smt. Meera Shankar	Independent Director
10	Shri. Vinod Kumar Dasari	Independent Director
11	Shri. Piyush Pandey	Independent Director
12	Shri. Rajeev Vasudeva	Independent Director
13	Smt. Meher Pudumjee	Independent Director (w.e.f. 18.05.2022)
14	Shri. Sudhanshu Vats	Deputy Managing Director (w.e.f. 18.05.2022)
15	Shri. Joseph Varghese	Director Operations (w.e.f. 09.11.2022)
16	Shri. Sandeep Batra	Director Finance (w.e.f. 09.11.2022) & Chief Financial Officer

Committees of the Board

The Board has set up several sub-committees to ensure that decisions align with the Company's strategic priorities and the interests of key stakeholders are safeguarded. These committees manage different aspects of the organisation.

The following are the statutory committees of the Board:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholder Relationship Committee
- Risk Management Committee
- Corporate Social Responsibility Committee

Audit Committee

The Audit Committee's responsibility is to review and approve the annual internal audit plan and monitor its progress. The Committee also examines important internal audit findings, assesses the implementation of recommendations and evaluates the effectiveness of internal controls. Its members have expertise and experience in financial management. The Board accepted all the recommendations made by the Audit Committee during the reporting period.

During the reporting period, the Audit Committee held four meetings, on May 17th, 2022, August 9th, 2022, November 8th, 2022, and January 23rd, 2023, during which important matters were discussed. The meetings were then adjourned until the next consecutive day for further discussion on financial results and other related matters.

The annual report lists the professional fees paid to the auditors (details on page 142 of annual report for FY 2022-23). M/s. Deloitte Haskins & Sells, LLP. The Statutory Auditor's term of office extends up to the 54th Annual General Meeting (AGM) for the year ending March 31st, 2023, in accordance with the Companies Act, 2013. The Members' consent has been sought for the appointment of M/s. B S R & Co. LLP as the Statutory Auditors of the Company to hold office from the conclusion of the 54th AGM till the conclusion of the 59th AGM to be held in the year 2028.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee (NRC) also functions as the Compensation Committee, as per SEBI (Share Based Employee Benefits and Sweet Equity) Regulations, 2021. Based on the Committee's recommendations, the remuneration payable to the Directors of the Company is approved by the Board of Directors. Any increase in the fixed salaries of the Executive Chairman, Managing Director, Deputy Managing Director, and Executive Director(s) are recommended by the NRC, based on general industry practice and the increase given to other managers in the Company. The NRC also identifies and nominates suitable candidates to fill vacancies on the Board, to ensure that it comprises an appropriate mix of expertise, knowledge, and skills.

During the financial year, the NRC conducted four meetings which were held on May 18th, 2022, November 9th, 2022, November 24th, 2022, and January 24th, 2023.

Stakeholder Relationship Committee

The Stakeholder Relationship Committee (SRC) is responsible for addressing shareholders' and investors' grievances, such as complaints concerning shares transfer or transmission, non-receipt of annual reports and declared dividends, issues with voting rights, and adherence to the service standards for the registrar and share transfer agent. The Committee also works to reduce the number of unclaimed dividends, amongst other grievances.

The SRC performs its duties in accordance with the requirements of Section 178 of the Act read with the related rules issued thereunder as well as Regulation 20 read with Part D (B) of the Schedule II of the Listing Regulations. During the current financial year, 14 meetings of the Share Transfer Committee were held. One meeting of the SRC was held on January 20th, 2023, which was attended by all committee members.

Risk Management Committee

Pidilite has established a thorough process for identifying and managing key risks through proper due diligence and risk mitigation plans. The Risk Management Committee is entrusted with the review and approval of the risk management plan, its progress review, and proposed methodology on risk classification and measurement. In addition, this Committee compares our risk coverage to that of similar organisations. The Committee regularly reviews and monitors these risks, their corresponding mitigation plans and prioritises them as needed.

The Committee also recommends a risk classification and measurement approach for the Company to follow.

During the current year, there of the Committee held three meetings, on April 20th, 2022, September 29th, 2022, and March 6th, 2023.

Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee develops and recommends a comprehensive CSR policy which indicates the activities that Pidilite will undertake in the respective financial year. The Company is committed to sustainable development through economic, social, and environmental betterment, to improve the quality of life and wellbeing of the local communities. The Company has pioneered various social and community initiatives towards agriculture, animal husbandry, health, education, women empowerment, water conservation, and others. The CSR Committee proposes the budget for these identified activities and monitors their implementation. The Committee is also responsible for presenting the Annual Action Plan for the CSR implementation for the Board's approval.

Further, the Company hired an independent agency to undertake an Impact Assessment for eligible CSR activities in agriculture and horticulture, at the Center for Agriculture-Horticulture Development, Manar, which is based in Talaja, Bhavnagar, Gujarat. The said report is available on the Company's website at <https://www.pidilite.com/investors/corporate-governance/>. The CSR Committee is structured in accordance with the requirements of Section 135 of the Companies Act, 2013.

The Committee met three times during this financial year, on May 17th, 2022, November 8th, 2022, and January 23rd, 2023.

Enterprise Risk Management

Our business is subject to risks and uncertainties that could have both short-term and long-term implications for the Company. In a business environment that is rapidly changing with dynamic customer requirements, business risks constantly evolve. This creates a significant variation in the emerging risks landscape across businesses. At Pidilite, we constantly monitor the external environment to identify potential and emerging risks and their impact on the business.

We have implemented a robust framework for identifying and mitigating risks that could impact our organization. The Risk Management Committee also known as the Risk Management Oversight Committee (RMOC) of the Board involves Independent Directors and Senior Management to monitor the overall implementation of the risk management framework. The Chairman of RMOC is an Independent Director. The RMOC is primarily responsible to oversee risks at the Board level and is entrusted with the review and approval of the risk management plan, its progress, and proposed methodology for risk classification and measurement.

The RMOC is assisted by the Risk Identification and Mitigation Committee (RIMC), also known as Management Risk Committee headed by the MD and consists of Senior Management. RIMC is responsible for identifying risks that can affect functioning of a particular division or function, and developing risk mitigation plans for the same. The RIMC regularly reviews the risk library and updates the RMOC on key risks. The RIMC meets once a quarter or as often as may be required. Further, on an ongoing basis, each business or function head reviews the existing risks and identifies any new risks. New risks are updated in the risk library and the execution of the agreed mitigation plan is monitored.

Risk Management Process

We have a comprehensive risk identification process, wherein each business division or function identifies and maintains a detailed risk repository.

The identified risks are assigned probability, and their subsequent impacts are assessed. Based on the risk assessment, the risks are categorized into two categories namely, Top risks and Other risks. Top risks cover those that are critical for business continuity, and require to be monitored as per the regulatory requirements and on the basis of periodic assessment by the Board. The Top risks are presented by the division heads to the Management Risk Committee which consists of Pidilite Executive Committee (PEC) members, for deliberation. New or emerging risks, if any, are also highlighted to the PEC. A risk champion is assigned to each identified risk to implement mitigating measures, so that all risks are managed in a responsible manner.

The Risk Management Policy is reviewed periodically, taking into consideration the changing industry dynamics and evolving complexity.

Risk Identification	Risk Assessment & Classification	Risk Monitoring	Risk Reporting	Risk Awareness
<ul style="list-style-type: none"> Risks are identified by the Risk Owners Both top down and bottom-up approach are used to identify risks 	<ul style="list-style-type: none"> Risks are analysed and quantified based on likelihood and consequence Risks are then classified into two main categories namely, Top risks and Other risks 	<ul style="list-style-type: none"> Management Risk Committee reviews the mitigation measures and action plans Agreed actions are tracked and progress reviewed 	<ul style="list-style-type: none"> Key risks are presented to the Board Risk Committee Residual risks – High and Medium category risks are followed up and reviewed by the Board Risk Committee 	<ul style="list-style-type: none"> Risk charters are available online to all PEC members and regular interactions are carried out with the Risk Champions

02

Ethical and Transparent Business Practices

Our Code of Conduct guides us to uphold the highest level of ethical, moral, and legal conduct. We strive to create value for our stakeholders and increase transparency in our reporting process. Any violation of this code, regardless of how minor or perceived as such, is a serious concern for the Company. All such complaints are strictly monitored by the Ethics Committee and the Head Internal Audit acts as Secretary to the Committee, to ensure that all investigations are carried out transparently and within the stipulated time frame, and the appropriate actions are taken. Code of Conduct cases are presented before the audit committee. Our Code of Conduct also extends to each of our subsidiaries in accordance with the local requirements of the country they operate in.

Our Board of Directors and senior leadership team is responsible for overseeing the development and implementation of organisational strategies and policies. They have established several codes, including the Employee Code of Conduct, Code of Conduct for Directors and Senior Management, and a Whistle Blower Policy. Employees can consult the Company Secretary to understand how to implement the Code of Conduct.

Code of Conduct

At Pidilite, we hold ourselves to the highest standards of ethics and integrity. We have adopted a comprehensive Code of Conduct for our directors and senior management in compliance with the Listing Regulations. Our Employee Code of Conduct guides our workplace conduct with the highest ethical standards. The Code of Conduct covers topics such as fraud, insider training, bribery, corruption, human rights and discrimination, and outlines the corrective measures to be taken in such cases. We provide mandatory training on the Code of Conduct annually to all our employees.

We have also established a Supplier Code of Conduct for key suppliers, which includes topics such as ethical behaviour and prevention of conflict of interest. The Supplier Code of Conduct also covers aspects of Human Rights such as prohibition of child and forced labour, fair wages, and other relevant issues. The policy covers aspects on reporting cases of breach of human rights and corrective action to be taken in case of breaches.

Our Code of Conduct specifies a zero-tolerance clause towards corruption, bribery, and other unethical practices such as insider trading, discrimination, fraud, and human rights violations. We reported no case of breach of Code of Conduct or cases related to fines/penalties/action taken by regulators/law enforcement agencies/judicial institutions on cases of corruption and conflict of interest. We have a Whistleblower policy applicable to directors and employees which enables them to report any concerns/ breaches regarding behaviours that violate Pidilite's Code of Conduct.

Whistle Blower Policy

A Whistle Blower policy enables the reporting of any issues that could potentially impact the company's performance or operations. This policy addresses concerns in a confidential and anonymous manner. The policy covers concerns such as unethical behaviour, actual or suspected fraud, and violations of Pidilite's Code of Conduct. Employees are advised to discuss operational issues that are not covered by this policy with their division heads. The policy also details the process available for employees to report their concerns.

Policy of Prevention of Sexual Harassment

We also have a policy in place for the prevention of sexual harassment which is investigated by the Internal Complaints Committee. In FY 2022-23, one case of sexual harassment was reported and duly resolved. No complaints were pending as on March 31st 2023.

Grievance Resolution

We understand the diverse requirements of our stakeholder groups and have implemented specific measures to address their concerns. A dedicated helpline addresses any grievances or complaints from our customers. Our Stakeholders' Relationship Committee (SRC) investigates and addresses complaints from shareholders and investors regarding share transfers and non-receipt of declared dividends, effective exercise of voting rights by shareholders, reducing quantum of unclaimed dividend, and other issues.

Our corporate governance model ensures that the status of investor grievances and share transfers is regularly reported to the Board.

During the reporting year, eight complaints were received from shareholders and the same were resolved by the Company within the stipulated timelines.

A robust grievance redressal mechanism addresses employee concerns related to company code, policies, and operations. Our online platform, 'My Pidilite', an open portal for employees to raise their concerns, is overseen every month by our senior management. At our factories, an open forum called 'Khulla Manch' resolves grievances.

Details of incidents concerning Human Rights

Category	No. of complaints filed during the financial year	No. of complaints pending as on 31st March 2023
Sexual Harassment	1	Nil
Discrimination at workplace	Nil	Nil
Child Labour	Nil	Nil
Forced Labour/Involuntary Labour	Nil	Nil
Wages	Nil	Nil
Other Human Rights related issues	Nil	Nil

Compliance Management

The Company has established suitable systems and processes to oversee and ensure compliance with applicable laws, regulations, rules, and guidelines. These measures are aimed at helping the Company meet all relevant legal and regulatory requirements. To ensure compliance with the legal and statutory requirements for Pidilite's units, a software named Legatrix has been implemented. Legatrix is a comprehensive, reliable, and adaptable solution that tracks, manages, and reports legal, regulatory, and internal compliances. For job worker and joint venture units, a factory management system monitors relevant compliances. During the reporting period, no legal non-compliances with laws and regulations in the social and economic area were reported. No data breaches or cyber security incidents were experienced during this period.

03

Sustainable Procurement

During the reporting period, the Company formulated its Sustainable Procurement Policy and Supplier Diversity Policy, which will be implemented and institutionalized in the coming years.

The Sustainable Procurement Policy facilitates procurement decisions that are socially and environmentally responsible. It helps to improve operational efficiency and mitigate risks including regulatory risks. The policy seeks to reduce the environmental impact of the procurement process and encourage suppliers to adopt sustainable practices. The policy provides guidelines for adherence to regulatory compliance, employee safety and welfare, business integrity and intellectual property.

The Supplier Diversity Policy is a commitment to create a diverse and inclusive culture within the supplier base, without any discrimination on size, country of origin, or ownership.

During the reporting period, we have sourced 13% (by value) of our input materials from MSMEs and small producers. In the same period, we also sourced 66% of our input materials locally from within the country. We have also imported 15% of raw materials (by tonnage) directly at the ICD/local ports, thereby reducing local transportation (fossil fuel consumption) impact.

Further, the Supplier Code of Conduct that forms an integral part of the agreement between Pidilite and its suppliers allows Pidilite the right to terminate the contract/purchase order/agreement with the concerned supplier in the event of any violation.

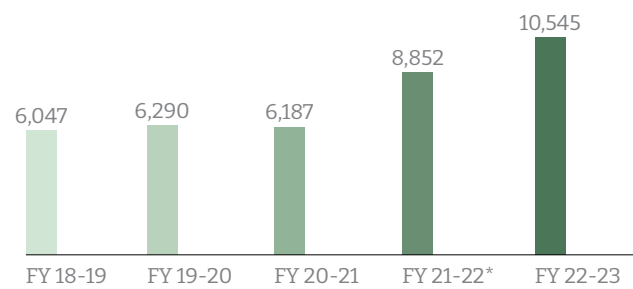
In the coming years, Pidilite will build supplier awareness on sustainable procurement and create strategies towards responsible and sustainable supplies. The policies will also be regularly reviewed by the Sustainability Council of Pidilite.

FY 2022-23 was the first normal year post pandemic, and it witnessed steep increases in input costs and other inflationary pressures, particularly in the first half. The domestic demand was also impacted by price increases taken to counter the input cost pressures. We conducted consistent and effective brand building initiatives across our product portfolios. Our award-winning advertisements increased popularity for the brands. Additionally, we actively engaged with our end users by leveraging our social media channels to promote revenue growth.

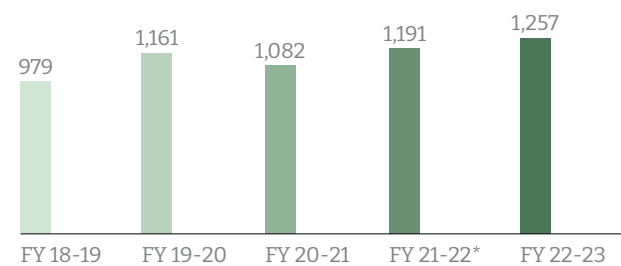
By leveraging our innovative capabilities along with a resilient and agile supply chain, our sales increased by 19.1% to ₹10,545 crores during FY 2022-23..

During FY 2021-22, the Company filed two merger applications with National Company Law Tribunal (NCLT) for its wholly owned subsidiaries, namely, Pidilite Adhesives Pvt. Ltd. (PAPL) and Cipy Polyurethanes Pvt. Ltd. (CIPY). Consequent to NCLT's approval, the mergers have become effective from the appointed date of April 01st, 2022. Accordingly, the FY2022 data in the following graphs and table have been restated for the accounting impact of the merger, as if the merger had occurred from the beginning of the previous year.

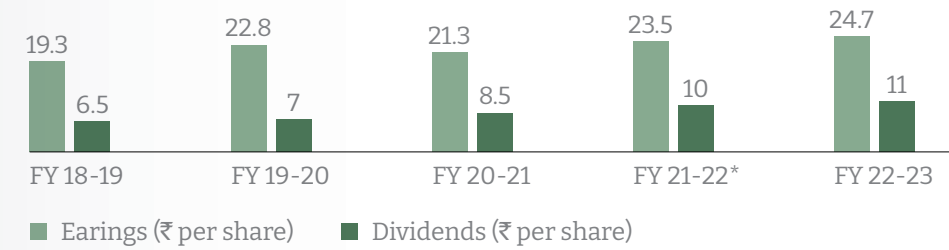
Net Sales (₹ crore)



Profit After Tax (₹ crore)



Earnings and Dividends per share (₹ per share)



Economic Performance Trend

Particulars	FY 2020-21	FY 2021-22 (Restated)*	FY 2022-23
Economic value generated	6,289.9	8,935.6	10,660.1
a. Sales Revenue	6,186.7	8,852.3	10,545.1
b. Other Operating Revenue	29.6	43.3	52.0
c. Other Income	73.5	40.0	63.0
Economic value distributed	5,419.1	8,178.4	9,913.1
a. Operating costs	3,995.3	6,362.9	7,886.2
b. Community investments	32.7	27.9	32.9
c. Employee wages and benefits	787.7	926.8	1,044.8
d. Payments to providers of capital	17.0	27.2	28.5
e. Payments to government	586.3	833.6	920.7
Economic value retained (Calculated as economic value generated less economic value distributed)	870.7	757.2	747.0

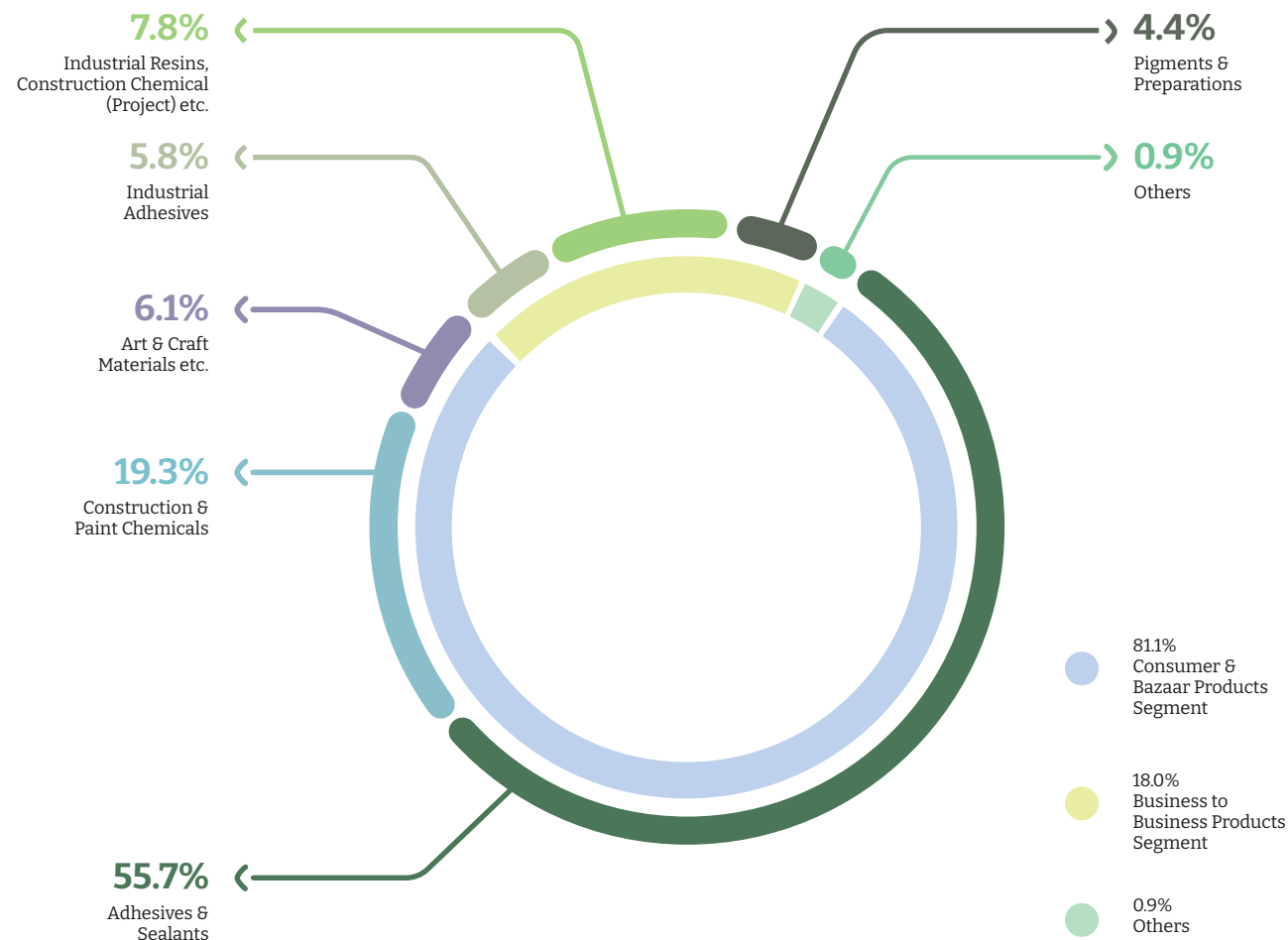
*Restatement: Previous year figures have been restated to give effect to the merger of Pidilite Adhesives Pvt. Ltd. (PAPL) and Cipy Polyurethanes Pvt. Ltd. (CIPY) with Pidilite Industries Limited

Performance by Industry Segment (Standalone)

The Company operates under two major business segments, i.e., Branded Consumer & Bazaar and Business to Business. Adhesives, Sealants, Art & Craft Materials and Construction and Paint Chemicals are covered under Branded Consumer & Bazaar segment. These products are widely used by carpenters, painters, masons, waterproofing applicators, plumbers, mechanics, students and offices.

Business to Business segment covers Industrial Adhesives, Industrial Resins, Construction Chemicals (Projects), Organic Pigments, Pigment Preparations, and other products. This segment caters to various industries like packaging, joineries, textiles, paints, printing inks, paper, and leather. Both business segments include a few medium to large companies with a national presence, and many small companies that are active regionally. Many multinational companies are also present in the same product categories as our Company.

Business Segment / Product Category %



Standalone - % of Total Sales based on FY 2022-23

R&D and Capital Expenditure

During the reporting period, 6% of the total R&D expenditure and 1.7% of the total capital expenditure were spent on specific technologies to improve the environmental and social impacts of product and processes. The details of the key investments are summarised in the following table

Expenditure	Details of improvement in environmental and social aspects
Research & Development (R&D)	<ol style="list-style-type: none"> R&D efforts have been to shift from solvent-based adhesives to sustainable alternatives like water-based systems and eco-friendly adhesives Develop a roof seal coating that meets "Green building" standards and significantly reduces energy consumption for cooling, lowering overall energy costs Incorporate sustainable raw materials in manufacturing without compromising performance parameters Invest in technology to reduce the weight of multilayer packaging, using innovative materials and techniques to minimize quantity of MLP introduced into markets Exploring possibilities of plastic reduction through selection and use of alternate materials and by redesigning our packs Utilize Post Consumer Recycled (PCR) plastics in packaging to promote circularity and decrease reliance on virgin plastic materials
Capital Expenditure (CAPEX)	<ol style="list-style-type: none"> Implementing a waste heat recovery system to decrease boiler operating time, resulting in reduced fuel consumption and air emissions Adopting a wash water recovery system to minimize the usage of fresh water Transitioning to PNG (Piped Natural Gas) as a fuel source to lower air emission intensity Utilizing energy-efficient heat pumps to generate hot DM water for the manufacturing process, thereby reducing fuel consumption for boilers Replacement of air operated pumps (AODD) with electrical centrifugal pumps Replacement of conventional fans with high energy efficient BLDC fans Reallocation of windmills to C58 & C59 units at Mahad to utilize maximum wind power available Replacement of compressors with energy efficient compressors Replacement of existing AC with energy efficient AC Installation of Variable Frequency Drives Installation of motion sensors for lighting applications Day light savings in warehouses by providing transparent roof sheets

combating climate change



The world has started to experience the vast, interconnected impacts of climate change. These include water and food scarcity, public health crises and geopolitical instability, among others with far-reaching consequences. Urgent action to decouple economic growth from these impacts is the only path toward a better future. We recognize that implementing solutions to address climate change is important to the future of our company, customers, consumers, and our shared world.

We aim to minimise the impact of our business operations on climate change by reducing our environmental footprint through minimizing resource consumption and GHG emissions, developing and implementing circular economy solutions, and creating products that are more sustainable.

Material Topics

01

Energy Management

02

Emission Management

03

Water & Effluent Management

04

Waste Management

05

Management of Hazardous Chemicals

06

Material Consumption

07

Sustainable Materials and Customer Safety

08

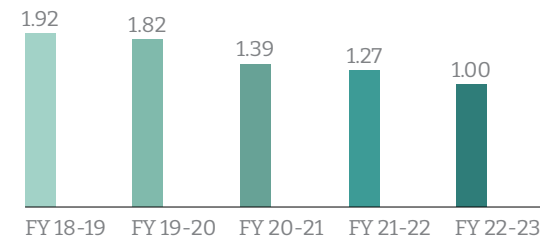
End of Life Management of Product Packaging

Sustainable Development Goals Being Addressed

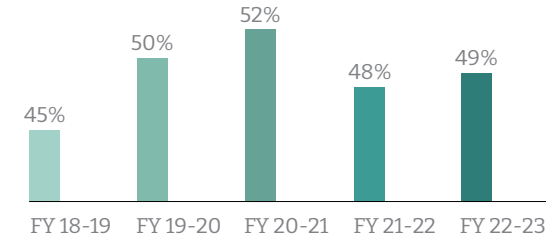


FY 2022-23 KEY HIGHLIGHTS

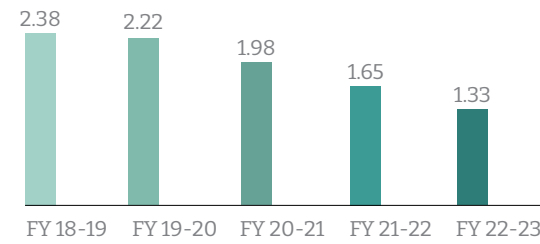
Energy Consumption Intensity [GJ/MT of Production]



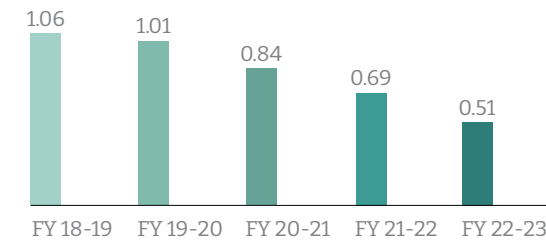
Renewable Energy Mix [% of renewable energy in overall energy consumed]



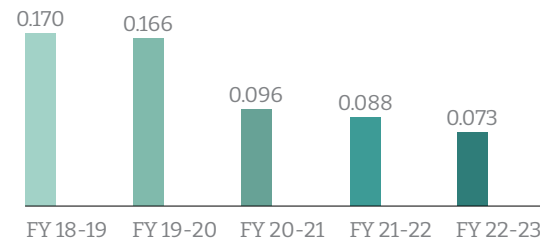
Water Withdrawal Intensity [KL/MT of Production]



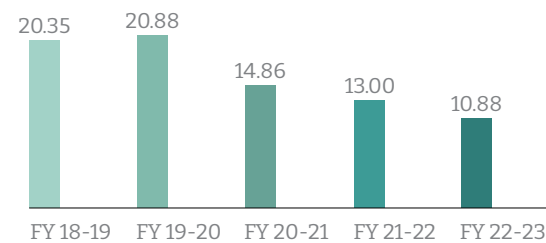
Effluent Discharge Intensity [KL/MT of Production]



GHG Emission Intensity [tCO2/MT of Production]



Waste Disposal Intensity [Kg/Ton of Production]



01

Energy Management

As a responsible business, we seek solutions that promote energy conservation, utilization of non-fossil, and cleaner fuel for reduction in green-house gas (GHG) emissions. We monitor our energy performance across all our manufacturing locations, offices and job work locations. We diligently prioritize strategic measures that optimize energy utilization and enhance overall usage efficiency while concurrently reducing our environmental impact caused by energy consumption.

Total energy consumption – fuel and electricity

Our total energy consumption during the reporting period was 6,52,686 GJ. Renewable energy consumption was 3,20,931 GJ, which represents 49% of our total energy usage. The total energy consumption intensity was 1.00 GJ/MT of production. The energy intensity was reduced by 21% as compared to the previous year. We have executed several actions to reduce energy consumption, which are summarised in the following pages.

Energy Consumption - Fuel

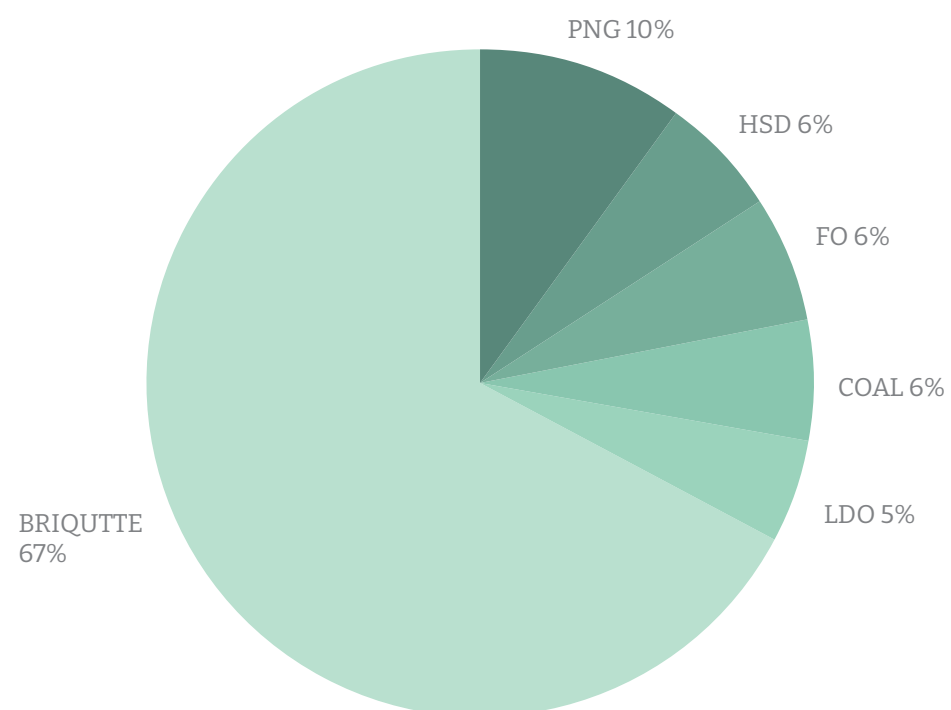
In FY 2022-23, our total fuel consumption was 4,44,649 GJ, with a consumption intensity of 0.68 GJ per metric ton of production. This indicates a 24% reduction in fuel consumption intensity when compared with the previous year.

The renewable fuel consumption was 2,98,817 GJ, and renewable fuel mix in total fuel consumed stood at 67%. This signifies a 3% increase from the previous year.

To advance our sustainability efforts, we are implementing various initiatives that will expand our renewable energy share. In FY 2022-23, we replaced four fossil fuel fired boilers with bio fuel-based boilers, the benefits of which will be witnessed from FY 2023-24 onwards. This investment will further completely phase out the use of coal-based boilers throughout our operations. We are committed to embracing innovative technologies that optimize fuel consumption and drive continuous improvements in our fuel consumption intensity.



FY 2022-23 FUEL CONSUMPTION BIFURCATION (%)



Fuel Energy Consumption Trend

Parameter	Unit of Measurement	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Non Renewable Fuel						
LDO	GJ	3,850	3,670	6,960	16,980	24,264
Coal	GJ	1,81,990	1,00,810	23,680	28,090	24,334
HSD	GJ	25,350	21,340	17,360	20,780	24,355
FO	GJ	41,160	39,200	32,700	33,930	28,448
PNG	GJ	34,381	35,033	48,735	75,798	44,431
Total Non-Renewable Fuel Consumed	GJ	2,86,731	2,00,053	1,29,435	1,75,578	1,45,832
Renewable Fuel						
Briquette	GJ	3,13,765	3,63,045	3,05,142	3,16,693	2,98,817
Total Renewable Fuel Consumed	GJ	3,13,765	3,63,045	3,05,142	3,16,693	2,98,817
Total Fuel Consumed	GJ	6,00,496	5,63,098	4,34,577	4,92,271	4,44,649
Fuel Consumption Intensity	GJ/MT of Production	1.50	1.40	1.01	0.89	0.68

Energy Consumption - Electricity

During FY 2022-23, our total electricity consumption amounted to 2,08,037 GJ, with a consumption intensity of 0.32 GJ per metric ton of production. This represents a 16% improvement from the previous reporting period. Renewable electricity consumption contributed to 11% of overall electricity consumption, marking a 1.3% increase when compared to FY 2021-22. This improvement is the result of commissioning of roof top solar plant in one of our manufacturing plants, and reallocation of windmills between units at Mahad to utilize maximum wind power generated. By integrating solar and wind power into our electrical energy portfolio, we aim to increase the use of renewable electricity in our operations.

In response to the identification of double counting in the wind energy consumption data, we have conducted a comprehensive review and subsequently updated the electricity consumption information for previous reporting years. Additionally, this review process has also led to a revision of the Scope 2 electricity data.

Electricity Consumption Trend

Electricity Consumed (GJ)	Unit of Measurement	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Non Renewable Electricity						
Grid Electricity	GJ	1,47,070	1,72,768	1,66,653	1,92,136	1,85,923
Total Non-Renewable Electricity Consumed	GJ	1,47,070	1,72,768	1,66,653	1,92,136	1,85,923
Renewable Electricity						
Solar	GJ	7,057	6,363	5,801	7,812	10,321
Wind	GJ	17,137	17,748	7,850	11,869	11,793
Total Renewable Electricity Consumed	GJ	24,194	24,111	13,651	19,681	22,114
Total Electrical Energy Consumed	GJ	1,71,264	1,96,879	1,80,304	2,11,817	2,08,037
Electricity Consumption Intensity	GJ/MT of Production	0.43	0.49	0.42	0.38	0.32

Enhancing Energy Use Efficiency and Reducing Emissions

As part of our commitment to sustainability and responsible resource management, we have implemented several measures to reduce energy consumption throughout our operations. Carefully designed energy-saving projects enhance energy use efficiency. New age technologies and process optimization have successfully curtailed our absolute energy consumption, resulting in tangible and measurable GHG emission reductions. The key projects executed to improve energy use efficiency during the reporting period are as follows.

Energy Consumption Reduction Initiatives

- Heat Pumps were installed to harness waste heat from process heating and utilize for refrigeration cycle minimizing the energy consumption for utilities.
- Heat Recovery Units deployed to generate hot demineralized water by utilising waste heat from process reduced the overall energy required for heating.
- Using Thermal Conductive Oil in Ducted Air Conditioners enhanced heat transfer efficiency within the air conditioning system, reduced the power load on compressors, and lowered overall electricity consumption.
- Fixed-speed split air conditioners were replaced with energy-efficient inverter technology 5-star air conditioners.
- Existing fixed-speed motors of air compressors were replaced with energy-efficient IE4 motors.
- Existing fixed-speed motors of reactors and blenders were replaced with energy-efficient IE3 motors.
- Conventional pumps and motors with energy-efficient ones were replaced with variable speed drives, to optimize energy consumption.
- Multiple smaller chillers were replaced with a single, larger chiller having advanced refrigeration technology and optimized design for the entire plant, which reduced power load for utilities.

Automation for Energy Savings

- Variable Frequency Drives (VFDs) installation were further expanded to air blower systems to enable precise control over the motor speed.
- Cooling towers were interlocked with temperature controllers enabling optimised motor operation and significant energy savings.
- Automation and re-structured lighting layouts reduced electricity consumption for area lighting while maintaining optimal illumination levels.

02

Emission Management

GHG Emissions

In our commitment to addressing climate change risks with an actionable approach to reduce greenhouse gas (GHG) emissions, we have executed several projects in the past few years.

Our scope 1 emissions occur due to fuel consumption for process heating requirements and operation of generators (during power failure). We have executed projects to shift to less carbon intensive / renewable fuels, such as conversion of coal fired boilers into briquette and changing boiler fuel from furnace oil to less carbon intensive fuels like PNG. All these have gradually reduced our Scope 1 emissions over the years.

The primary contributor to our Scope 2 GHG emissions is the usage of grid electricity. We are committed to transitioning towards renewable sources of electricity by increasing the use of solar energy and wind power. This has gradually reduced our scope 2 emission intensity across the past few years. During the reporting period, we continued to maintain the windmills in Maharashtra and reallocated them between manufacturing units, to utilize maximum wind power available. A roof top solar plant was also commissioned for one of our manufacturing units. Further, during the reporting period, we invested in developing an off site solar farm in Gujarat, which is expected to become operational in FY 2023-24.

As a part of accounting Scope 3 emissions, we are tracking the Scope 1 & 2 emissions of our value chain partners (job workers and domestic subsidiaries). We are in the process of developing a suitable tracking mechanism to track all our other value chain emissions.

We have aligned the reporting approach for GHG emissions with the GHG Protocol corporate reporting standards. This has resulted in separate categorization, and reporting of bio-genic emissions, distinguished from Scope 1, Scope 2 and Scope 3 emissions. Accordingly, we have undertaken a comprehensive recalculation of GHG emissions for all preceding reporting years.

During the reporting period, our total GHG emissions (Scope 1 + Scope 2 + Scope 3) were 47,886 tCO₂ with an emission intensity of 0.07 tCO₂/MT of production, which is 17% less than the previous reporting period.



Scope 1, Scope 2 and Scope 3 Emission Trend

Parameter	Unit of Measurement	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Scope 1 emissions [GHG emissions due to fuel consumption]	tCO2	24,068	15,981	9,066	12,072	9,870
Scope 1 emission intensity	tCO2/MT of production	0.0810	0.0540	0.0210	0.0218	0.0151
Scope 2 emissions [GHG emissions due to electricity purchased from grid]	tCO2	21,895	28,242	27,316	30,516	31,007
Scope 2 emission intensity	tCO2/MT of production	0.0737	0.0954	0.0633	0.0551	0.0473
Scope 3* emissions	tCO2	4,587	5,000	4,870	6,142	7,009
Scope 3 emission intensity	tCO2/MT of production	0.0154	0.0169	0.0113	0.0111	0.0107
Total Scope 1, Scope 2, Scope 3 emissions	tCO2	50,550	49,223	41,252	48,730	47,886
Total Emission Intensity	tCO2/MT of production	0.1701	0.1663	0.0956	0.0880	0.0731
	tCO2/revenue in ₹ Crores	8.04	7.77	6.56	5.45	4.49

* This includes only Scope 1 and Scope 2 emissions of our Value chain partners.

Restatement: In accordance with GHG Protocol corporate reporting standards, the direct CO2 emissions from the combustion of biomass are reported separately. The CO2 emissions due to use of Biomass, which was previously reported under Scope 1 emissions are removed from the above table and reported separately as "Bio-genic" Emissions.

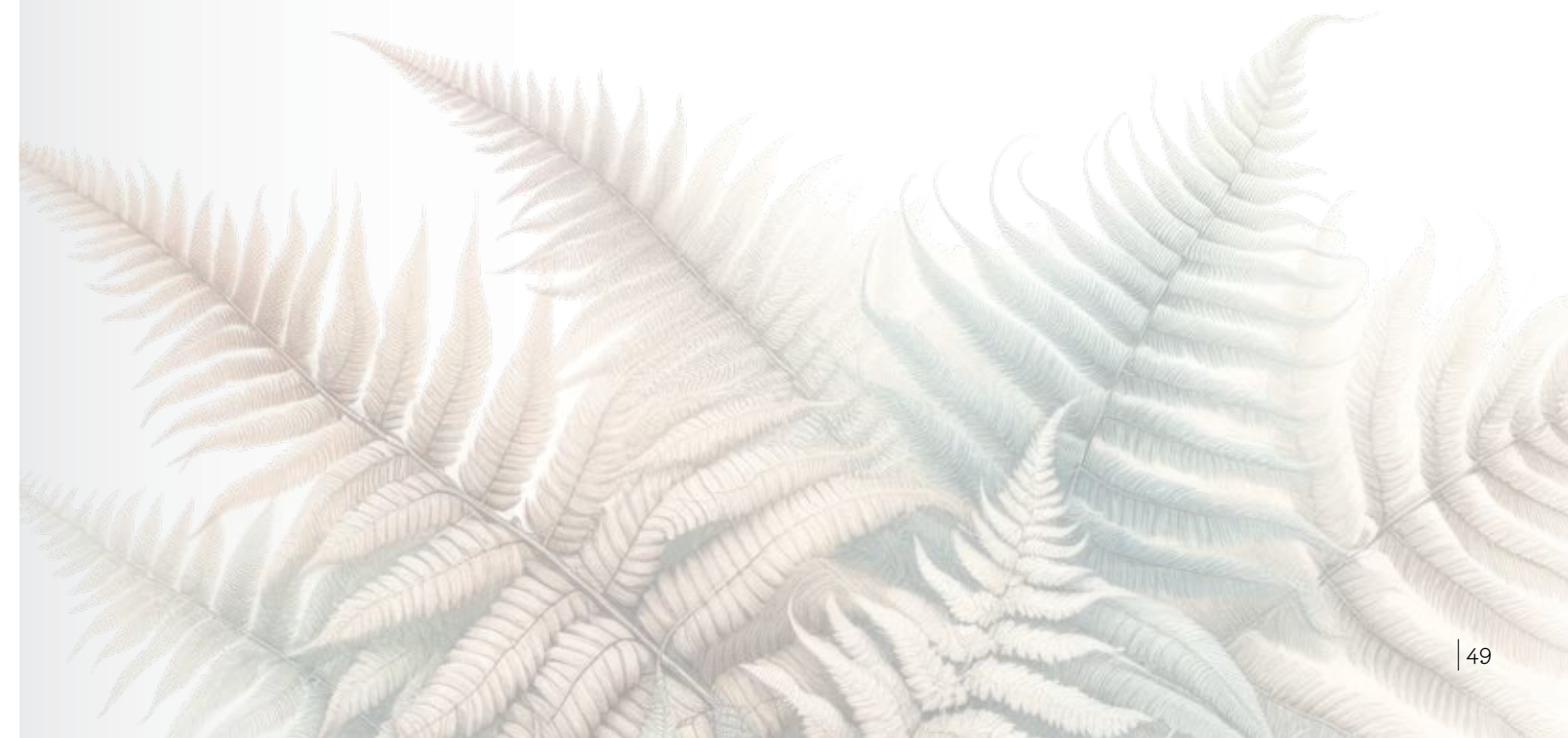
Scope 1 GHG Emissions Trend by Fuel Type

Parameter	Unit of Measurement	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
High-speed diesel	tCO2	1,419	1,104	940	1,130	1,370
Furnace oil	tCO2	3,044	2,897	2,338	2,322	1,871
Coal	tCO2	17,216	9,536	2,240	2,658	2,302
Piped natural gas	tCO2	2,207	2,249	3,089	4,784	2,721
Light diesel oil	tCO2	182	194	458	1,177	1,607
Total	tCO2	24,068	15,981	9,066	12,072	9,870

Restatement: In accordance with GHG Protocol corporate reporting standards, the direct CO2 emissions from the combustion of biomass are reported separately. The CO2 emissions due to use of Biomass, which was previously reported under Scope 1 emissions are removed from the above table and reported separately as "Bio-genic" Emissions.

Bio-genic Emissions

Parameter	Unit of Measurement	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Bio-genic emissions	tCO2	30,592	35,397	29,751	30,878	29,135



Air Emissions

We keep track of air emissions arising from our manufacturing operations and take all necessary controls to ensure the emissions are under permissible limits. The significant air emissions arising from our operations are total particulate matter, sulphur oxides, and nitrogen oxides. We understand the harmful impacts of air emissions on the environment, and we have taken the required measures to reduce and control the emissions within the permissible limits. These include shifting to cleaner fuels (PNG), and installation of scrubbers, bag filters at emission source. We regularly check the air emissions across all our units using third-party monitoring and in compliance with legal requirements

Air Emission trend

Parameter	Unit of Measurement	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Total Particulate Matter (TPM)	KG	42,785	41,182	30,825	31,628	31,780
	Kg/MT of production	0.1	0.09	0.07	0.06	0.05
Oxides of Sulphur (SOx)	KG	40,073	37,475	23,693	15,835	19,625
	Kg/MT of production	0.1	0.09	0.05	0.03	0.03
Oxides of Nitrogen (NOx)	KG	13,367	15,788	17,868	18,223	19,565
	Kg/MT of production	0.03	0.04	0.04	0.03	0.03

03

Water & Effluent Management

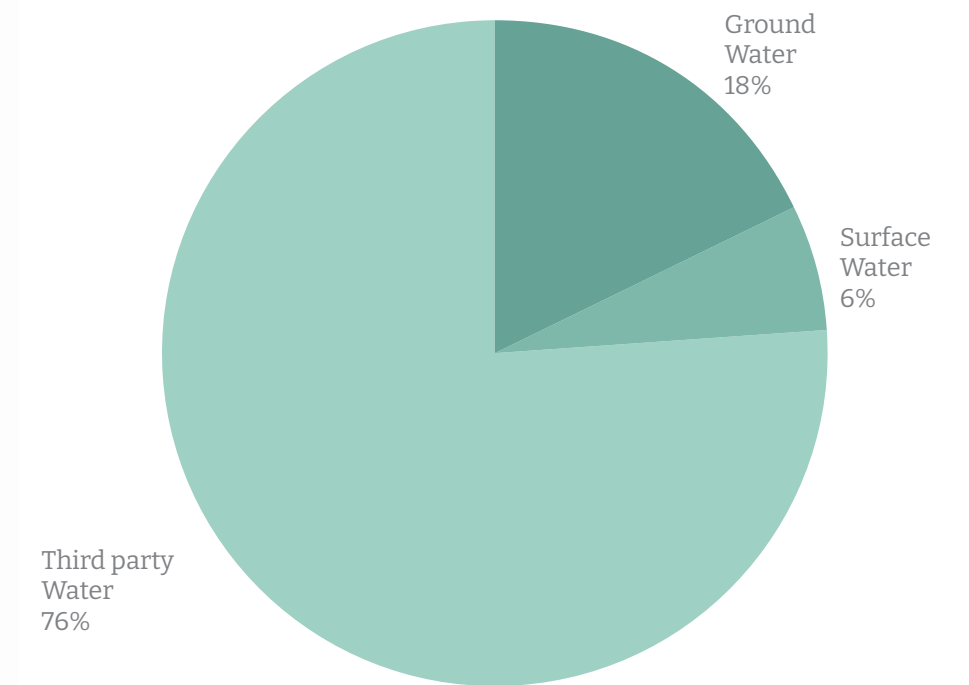
Water is a shared and limited resource and we use fresh water efficiently by recycling and reusing process effluent wherever possible at all manufacturing locations. We also optimize water consumption by replacing conventional equipment with more water-efficient alternatives that eliminate leaks and wastage.

Fresh Water Withdrawal

During the reporting period, we withdrew a total of 8,74,827 KL of fresh water with a usage intensity of 1.33 KL/MT of production. This marks a 19% reduction in freshwater withdrawal intensity over the previous reporting year. Our constant efforts and initiatives have significantly lowered our water intensity per MT of production volume, over the past year. This was achieved through various initiatives, which are listed in the following pages.

During the reporting period, the major source of freshwater withdrawal came from third-party water suppliers (76%), followed by water abstracted from borewells (18%). We also used harvested rainwater for industrial activities, which accounted for 6% of the total freshwater withdrawal.

FY 22-23 FRESH WATER WITHDRAWAL BY SOURCE



Fresh Water Withdrawal Trend

Parameter	Unit of Measurement	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Third Party Water Withdrawn	KL	7,23,479	7,07,412	6,48,001	6,89,320	6,67,869
Ground Water Withdrawn	KL	1,98,987	1,94,568	1,78,228	1,89,592	1,57,000
Surface Water Withdrawn*	KL	34,252	33,492	30,679	32,635	49,958
Total Freshwater Withdrawn	KL	9,56,719	9,35,471	8,56,908	9,11,547	8,74,827
Water Withdrawal Intensity	KL/MT of production	2.38	2.22	1.98	1.65	1.33

*Includes rainwater collected and used for industrial applications

Effluent Treatment, Reuse and Discharge

We comply with regulatory requirements and employ additional initiatives to be environmentally responsible. In addition to installing effluent treatment plants and sewage treatment plants at most of our operating sites, we have also implemented on-site water recycling facilities at selected high water intensive units. This reduces our dependence on fresh water.

We are aiming to achieve 'Zero Liquid Discharge' (ZLD) at our manufacturing locations. As of FY 2022-23, 55 of our 68 manufacturing units, have achieved Zero Liquid Discharge (ZLD) status.

During the reporting period, the total effluent generated was 4,87,791 KL, of which 1,50,558 KL was recycled and re-used for process, utilities, and other industrial operations within the manufacturing units. The remaining 3,37,233 KL of effluent was treated as per the regulatory norms and discharged to Common Effluent Treatment Plants (CETPs). None of our manufacturing units discharge treated effluents to open land or water bodies, and we regularly monitor the effluents discharged from our operations to ensure compliance with all regulatory standards and norms.

Effluent Discharge Trend

Parameter	Unit of Measurement	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Total effluent discharged	KL	4,26,027	4,26,220	3,65,556	3,79,810	3,37,233
Specific effluent discharged	KL/MT of production	1.059	1.009	0.844	0.686	0.515
Total manufacturing plants	Nos.	45	45	52	56	68
Manufacturing plants with ZLD status	Nos.	28	28	40	44	55
% of Units with ZLD Status	%	62%	62%	77%	79%	81%

Water Consumption

During the reporting period, our total water consumption was 5,37,594 KL. Our water consumption intensity reduced by 15% as compared to the previous year as a wastewater recycling system was commissioned at one our manufacturing units, and STPs were installed at multiple manufacturing units, which enabled recycle and reuse of grey effluent for gardening and toilet flushing.

Water Consumption Trend

Parameter	Unit of Measurement	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Total Water Consumption	KL	5,30,692	5,09,251	4,91,352	5,31,737	5,37,594
Water Consumption Intensity	KL/MT of production	1.32	1.21	1.14	0.96	0.82

Water Stewardship

Further, our CSR activities have included multiple water conservation initiatives in Gujarat, and these have conserved 226 million litres of water. For details on the projects executed, please refer to page no. 79 & 80 of this report.

Measures taken to reduce water consumption and discharge

We have adopted various water-saving measures to use water efficiently and reduce the negative impact of freshwater consumption on our water sheds. These innovative approaches have successfully conserved significant amounts of freshwater, contributing to a more sustainable future. Below are some of our efforts:

Water Recycling Initiatives

- Wastewater Recycling and Reuse: Wastewater recycling unit consisting of Reverse Osmosis (RO), Mechanical Vapor Recompression (MVR), and Agitated Thin Film Dryer (ATFD) and Ultraviolet (UV) disinfection installed at one of our high-water intensive manufacturing units.
- Condensate Water Reuse: Steam condensate recovery systems were installed at multiple locations to collect and reuse boiler condensate.
- STP Water for Toilet Flush and Gardening: Sewage Treatment Plants (STP) were installed at multiple locations to eliminate use of fresh water for toilet flushing and gardening.
- Treated effluent for de-contaminating empty barrels: Implementing a dedicated treated effluent supply line for contaminated drum cleaning has reduced the need for freshwater in this process.

- Treated effluent for ETP Chemical Preparation: The integration of a closed-loop process for utilizing treated effluent has eliminated use of fresh water for ETP chemical preparation.
- Centralized Hydrant Pipe Testing: Centralizing the hydrant pipe testing locations has optimized the testing process and redirected the outlet water to an Underground Reservoir (UGR). This collected water is then utilized for various non-potable applications, reducing the use of fresh water.

Water Reuse Initiatives

- Jacket Drain Water Reuse: By installing a closed-loop system for cooling tower water, Jacket drain water can be recovered and reused. This reduces effluent generation as well as fresh water top up for cooling towers.
- Implemented a system to collect and redirect the gland cooling water from various processes back to the utilities for use in cooling towers. This closed-loop design eliminated water wastage and reduced fresh water top up for utilities.

Loss Elimination

- At multiple locations, conventional water taps were replaced with flow control mechanisms and auto shutoff. This upgrade minimized water wastage without compromising functionality.

In our commitment to minimise waste generation, we encourage waste reuse and recycling. Our methodically designed and efficient waste management approach not only adheres to regulatory requirements but also reflects our deep commitment to promote circular economy. Our strategy revolves around the three fundamental pillars of reduce, reuse, and recycle.

Reduce: Eliminate Waste at its Source

The core of our waste management strategy is to minimize waste generation by identifying and eliminating inefficiencies in our processes. Through systematic analysis and optimization, we strive to reduce excess materials and prevent their entry into the waste stream. To this effect, we have shifted from sourcing raw materials in barrel packs to bulk storage tanks at multiple manufacturing units, and process automation and optimisation that reduces hazardous waste generation. This has not only reduced the environmental footprint but also streamlined our operations for greater sustainability.

Reuse: Identifying Reuse Avenues and Shifting to Co-processing

As a responsible organisation, we constantly work to re-use the wastes we generate. In the reporting period, our R&D teams found ways to reuse the extracted salts from one of our units, which otherwise was disposed as hazardous waste. Re-using of salts will bring down the quantity of hazardous wastes disposed, the impact of which will be seen from FY 2023-24 onwards.

Embracing the ethos of circularity, we are shifting towards co-processing to reuse process wastes. Rather than dispose certain waste materials into landfill and incineration facilities, we redirect them into productive processes as valuable inputs. Collaborating with industries that can use these materials as raw materials or energy sources extends the life cycle of our wastes and contributes to a circular system. This approach not only minimizes the quantity of wastes disposed but also fosters collaboration across sectors for holistic environmental gains.

Recycling Plastic Packaging Waste

We are committed to reducing the use of virgin plastic in our product packaging. We have collaborated with vendors and suppliers to install machines to produce multilayer bulk packaging, using Post Consumer Recycle (PCR) plastics. We are among the first companies, in the product categories, that use PCR plastics in packaging. Harnessing the potential of plastic recycling gives us the double benefit of tackling plastic waste crisis and showcasing our dedication to innovation and sustainability.

During this reporting period, we generated 5,907 MT and 2,887 MT of hazardous and non-hazardous wastes respectively. Out of this, 962 MT and 698 MT of hazardous and non-hazardous wastes were sent to authorized recyclers for responsible utilisation. The remaining 4,945 MT of hazardous waste and 2,189 MT of non-hazardous waste were disposed to authorized landfill / incineration facilities. The waste disposal intensity for the reporting period was 10.9 Kg/MT of production, which signifies a 16% improvement from the previous year. The key initiatives that achieved this improvement are described in the following page.

Waste Generation, Recycling & Disposal Trend

Parameter	Unit of Measurement	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Total hazardous waste generated	MT	5,602	4,902	7,075	5,907
Total hazardous waste recycled	MT	846	849	1,423	962
Total hazardous waste disposed	MT	4,756	3,860	5,652	4,945
Total non-hazardous waste generated	MT	4,060	2,578	3,153	2,887
Total non-hazardous waste recycled	MT	0	0	1,601	698
Total non-hazardous waste disposed	MT	4,060	2,578	1,552	2,189
Total Waste Generated	MT	9,662	7,287	10,228	8,794
Total Waste Recycled	MT	846	849	3,024	1,660
Total Waste disposed	MT	8,816	6,438	7,204	7,134
Waste Disposal Intensity	Kg/MT of production	20.9	14.9	13.0	10.9

04

Waste Management

Measures to Reduce Waste Disposal Intensity

To minimize our ecological footprint and promote environmental stewardship, we have implemented several measures to reduce waste generation and disposal and optimize waste management processes.

Reduce: Minimizing Waste Generation at its Source

- At multiple locations, we have shifted to bulk raw material storage from barrel packs, eliminating generation of empty barrels as hazardous waste.
- Installed sludge dewatering systems at multiple locations for moisture removal of sludge, thereby reducing the weight of sludge disposed.
- Installed auto self-cleaning filters to reduce cleaning frequency, which has reduced hazardous waste generation.
- Achieved product yield improvement through process optimization which has reduced process wastage.

Reuse: Shifting to Co-processing

During the reporting period, a few of our manufacturing units obtained regulatory approvals to send hazardous waste for co-processing in cement kilns. This change allowed us to use the waste productively in the cement industry.

Recycling: Converting to usable materials

- The paper packaging waste from our facilities are sent to authorised recyclers who use them as raw materials to manufacture various materials made of recycled paper.
- The empty plastic barrels of raw materials and other discarded packaging containers are sent to authorised recyclers for converting them into plastic pellets which will further used for moulding various plastic products.
- The waste oil from process and utilities are sent to authorised recyclers for recycling and converting them into usable materials like lubricants.

05

Management of Hazardous Chemicals

Proper handling of hazardous chemicals is essential to reduce health and safety risks, and environmental impacts. We responsibly manage the risks associated with the handling and storage of hazardous chemicals.

All raw materials are first screened for regulatory compliance to ensure new products adhere to local and international safety norms. IP Policy and Procedures framework are followed to ensure all new inventions, processes, applications, packaging designs comply with regulatory stipulations.

Our manufacturing locations regularly conduct risk assessments and closely monitor the implementation of the recommended action plans till completion. Training and awareness programmes educate employees about hazards, associated risks, emergency preparedness and response, and safe handling practices for hazardous chemicals. We have established procedures to adopt inherently safe designs for new infrastructures based on applicable standards and are gradually implementing these safety measures for existing infrastructures. The following initiatives have been employed for safe handling of hazardous chemicals:

- Based on the outcomes of HAZOP studies, necessary engineering controls are provided for storage and handling of hazardous chemicals.
- Segregated storage facilities with restricted access control are provided for storing hazardous material.
- Shifted from barrels to bulk storage for certain raw materials, to reduce human exposure in chemical handling.
- Provided charging booth with proper extraction system for reducing exposure to key high hazard chemicals, during dispensing and charging processes.
- Provided closed-loop handling for hazardous chemicals, to prevent exposure to operating personnel.

06

The total consumption of raw materials & plastic packaging materials that are used to produce the organization's primary products during the reporting period was 4,79,621 MT.

Material Consumption

Major Raw Material Consumption Trend

Parameter	Unit of Measurement	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Total consumption of materials by weight	MT	2,74,022	2,76,700	2,97,344	4,03,234	4,79,621
Specific consumption of materials by weight	MT/MT of production	0.684	0.688	0.689	0.728	0.732

Restatement: Till previous year we were disclosing consumption of top 10 raw materials (by weight) and in the above table, the data for previous years has been updated to reflect total raw material consumption and plastic packaging consumption by weight. This excludes water consumed as water consumption is a separate indicator and disclosed under the chapter 'Water and Effluent Management'.

The following are the key initiatives implemented to reduce overall raw material consumption:

- Optimization of weight of plastic packaging containers resulted in reduction of plastic packaging use intensity.
- Recycling of excess plastic material generated during injection moulding of shells by packaging material supplier.
- For certain product categories, processes have been developed for quality check and reprocessing of retained samples after the retention period in fresh batches.

Environment Compliance Management

We comply with all the environmental rules and regulations of the locations we operate in and have implemented strong internal mechanisms to continuously review and assess our systems and processes to ensure compliance. Any new / amendments in existing regulatory policies / notifications are tracked and monitored. Compliance with regulatory requirements was reviewed on monthly basis at unit level and quarterly at corporate level.

During FY 2022-23, all queries related to Environment Compliance by authorities have been responded to and closed.

07

Sustainable Materials and Customer Safety

We continue to make safer products using environmentally friendly raw materials that comply with global regulatory requirements. We continue to explore opportunities to use renewable raw materials without impacting cost and performance parameters. During the reporting period, we have invested around 6% of our total R&D expenditure in specific technologies, to improve the environmental and social impacts of products and processes. The key focus areas were:

- Shifting from solvent-based adhesives to sustainable alternatives like water-based systems and eco-friendly adhesives.
- Developing a roof seal coating that meets "Green building" standards and significantly reduces energy consumption for cooling, lowering overall energy costs.
- Incorporating sustainable raw materials in manufacturing without compromising cost and performance parameters.
- Investing in innovative materials and techniques to reduce the weight of multilayer packaging (MLP) and minimize MLP quantities introduced into markets.
- Exploring possibilities of plastic reduction by using alternate materials and by redesigning our packs.
- Utilizing Post Consumer Recycled (PCR) plastics in packaging, to promote circularity and decrease reliance on virgin plastic materials.

R&D Highlights

Parameter	FY 2022-23
Number of Patents	1
Number of instances of product recalls on account of safety issues (both Voluntary and Forced)	0

Process and Product Innovation

We are developing differentiating technology platforms linked with our business strategy, to sustain our product innovation pipeline. These platforms are being built using smart insights and new market and application trends. Seamless collaborations with our suppliers and external partners accelerate new product development and delivery.

We are securing our intellectual property rights with patents, designs, and trademarks wherever possible, in the countries we operate in. Securing intellectual property and filing of strategically relevant patents are part of our innovation stage gate process.

As one of India's top responsible brand owners, we are committed to providing sustainable packaging solutions and using science-based solutions, to guide the transition towards a more sustainable society. These principles also guide us while developing packaging for our products.

We periodically evaluate our existing packs to explore alternate materials or packaging redesign that can reduce plastic. In FY 2022-23, we reduced our plastic usage by 113 MT (up from 77 MT in FY 2021-22) through design optimisation of product packaging.

The increasing use of multilayer plastic flexible packaging and their haphazard discarding hugely impacts the environment as these materials are difficult to collect and recycle. Our various optimization programmes have reduced multilayer flexible packaging consumption by 37 MT in FY 2022-23.

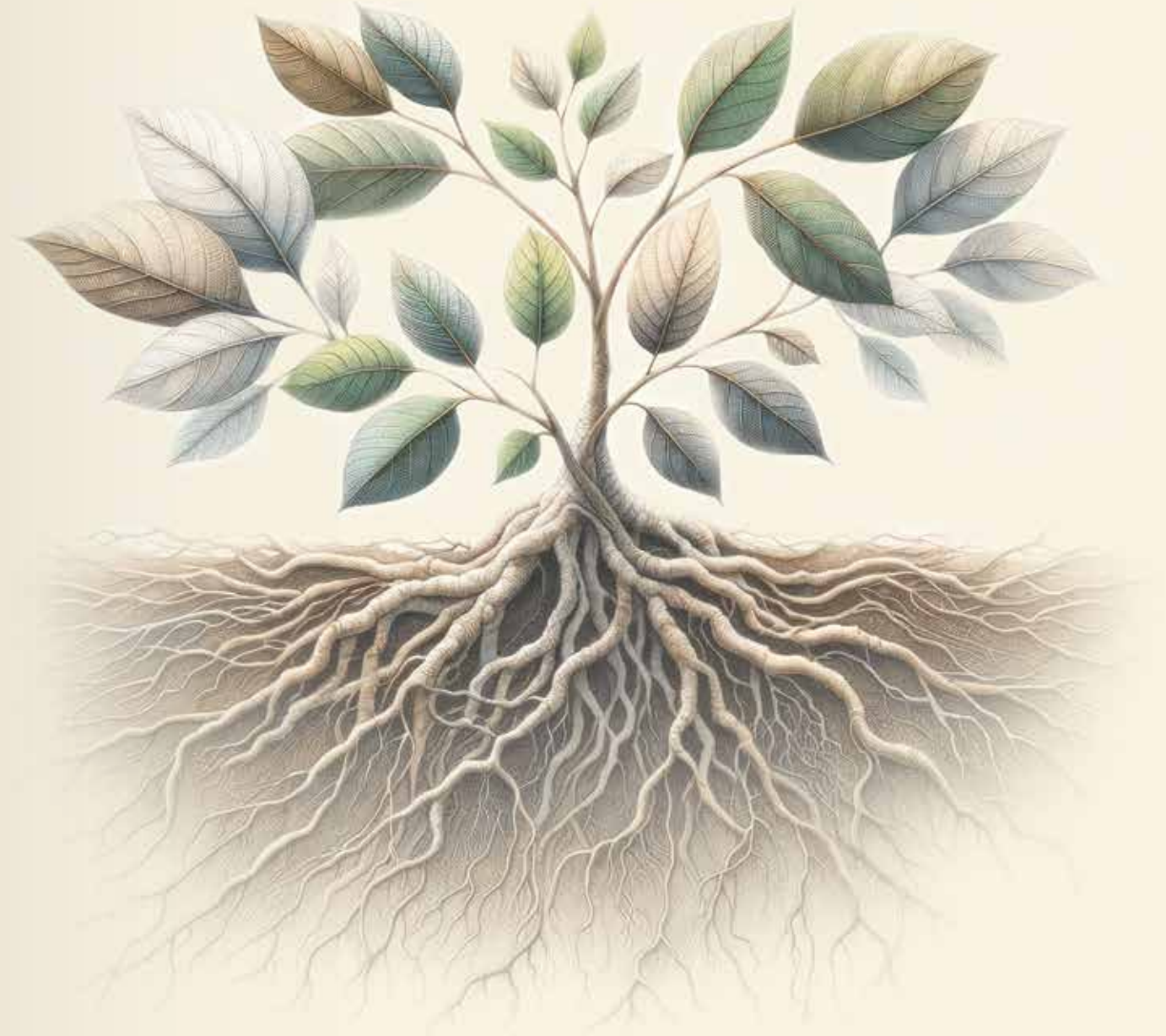
In addition to reducing multilayer flexible packaging usage, we are rethinking, redesigning, and integrating cutting edge technologies to reduce virgin plastic usage in our product packaging. We are among the first companies, in the product categories that use Post Consumer Recycle (PCR) plastics in our packaging. We have collaborated with our vendors and suppliers to install machines to produce multilayer bulk packaging, using PCR. In 2022-23, we used 145 MT of PCR plastics (up from 100 MT in FY 2021-22).

All these efforts have reduced our plastic footprint by 295 MT.

We work closely with our partners and leverage the existing ecosystem of rag pickers to collect and safely recycle post-consumer plastic packaging waste. In compliance with the Plastic Waste Management Rules, we have successfully collected and recycled 100% of our plastic packaging.

We will keep exploring more environment friendly packaging options that can further Reduce, Reuse and Recycle our plastic packaging.

servicing people and communities



Our people are the heart of our business. We nurture their skills and competencies to drive shared organisational objectives. We are committed to establishing a diverse, healthy, inclusive, and equitable working atmosphere by enhancing and advancing our current employee initiatives, policies and systems.

We continue to elevate occupational safety conditions and the overall health and safety culture across the business with several key initiatives. During the reporting period, we implemented Pidilite Life Saving Rules (PLSRs) to encourage employees to voluntarily exhibit safe behaviour and contribute to safety performance.

We fulfill our obligation to society by continuously giving back. Over the past few years, we have been engaged in various social and community service initiatives aimed at improving the quality of life and well-being of the local communities. These initiatives cover areas such as agriculture, animal husbandry, health, education, women's empowerment, water conservation, and more.

Material Topics

01

Occupational Health and Safety

02

Employee Diversity and Wellbeing

03

Learning and Skill Development

04

Social and Community Service Initiatives

Sustainable Development Goals Being Addressed



01

Occupational Health and Safety

Occupational health and safety are at the core of our business operations and the long-term objective is to achieve 'Zero Harm' across the organization. We incorporate the highest health and safety standards to provide a safe workplace for our people. Our rigorous safety procedures are upgraded in tandem with technological advancements and best practices. We believe that safety is everyone's responsibility and encourage employees to take up safety ownership. As part of our sustainability strategy, we have set a long-term target of achieving Zero Accidents by 2030.

Health & Safety Management Strategy

We have adopted ISO 45001: 2018 Management Systems to achieve our Health and Safety goals. All our manufacturing plants are ISO 45001:2018 certified. All management system implementation activities are overseen by the Director of Operations. At the corporate level, the corporate EHS team monitors and drives our Health & Safety agenda. The agenda is implemented at site level through key initiatives and regularly monitored through KPI performance. At every plant, EHS experts formulate plant specific EHS strategies which are implemented by the plant heads who are responsible for the Health and Safety standards.

We prioritise the safety of our people by investing in technologies and processes that eliminate / minimize the interface of man and machinery. The focus at the design stage of any project is on providing engineering controls to control the various hazards during manufacturing. Project Risk Assessment (PRA) assesses risks for all new or significant modifications of processes, plants, equipment, and buildings. Automation and process control systems are being embedded into the design of new plants. Additionally, we have a structured process to identify work-related hazards. We do this by conducting regular assessments of workplace activities through both internal and external audits. We then create action plans to reduce or eliminate these identified hazards.

The Company provides Health & Safety training to employees on appointment and on an annual basis. Our health protocol includes medical screening and periodic health checks.

Health & Safety Focus areas

People Safety: In FY 2022-23, we launched Pidilite Life Saving Rules (PLSRs), which comprise of 6 lifesaving rules:

1. Travel safety
2. Adherence to the work permit system
3. Energy isolation and machine safety
4. Lifting safety
5. Working at height
5. Adherence to safety control systems

PLSRs are embedded into the organisation's safety culture and are applicable for all employees including contractors.

Gap assessments and necessary actions are implemented against the standards/ guidelines of Pidilite, at Critical people safety aspects viz. Contractor Safety, Permit to Work, Packaging Machines Safety, Lift Safety and Working at Height, to manage/ mitigate the risk at acceptable limit.

Our Job Safety Analysis (JSA) system conducts routine and non-routine activities to carefully analyse and identify potential hazards associated with specific tasks and establishes the necessary controls to mitigate the risk.

Process Safety

Process Safety risk assessment studies (HAZOP) are conducted at manufacturing locations and the recommendations implemented to enhance process safety. In addition, various gap assessments viz., solvent and monomer tanks safety features, static electricity controls, and others are conducted at manufacturing plants and necessary engineering controls and administrative controls established to eliminate / minimize the interface of man and machinery. Some of the Process Safety key initiatives/up gradation implemented are solid raw material charging at reactor through automated Powder Transfer System (PTS), Intelligent Earth Monitoring System during solvent/monomer unloading activities, automated interlocks through Distributed Control System (DCS), automated inhibitor control mechanism, and others.

Machinery Safety

To ensure the design safety of any new equipment during procurement, we ensure that all rotating parts meet the 360° guarding requirements. For existing machinery, we have implemented key engineering controls, such as replacing existing interlocks with tamper-proof interlocks in all packaging machineries and rectifying existing physical guarding to meet the standard of 360-degree guarding for all rotating parts.

Fire Safety

Fire risk assessments are conducted at all manufacturing locations and warehouses to identify potential risks. All facilities are equipped with necessary fire protection and detection systems. We ensure the effectiveness of fire protection systems through preventive maintenance and mock drills. Periodic training on the use of firefighting systems and emergency procedures / rescue operations are provided to all employees.

Project Safety

Project Risk Assessment (PRA) assesses risks for all new, or significant modifications of existing processes, plants, equipment, and buildings. Safety controls are implemented both in green and brown field projects to improve safety performance. At the design stage of any process, the focus is on eliminating the hazards or providing engineering controls to control the various hazards during manufacturing.

EHS Audits

Periodic internal and external EHS audits are conducted to evaluate the effectiveness of health and safety management systems that cover all aspects of People Safety, Process Safety, Electrical & Machinery Safety and Fire Safety. The recommendations are implemented within the stipulated timeline.

Commercial Safety

In FY 2022-23, We extended our Health & Safety measures beyond manufacturing locations to our sales force, warehouses and offices. The key initiatives included defensive driving training, deployment of Pidilite Travel Safety Rules (PTSRs), incident reporting mechanism including reporting of leading indicators e.g., unsafe acts/conditions/ near misses, and audit & inspection mechanism at offices.

EHS Training & Competency

All employees including contractors undergo several training programmes including post training validation process on health and safety aspects, as per the training matrix and calendar.

We have implemented 3 categories of training programmes

- Safety induction for all new employees as well as transferred employees including contractors
- Continuous/ refresher training for all employees
- Training program and validation process for EHS Critical roles

All new employees including contract workers undertake the EHS integration process on the day of joining. This comprises different topics such as Pidilite Life Saving Rules, EHS Policy, Plant Specific Safety Hazards & Controls, Permit Management System, and On site Emergency Plan. All employees are required to be validated and are assigned to the job only on achieving a score of over 80%.

In our organization, we've introduced EHS competency assessments for essential safety roles at our manufacturing sites. These roles are required to undergo a training program covering 25 crucial safety topics within their first year or as a refresher. After completing the training, they need to undergo a validation process.

H&S Incident Management

A robust incident management system ensures that all incidents are reported within 24 hours of occurrence, detailed investigations of incidents are carried out by 5 WHY & Fish Bone methodology, and the corrective & preventive actions (CAPA) for the root causes are implemented. Further, the Learning From Incident (LFI) are shared throughout the organization for horizontal deployment of CAPA.

Health

Our health protocol includes pre-employment medical screening and periodic health checks. All manufacturing locations are equipped with Occupational Health Centre (OHC) that include nurses and visiting doctors. First aid boxes are available at all locations with certified professionals.

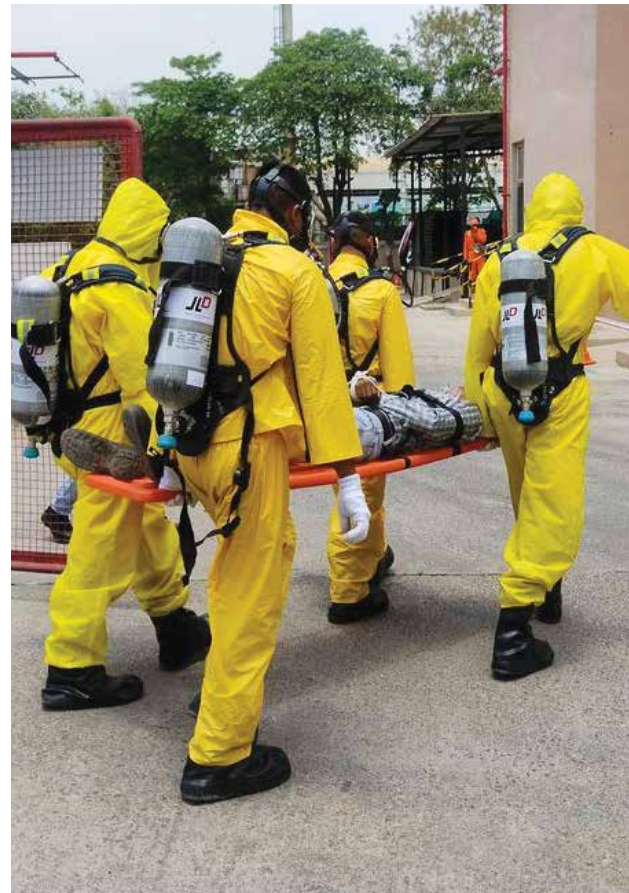
People Engagement

Health & Safety Committee

All manufacturing facilities have safety committees consisting of both Management and worker representatives. These committees review safety policy, conduct safety inspection/gemba walk, and brainstorm ideas to improve safety practices.

Health & Safety campaigns

Health & Safety campaigns for employees are conducted every month to increase its awareness.



Details of Safety Related Incidents Trend

Parameter	Unit of Measurement	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Injuries	Nos.	4	2	2	3	5
Lost days due to reportable injuries	Nos.	84	9	7	7	57*
Man hours worked	Million man hours	15.92	18.25	19.11	20.16	22.21
Fatalities	Nos.	0	0	0	1	1
Injury Rate	Per 100 workers	0.05	0.02	0.02	0.03	0.05
Lost days rate	Per 100 workers	1.05	0.1	0.07	0.07	0.51

*During FY 2022-23, the lost days were 57. This is due to 40 lost days due to fracture cases in four different incidents and 17 lost days due to a finger cut injury.

At Pidilite, we strive to create a supportive environment where we respect differences that are fundamental to an individual's identity. This is engrained in our ways of working, called PILGLOBIN, which lays a strong emphasis on respect, listening, humility, and empowerment.

To ensure a diverse, equitable and inclusive work environment both in letter and in spirit, we keep enhancing and recalibrating our people practices and policies. We believe that a truly diverse and inclusive workplace not only benefits our employees but also our customers and communities, and we are committed to making this a reality.

We uphold the values and principles of human rights and achieve this through our Code of Conduct. This helps us maintain ethical standards in our business practices and safeguards the interests of our employees and workers. Our employees are encouraged to share their concerns with their Reporting Manager, the senior management, or reach out independently to the Human Resource Function. Pidilite's open-door approach allows any employee, irrespective of hierarchy, access to the senior management. In addition, the Whistleblower policy allows anonymous reporting of any suspected or actual misconduct in the organization, through the toll free no (Ethics hot line 1800-102-6969) or emailing whistleblower@pidilite.co.in or report@integritymatters.in. Stakeholders other than permanent employees can also raise their grievances via e-mail to the concerned person/management. Further, Safety Committees at plants handle grievances related to health and safety. A zero-tolerance approach is taken, and all complaints are redressed swiftly.

The strength of our associates (employees + workers) in this financial year, stood at 7,310, with 405 female associates as compared to 377 in FY 2021-22, and 146 differently abled associates. The below seven tables highlight the level of age and gender diversity across employee categories, and the turnover rates, and new hires, of Pidilite Industries Limited as on 31st March 2023.

Workforce Details (Gender wise)

Job Classification	FY 2020-21 (Gender wise)		FY 2021-22 (Gender wise)		FY 2022-23	
	Male	Female	Male	Female	Male	Female
Staff and Workers	4,535	167	4,743	168	5309	180
Junior Management	595	92	570	106	607	109
Middle Management	645	83	648	80	734	87
Senior Management	239	18	245	23	255	29

Workforce Details (Age wise)

Job Classification	FY 2020-21 (Age wise)			FY 2021-22 (Age wise)			FY 2022-23		
	less than 30 years	30 - 50 years	more than 50 years	less than 30 years	30 - 50 years	more than 50 years	less than 30 years	30 - 50 years	more than 50 years
Staff and Workers	1,020	3,117	565	976	3,354	581	1042	3784	663
Junior Management	162	421	104	160	412	104	174	443	99
Middle Management	53	545	130	44	555	129	40	636	145
Senior Management	-	162	95	-	166	102	1	172	111

Attrition Gender-wise (including VRS, retirement and death)

Job Classification	FY 2020-21		FY 2021-22		FY 2022-23	
	Male	Female	Male	Female	Male	Female
Staff and Workers	297	9	470	16	652	22
Junior Management	50	12	89	5	133	24
Middle Management	57	9	109	14	135	27
Senior Management	19	1	43	3	42	3

Attrition Age-wise (including VRS, retirement and death)

Job Classification	FY 2020-21 (Age wise)			FY 2021-22 (Age wise)			FY 2022-23		
	less than 30 years	30 - 50 years	more than 50 years	less than 30 years	30 - 50 years	more than 50 years	less than 30 years	30 - 50 years	more than 50 years
Staff and Workers	43	219	44	93	333	60	194	414	66
Junior Management	6	45	11	16	67	11	32	103	22
Middle Management	-	51	15	3	101	19	12	135	15
Senior Management	-	6	14	-	28	18	-	29	16

New Joinees* (Gender wise)

Job Classification	FY 2020-21		FY 2021-22		FY 2022-23	
	Male	Female	Male	Female	Male	Female
Staff and Workers	477	5	640	17	1075	24
Junior Management	108	39	102	22	176	30
Middle Management	67	3	74	10	131	24
Senior Management	22	4	25	3	32	5

* New Joinees are employees who have joined post 31/03/22 and active as on 31/03/23

New Joinees (Age- wise)

Job Classification	FY 2020-21 (Age wise)			FY 2021-22 (Age wise)			FY 2022-23		
	less than 30 years	30 - 50 years	more than 50 years	less than 30 years	30 - 50 years	more than 50 years	less than 30 years	30 - 50 years	more than 50 years
Staff and Workers	283	199	-	365	291	1	488	578	33
Junior Management	70	77	-	60	64	-	99	106	1
Middle Management	3	63	4	5	78	1	11	143	1
Senior Management	-	22	4	-	24	4	1	28	8

Women Headcount (Location wise)

Job Location	FY 2020-21	FY 2021-22	FY 2022-23
Manufacturing	64	66	74
Front end Sales	9	8	8
Other functions	287	303	323
Total	360	377	405

Ensuring the well-being of our workforce is a priority. We provide health, accident insurance, maternity and paternity benefits, retirement benefits as well as parental leaves to our employees and workers.

Performance Evaluation

We measure the performance of our front line employees using an objective scorecard which outlines business and operational parameters. Our managerial employees are assessed based on their performance and improvement initiatives implemented. All our employees underwent performance and career development reviews during the reporting year.

Employee Engagement

We believe that a healthy and happy Pidilite can exist only if employees are healthy and happy. Accordingly, we have themed our employee engagement as “HAH” (Happy & Healthy). Since its inception in 2017, we have embarked on a wellness and well-being journey wherein we sensitise and engage employees on various aspects of their own and their families’ health through theme-based events and functions.

During the reporting period, we championed happiness, health, and fitness through the HAH Cares (Happy & Healthy) initiative. The physical event, held after a gap of 2 years, saw employees and their families reconnect, refresh and exhibit both their team spirit and competitive spirit in equal measure. The highlight of the year however was connecting to our roots and growing stronger through two key events, Smriti Milan and The Founder’s Day.

Smriti Milan is a forum that brings together retired employees and their spouses to reconnect with old colleagues. Reconnecting and meeting old colleagues after three years was a treasured moment for everyone. It also provided an opportunity to reminisce past cherished memories and create new ones to share with their family members.

Founder’s Day is the day we remember our Founder, Shri B. K. Parekh, and celebrate every Pidilitian and our ways of working. This was conducted physically after two years on March 10th, 2023. The event had its usual eclectic mix of fun, messaging, and bonding. The highlight of the event was the launch of the Centenary Year celebrations of our Founder in 2024.

Workplace

Workplace is our online communication and collaboration platform that connects all Pidilitians. One of its primary purposes is to share best practices and inspiring stories of achievements in and/or outside their work realms, with their own teams, directly with the leadership or the organisation. Campaigns of success stories across Business divisions/ Functions have inspired employees across the organisation.

Workplace also gauges employee satisfaction at work across different dimensions such as, but not limited to, the decision making culture, leadership’s role, and overall organisational culture. We have partnered with Willis Towers Watson to conduct annual employee satisfaction surveys.

Few Glimpses at HAH Championship



Glimpses of Picnic



Few Glimpses at HAH Championship



03

Learning and Skill Development

At Pidilite, we prioritize robust learning and professional development programmes. This empowers our people to excel in their roles and achieve their full potential.

To achieve this, we assess the training needs of our employees by evaluating the skills and knowledge required to improve their job performance. To ensure that the learning objectives align with our functional needs, we conduct the assessment at three levels:

- With the Functional leadership teams
- With Reporting managers for their teams
- With the Individual for their own learning and growth

Basis the inputs, trainings are categorized into three areas of learning:

- Subjects for all employees: Statutory Compliance training like POSH, Code Of Conduct, Legal Meteorology, Safety rules, HR and IT.
- Subjects for specific employee groups of cross business/enabling functions: Systems, Processes, Policies and Business modules relevant to roles across functions and Pidilite ways of working.
- Subjects specific to functions that require general competency needs and skill programmes.

This alignment has ensured that L&D efforts are purposeful, relevant and contribute to employee learning and growth.

To ensure Manager Development, the following signature programmes were initiated for the following cohorts of employees.

- The First Time Manager Programme: Refreshed with the objective of equipping home grown and campus hire first time managers with foundation managerial skills, to be quickly productive and successful in their role.

- The Emerging Leaders Programme: A new launch for cohorts of managers to equip performing employees with leadership skills, to support their current and future growth.
- The Consultative Skills Programme: Refreshed for sales and marketing employees of B2B business to enable them to build long term customer relationships and increase sales effectiveness.
- Netrutva: A signature programme for Manufacturing unit managers refreshed for Unit managers and cluster heads, to strengthen their planning skills, stakeholder management, and communication with teams.
- IGNITE: A signature programme for marketeers of Pidilite refreshed for category teams and marketing managers. To upskill them on Pidilite's ways of marketing and communication.

We've used technology to improve the engagement and experience of learners on Pidilite Gurukool, which we launched last year. We've seen an 85% adoption rate of the platform, and learners have repeated their learning 40% more over the past six months. Gurukool offers a blend of online and virtual learning methods, making it easily accessible. This approach accommodates various learning styles and preferences, making our development initiatives more effective.

To ensure the effectiveness of our learning and development initiatives, we gather feedback, conduct assessments, and measure the impact of learning. This data driven approach helps us identify areas of improvement and refine the learning approach/design.

The table below provides details of training hours recorded

Parameter	Unit of Measurement	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Total no. of training hours provided – PIL employees	Hrs.	2,93,327	2,47,733	59,260	1,71,494
Total no. of PIL employees	Nos.	6,607	6,063	6,589	7,310
Average hours of training per employee – PIL employees	Hrs./employee	44.38	40.86	9.00	23.46
Total no. of training hours provided – Non PIL employees	Hrs.	49,193	1,24,423	1,02,361	99,911
Total no. of job work employees (non-PIL employees)	Nos.	5,323	7,867	8000	8779
Average hours of training per employee- job work employees (non-PIL employees)	Hrs./employee	9.24	15.82	12.80	11.38
Average hours of training per employee (PIL + Non-PIL)	Hrs./employee	28.70	26.72	11.08	16.87

04

Social and Community Service Initiatives

Pidilite has been supporting various social and community initiatives for the past several years, even before the concept of Corporate Social Responsibility and the statutory requirement thereof came into being.

Our interventions have resulted in significant value creation in the following areas

CSR focus area

- Agriculture & Horticulture
- Animal Husbandry
- Initiatives for Women Empowerment
- Water Resource Management
- Hygiene & Sanitation,
- Education & Skill Development
- Health Care

Agriculture & Horticulture: A collaborative Approach for Transformation

Pidilite supports agriculture and horticulture initiatives through collaborations with experts, institutions, and interactions with farmers, including conducting night meetings.

We continued to work with around 18,000 farmers and monitored their adoption data for good agricultural practices like inter cropping, high density planting, soil management, MIS, on a digital portal with location geo tagging. This data enabled us to provide prompt recommendations and solutions. About 70% farmers actively used these recommendations, which resulted in a 12% decrease in the cost of production.

The Company's fruit and vegetable initiative resulted in the development of 60 one-acre wadis, with the addition of 24 new wadis during the last financial year, as well as shade nets to replicate vegetable and fruit crops. This intervention increased the farmers' average additional income earned to ₹ 1 Lac per annum.

Addressing the reduced production of cotton year on year, which has impacted farmer incomes, a dedicated initiative to increase productivity was executed. This resulted in an average increase of 130% in cotton yield compared to the national average yield.



Farmer Producer Organisation (FPO)

We continue to support the Farmer Producer Organisation (FPO), which has 1,171 farmer members (171 new members). Over 5,300 farmers purchased good quality inputs at subsidised rates from the FPO.

The total turnover of the FPO increased significantly from ₹ 8.38 crores in 2021-22 to ₹ 13.95 crores in FY 2022-23 (66% increase). A major part of the margins have been transferred to the farmers.

The FPO continues to support marginal farmers by providing agricultural equipment at nominal rental rates. This initiative is conducted in collaboration with the Government of Gujarat through its Custom Hiring Centre, to mainly support farmers of Mota Khuntavada and the adjoining villages. Over 400 farmers have benefited.

The FPO is continuing the collective procurement of groundnuts and gram at Minimum Support Price (MSP), from the farmers' doorsteps. During FY 2022-23, 447 MT groundnuts and 1,494 MT gram were procured, to give farmers better and assured returns. Further procurement is still ongoing.



Centre For Agriculture - Horticulture Development at Gram Daxinamurti, Manar

The Centre educates farmers on current cultivation practices recommended by universities and the Government, to boost sustainable agriculture and horticulture growth with value addition. Education and training is undertaken both at the Centre and at farmer's field/ land. The Centre also provides support to Women's Self Help Groups (SHGs) in value added products.

The Centre has successfully demonstrated agriculture and horticulture of aromatic fruits and medicinal crops. Farmers from 45 adjoining villages have visited it to learn best practices and expand their knowledge and technology. The Centre has trained 10,800 farmers since inception and 2,900 farmers in the last year (2022-23). One of its focus areas is the replication of low-cost technologies established last year, like cultivation of mushroom, hydroponics, Thailand kitchen garden, mango grafting and other techniques that will grow farmer incomes.

The Centre through its concentrated efforts, has developed various value-added fruits and vegetables which is increasing the incomes of farmers and SHG women. The products include mango pulp, tomato puree, aromatic candles, oils, and others.

During 2022-23, the Centre provided 380 kg spice seeds to 42 potential farmers who were trained at Manar Centre. A total of 65 acres is under cultivation for coriander, cumin, fennel and fenugreek at Maidhar, Sihor, Palitana, Surendranagar and Upleta talukas, in collaboration with National Research Centre on Seed Spices (NRCSS).



Seaweed Consortium ICCSIR (Indian Centre for Climate and Societal Impact Research)

The Company continues to support ICCSIR, a non-profit organization under Section 8 of Companies Act, 2013. A consortium has been formed in partnership with Excel Industries Ltd. and Mamata Group to build technology for the production, processing and value addition of selected seaweeds.

Under the guidance of ICCSIR, 140 farmers have been trained in seaweed cultivation.

Trials for Gracilaria dura and Ulva lactuca seaweed are in process. The tissue culture lab at Mandvi for Kappaphycus seaweed and Potash recovery has also been initiated.

Animal Husbandry

We continued to support the Milk and Animal Health Initiative in Mahuva Taluka. The farmers are trained in the best animal husbandry practices like Animal Feeding, Breeding, Health and Cattle Management, which has resulted in an average increase of 21% in milk yield per animal.

Over 3,200 cattle were vaccinated for Lumpy Skin Disease (a highly contagious and deadly disease in cattle) to save their lives. During the reporting period, veterinary doctors treated 3,326 animals, and 18,954 animals cumulatively. Moreover, 25 MT of special cattle feed, developed by the Animal Husbandry team, has been provided to farmers to increase the productivity of their animals.

Artificial Insemination (AI) service was performed cumulatively, on over 38,200 cattle, and for this year on over 3,000 cattle.

We continued with the innovative project of sexed semen, which ensures the delivery of a female calf. During FY 2022-23, of the 289 cattle given the dose, 45% became pregnant. Cumulatively, of the 600 cattle who have received the dose, 46% became pregnant. Based on the conception till date, the success rate of female calves being delivered is 100%.

Women Empowerment Initiatives

During 2022-23, we formed, nurtured and developed 110 new Self-Help Groups (SHGs) - Mahila Mandals - in Bhavnagar, Talaja and Amreli districts of Gujarat. Over 1,100 additional women joined these SHGs, taking the total count of SHGs to 748, and the members to 7,853 women. SHGs enable women to gain financial freedom, become a source of credit to set up services for income generation, and act as a buffer to absorb household financial crises.

To make the SHGs self-sustainable, Pidilite institutionalised them by creating 6 cluster federations of 41 village organisations (5 new VO and 5 Cluster Level Federations formed in FY 2022-23).

SHGs Training and Quality Assessment Centre focuses on expanding the technical, managerial, and financial skills of women to operate a business. During the reporting period, over 190 trainings were conducted in over 400 SHGs (over 3,900 women). These helped the women set up various mini businesses and earn a dignified livelihood.

Cumulatively, SHGs now run and manage 6 units of khakhra, and other units to make sanitizers, wooden toys, aloe vera products, pickles, masalas, bakery items, bio phenyl, jute and cloth bags, soft toys, bio-pesticides, seaweed value added products, and banana fiber processing.

A fully functional warehouse in Mahuva supports the mini businesses with logistics and sales. The warehouse oversees receiving orders, delivery to vendors, inventory management and other important activities.

Pidilite has a Public Private Partnership (PPP) with the Government of Gujarat, and Shyama Prasad Mukherji Rurban Mission to develop infrastructure for SHGs. This will enhance the creation of jobs and better livelihoods in Kikariya and Mota Khuntavada village. Machines worth ₹ 52 lac have been purchased in collaboration with the Government, to automate and mechanise the production process for the various products manufactured.

In addition, an event held on International Women's Day celebrated the success and achievements of SHG women. More than 1,500 women participated in this and the Collector and DM of Bhavnagar, Shri D. K. Parekh (IAS), felicitated 44 women for their accomplishments.



Solar Khadi Initiative

This initiative addresses the need for modernization, spinning, weaving, dyeing and value addition along with training and testing, to make the khadi weaving process profitable for the community.

Pidilite continued its association with Mahuva Khadi Bhandar. An SHG has been formed to manage the entire production of the Khadi unit for end-to-end operations. The unit has produced over 4,000 metres of khadi cloth, which is ready for sale.

200 women are being trained to operate solar charkhas and looms. Production has commenced and 1,000 metres of high quality Khadi fabric are ready for sale.

Water Resource Management

Pidilite continued to support water management activities (check dams, ponds, etc.) with the Department of Narmada, Water Resources, Water Supply and Kalpsar Department of the Government of Gujarat, in the PPP (Public Private Partnership) model.

During the reporting period, 56 check dams were built and 13 ponds and 36 farm ponds deepened. The Company assisted in constructing 269 check dams and deepening 114 ponds and 726 farm ponds. The Company has also completed check dam repairs and canal linking work across 300 kms.

The Company has also initiated the development of water structures (62 check dams and 17 ponds) for the coming year, and further water structures are under discussion with the Government.

During the reporting period, 310 hectares of additional farmland were converted into micro irrigation and more than 34 additional wells, spanning over 50 villages, were recharged to improve groundwater quality.

Cumulatively, it has translated to 4,439 hectares of micro irrigation on farmland and 1,436 well recharges in 100 villages.

All these initiatives in 2022-23 have helped Pidilite conserve on surface, 226 million litres of water in the state of Gujarat. When this conservation is compared to the Company's water consumption in its manufacturing operations within the state, the Company has a net positive impact on water conservation/utilisation.



Tree Plantation Initiative

The Company has collaborated with the State Forest Department of Gujarat to initiate a huge plantation drive with the help of the community.

In 2022-23, three lac trees were planted through mobilisation of Farmer Clubs, Schools and SHG Women. Cumulatively, eight lac trees have been planted to increase green cover.

Hygiene & Sanitation

During the reporting period, we have built 1,114 new toilets (taking the total to over 18,107 till date) in Mahuva Taluka. We worked closely with the Government and provided support to households to achieve the open defecation-free status for the villages of Mahuva Taluka.

Swachhta Initiative

Pidilite continued its collaboration with Swachh Bharat Mission (Urban), Government of Gujarat and Mahuva Nagar Palika for the cleanliness drive.

The Company also continued its tri-party collaboration with the Regional Commissionerate of Municipalities of Bhavnagar and Mahuva Nagar Palika, to set up a Material Recovery Facility at Mahuva for waste segregation, processing and recycling (which is near completion).

We enlisted an expert agency to handle segregation at source, removal, collection and recycling of both organic and plastic waste, to turn them into value added products. During the reporting period, we segregated 348 MTs, from which we produced compost for farmers. To support this effort, we set up 14 Plastic Collection Centres (PCCs) in Mahuva, which have purchased scrap materials from rag pickers. A total of 82.5 tonnes waste has been collected and 53.8 tonnes sold to recyclers for value addition.

We extended the drive to the villages of Mahuva Taluka in a phased manner. SHG women along with the Panchayats ensure community involvement in the plastic waste collection.



Education & Skill Development

The habit of reading among children, particularly in rural areas, is declining. This also impacts the learning ability at a young age. Pidilite has developed eight libraries, three of which are community libraries, four school libraries, and one large scale library at Gujarat University Ahmedabad, which caters to approx. 800 students per day.

We have further expanded the learning through Shri Giju Bhai Badheka Methodology initiative, in collaboration with Daxinamurti Bhavnagar (pre-primary education initiative) which focuses on teaching young children (aged 3-5). This used methods like self-manifestation through rhymes, stories, action songs, outings, games and other interactive methods to spark curiosity among children. Initially, we covered 20 Aanganwadis and we saw a significant increase in children's attendance from 25% to 75%.

Seeing a positive response during FY 2022-23, 125 new Aanganwadis have been covered in Mahuva Taluka in Phase 1. The Company continues its collaboration with Navneet for the digitization of 155 Primary and Secondary schools in Mahuva. The Company has continued the WaGaLe initiative in 143 schools as it has helped students learn the basics of reading, writing and counting. The Company has beautified 200 Government Schools (51 new schools) in Mahuva and Jesar Talukas.

Pidilite has also signed MoUs with the District Panchayats of Amreli and Bhavnagar, to renovate over 220 Aanganwadis, develop 2 Gram Panchayats, and the library and computer lab buildings, under the PPP model.



Pidilite is supporting 5 schools of Shri Triveni Kalyan Education Trust (TKET) and Parekh College by developing classrooms, science laboratories and other basic and advanced amenities, on the TKET campus. A dedicated building is being developed in Parekh College for the recently initiated engineering course. In 2022-23, through the Shri N. N. Mehta Memorial Education Trust, the Company provided scholarships for higher education amounting to more than ₹ 41 lakh, to 258 deserving students.

We are working with Shri BKP Science City (a modern science museum) in Bhavnagar to develop analytical learning in students. Shri BKP Science City, in collaboration with Augustya Foundation, has upgraded the Science Museum and the mobile van. It has also introduced new verticals like the mini-innovation hub, planetarium, tod-fod-jod corner, and others, to spark curiosity and encourage children to learn various concepts of Science.

Skill Development

Pidilite continued its collaboration for the ninth year with the Directorate of Employment and Training (under the Labour and Employment Department), Government of Gujarat, to strengthen the state's skill ecosystem. During the current year, 18,609 trainees from 199 ITIs benefited through carpentry, plumbing, electrician and construction technician courses. Moreover, in Rajasthan, the Company supports the plumbing and carpentry courses of four ITIs.

During the reporting period, we commenced our skill development initiative in Himachal Pradesh and Maharashtra, covering 113 ITIs from 11 districts, 4 Train to Trainers (ToTs) in Himachal Pradesh, and Courses in Carpentry and Plumbing in Maharashtra. We are also promoting Art and Craft trainings in women ITIs of Maharashtra and have conducted four workshops till date.

Under the PPP (Public-Private Partnership) scheme of the Government, Pidilite is the Industry Partner to 18 ITIs in Gujarat, Himachal Pradesh, and Maharashtra, and focuses its efforts on strengthening trades and training delivery, both in scale and quality.

The Company has signed a MoU with the NSTI (W)-Vadodara, under the Ministry of Skill Development and Entrepreneurship, Government of India, to provide training in Plumbing to women. The Company has continued its support as an Industry Partner in Gujarat for the World Skill Competition 2022 for trades in Carpentry, Joinery, and Plumbing and Heating.

An Advanced Skilling Centre is being established on Woodworking and Plumbing at Ahmedabad under the aegis of Kaushalya – The Skill University, Government of Gujarat. Certificate, Diploma, Graduation and Post Graduation courses in Woodworking and Plumbing will be offered. Pidilite has also organised District, Regional and State level sports events to enhance the holistic development of students and the ITIs.

Health Care

During 2022-23, Pidilite's continued support to Hanumant Hospital in Mahuva, enabled 45,582 outpatient treatments, 3,179+ surgeries and 12,639 successful emergency cases. Four educational training programmes were conducted for the medical fraternity.

Hanumant Hospital is enrolled under the Ayushyaman Bharat scheme of the Government of India, thereby providing cashless treatment to 1,365 patients in 2022-23. During 2022-23, the Hospital, under the urology cluster, provided cashless dialysis service to 7,420 patients under the Ayushman Bharat-Pradhan Mantri Jan Arogya Yojana scheme. Cumulatively, 8,577 beneficiaries have availed various cashless services.

Hanumant Hospital also conducted free eye and paediatric checkup camps through mobile ophthalmic vans in 46 villages of Mahuva and its surrounding areas, screening 4,250 patients.

289 free cataract surgeries with Intra ocular lenses (IOL) were conducted in collaboration with Vision Foundation, Mumbai.

Furthermore, the Hospital runs three schemes - Chitrakutdham Arogya Scheme, Jaswant Mehta Arogya Scheme and Arogya Sanjivani Scheme - which have provided free treatment to 8,886 beneficiaries.

BK Parekh Parkinson's Disease and Movement Disorder Society (BKPPDMDS)

Pidilite supports the rehabilitation of people with Parkinson's disease, and their caregivers, to improve their quality of life.

BKPPDMDS proudly launched its 10th Gujarat PD Support Group Centre in Bhuj in July 2022. It has 10 centres across Gujarat and two centres in Pune, Maharashtra. Post the Covid-19 pandemic, the offline sessions have resumed, while the online platform continues to function for patients who live in the outskirts or are unable to travel to the physical centres. The hybrid online and offline model offers various services such as psychoeducation on Parkinson's, physiotherapy, speech therapy, occupational therapy, psychological services, diet and nutrition, creative therapies, yoga and specialised online support programmes for caregivers.

Cancer Patients Aid Association (CPAA)

In association with (CPAA), Pidilite has provided financial assistance to over 300 cancer patients and their families, thus giving them a chance of treatment and survival.

Children with cancer were helped with medical aid, diet supplements, transportation, and even a job for a family member, in addition to addressing their psychological, social, and spiritual needs.



General Semantics

The Balvant Parekh Centre for General Semantics and Other Human Sciences has collaborated with The University of Rajasthan to create awareness on the concept of "General Semantics". "Time Binding is an integral part", was the theme of the International Conference held at the University of Rajasthan. A Symposium on humanities was organised at the Centre, where Professor Roland Greene of Stanford University delivered the lecture.

The Centre also inaugurated "BKP Special Collection of Books" in December 2022, where Late Shri Balvant Kalyanji Parekh's entire book collection was displayed and made available to read for visitors.

annexure 1: GRI content index

Statement of use	Pidilite Industries Limited has reported the information cited in this GRI content index for the period April 1st 2022 to March 31st 2023 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

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	302-3 Energy intensity	Page 44-45
	302-4 Reduction of energy consumption	Page 46
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Page 50-51
	303-2 Management of water discharge-related impacts	Page 52
	303-3 Water withdrawal	Page 51
	303-4 Water discharge	Page 52
	303-5 Water consumption	Page 53
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Page 49
	305-2 Energy indirect (Scope 2) GHG emissions	Page 48
	305-3 Other indirect (Scope 3) GHG emissions	Page 48
	305-4 GHG emissions intensity	Page 48
	305-5 Reduction of GHG emissions	Page 47
	305-7 Nitrogen oxides (NOX), sulphur oxides (SOX), and other significant air emissions	Page 50
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Page 55
	306-2 Management of significant waste-related impacts	Page 55
	306-3 Waste generated	Page 55
	306-4 Waste diverted from disposal	Page 55
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GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Page 68-69
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Page 70
	401-3 Parental leave	Page 70
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Page 63
	403-2 Hazard identification, risk assessment, and incident investigation	Page 63
	403-3 Occupational health services	Page 65
	403-4 Worker participation, consultation, and communication on occupational health and safety	Page 66
	403-5 Worker training on occupational health and safety	Page 65
	403-6 Promotion of worker health	Page 65
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Page 64-65
	403-8 Workers covered by an occupational health and safety management system	Page 63
	403-9 Work-related injuries	Page 67
	403-10 Work-related ill health	Page 67
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Page 73
	404-2 Programs for upgrading employee skills and transition assistance programs	Page 71
	404-3 Percentage of employees receiving regular performance and career development reviews	Page 68
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Page 34
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Page 20-21 Page 75-85
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Page 59
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Page 59

annexure 2: UN SDG linkage

Annexure 2 – UN SDG linkage

Sustainable Development Goal		Statement	Page Number / Direct Response
Goal 1: No Poverty		End poverty in all its forms everywhere	Page 75-79
Goal 2: Zero Hunger		End hunger, achieve food security and improved nutrition and promote sustainable agriculture	Page 77
Goal 3: Good Health and Well-Being		Ensure healthy lives and promote well-being for all at all ages	Page 68, 71, 83, 84
Goal 4: Quality Education		Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	Page 82, 83
Goal 5: Gender Equality		Achieve gender equality and empower all women and girls	Page 68, 78, 79
Goal 6: Clean Water and Sanitation		Ensure availability and sustainable management of water and sanitation for all	Page 80
Goal 7: Affordable And Clean Energy		Ensure access to affordable, reliable, sustainable, and modern energy for all	Page 43-48, 79
Goal 8: Decent Work and Economic Growth		Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	Page 75-79
Goal 9: Industry, Innovation and Infrastructure		Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	Page 59, 60
Goal 10: Reduced Inequalities		Reduce inequality within and among countries	Page 75-79
Goal 11: Sustainable Cities and Communities		Make cities and human settlements inclusive, safe, resilient, and sustainable	Page 78-85
Goal 12: Responsible Consumption and Production		Ensure sustainable consumption and production patterns	Page 40-58
Goal 13: Climate Action		Take urgent action to combat climate change and its impacts	Page 16-18, 43-58
Goal 15: Life on Land		Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss	Page 80, 81
Goal 16: Peace, Justice, and Strong Institutions		Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable, and inclusive institutions at all levels	Page 75-78
Goal 17: Partnerships For The Goals		Strengthen the means of implementation and revitalize the global partnership for sustainable development	Page 75-85

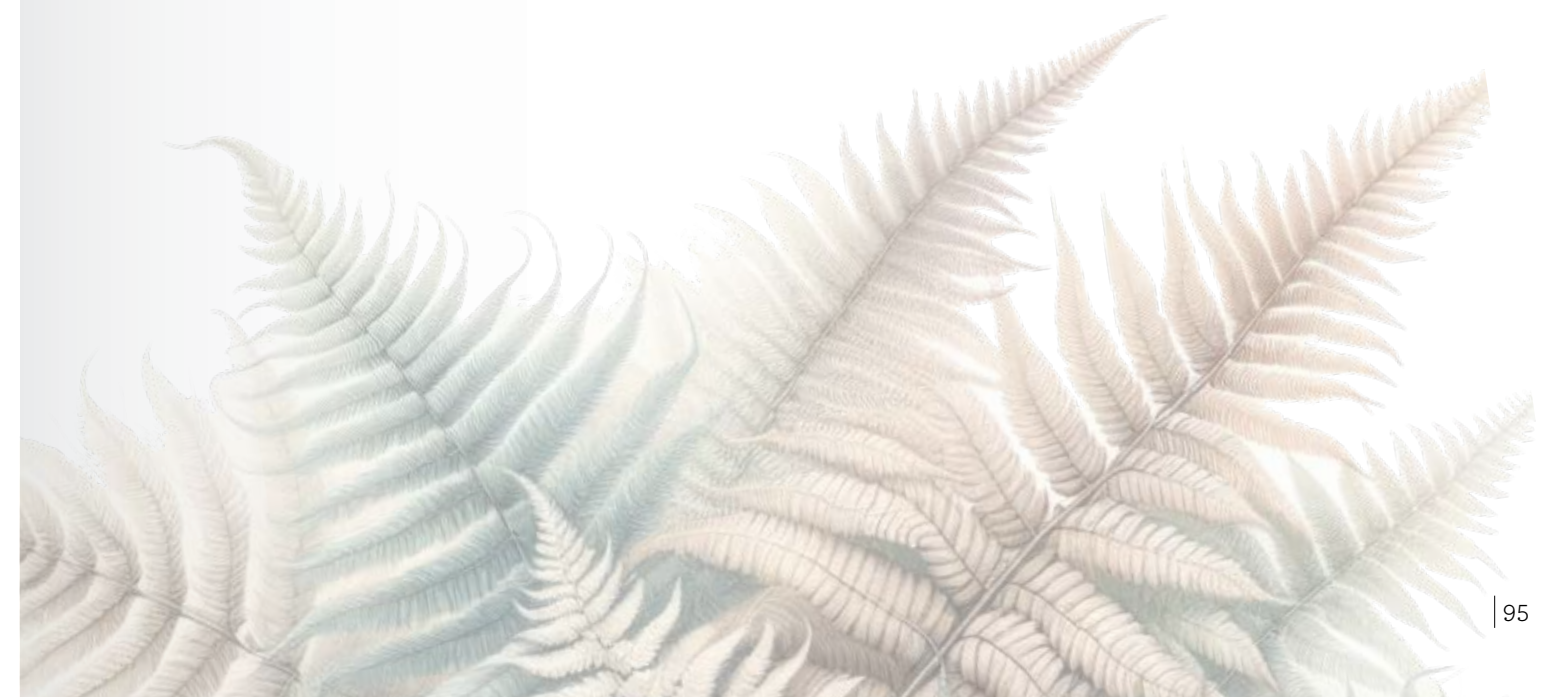
annexure 3: glossary

Annexure 3 – Glossary

Abbreviations	Expanded Form
AHU	Air Handling Unit
AI	Artificial Insemination
APFC	Automatic Power Factor Correction
BIS	Bureau of Indian Standards
BKPPDMS	B K Parekh Parkinson's Disease & Movement Disorder Society
BRSR	Business Responsibility and Sustainability Report
CMR	Carcinogenic, Mutagenic, Reprotoxic
CMS	Complaint Management System
CPCB	Central Pollution Control Board
CSR	Corporate Social Responsibility
DCLD	Dubai Central Laboratory Department
DM	Demineralization Plant
EBITDA	Earnings before Interest, Taxes, Depreciation, and Amortization
EC	Electronically Commutated
EHS	Environment Health and Safety
EPR	Extended Producer Responsibility
ERM	Enterprise Risk Management
ESG	Environmental Social Governance
ESI	Employees' State Insurance
FPO	Framer Producer Organization
FY	Financial Year
GHG	Greenhouse Gas
GJ	Giga Joule
GRI	Global Reporting Initiative
HAH	Happy and Healthy
HSD	High Speed Diesel
ILECS	Inter Lab Error Control Survey
IP	Intellectual Property

ISO	International Organization for Standardization
JV	Joint Venture
KG	Kilogram
KPI	Key Performance Indicators
KRA	Key Result Area
L&D	Learning and Development
MCC	Motor Control Centre
MLP	Multi-Layer Plastics
MT	Metric Ton
NRC	Nomination and Remuneration Committee
NOx	Oxides of Nitrogen
OHS	Occupational Health and Safety
PCC	Power Control Centre
PCRW	Post-consumer use recycled plastic
PF	Provident Fund
PIL	Pidilite Industries Limited
PNG	Piped Natural Gas
PRI	Packaging Rate Index
PU	Polyurethane
PVA	Polyvinyl Alcohol
QMS	Quality Management System
QRI	Quality Rating Index
R&D	Research and Development
RCA	Root Cause Analysis
RH	Relative Humidity
RIMC	Risk Identification and Mitigation Committee
RMOC	Risk Management oversight committee
RO	Reverse Osmosis
RPA	Robotic Process Automation
SAP	System Applications and Products

SEBI	Securities Exchange Board of India
SHG	Self Help Group
SKU	Stock Keeping Unit
SOP	Standard Operating Process
Sox	Oxides of Sulphur
SRC	Stakeholder Relationship Committee
STP	Sewage Treatment Plant
tCO2	Total Carbon Dioxide
TDS	Total Dissolved Solid
TPM	Total Particulate Matter
UL	Underwriters Laboratory
UN SDGs	United Nations Sustainable Development Goals
VFD	Variable Frequency Drive
ZED	Zero Effluent Discharge



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