

# Business Responsibility Report

Securities and Exchange Board of India (SEBI) has mandated the requirement of submission of Business Responsibility Report (BRR) for the first 500 listed entities under Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Atul is pleased to present its second BRR for 2017-18 based on the suggested framework provided by SEBI.

## Section A: General information

01. Corporate Identity Number (CIN): L99999GJ1975PLC002859
02. Name: Atul Ltd
03. Registered office address: Atul House, G I Patel Marg, Ahmedabad 380 014, Gujarat, India
04. Website: www.atul.co.in
05. E-mail address: sec@atul.co.in
06. Financial year reported: 2017-18
07. Sector(s) engaged in (industrial activity code-wise): 201- basic chemicals, 202 - other chemical products
08. 3 key products | services manufactured | provided:
  - i) Epoxy resins and hardeners
  - ii) Herbicides
  - iii) Textile dyes
09. Number of locations where business activity is undertaken:
  - i) International locations: 6\*
  - ii) National locations: 9\* through subsidiary companies
10. Markets served: national and international

## Section B: Financial details

01. Paid up capital: ₹ 29.68 cr
02. Turnover: ₹ 3,050 cr
03. Profit after tax: ₹ 270 cr
04. Spending on Corporate Social Responsibility: ₹ 7.39 crore (2% of average net profit of the Company for last 3 financial years)
05. Activities in which the Corporate Social Responsibility expenditures have been incurred: refer to page number 27.

## Section C: Other details

01. Number of subsidiary companies: 20
02. Participation of the subsidiary companies in Business Responsibility (BR) initiatives: all operating subsidiary companies are participating in the BR initiatives of the Company.
03. Percentage of participation in BR initiatives by other entities (suppliers | customers) with whom the Company does business: less than 30%.

## Section D: BR information

### 01. Details of the Director (responsible for BR) and the head of BR

#### a. Details of the Director:

<b>Name:</b>	<b>Mr Bharathy Mohanan</b>
Designation:	Whole-time Director and President – Utilities and Services
DIN:	00198716

#### b. Details of the head of BR:

<b>Name:</b>	<b>Mr Deepak Ahuja</b>
Designation:	General Manager – Human Resources
E-mail address:	deepak_ahuja@atul.co.in
Telephone:	(+91 2632) 230398

## 02. Principles related to BR as per National Voluntary Guidelines

The National Voluntary Guidelines on Economic, Environmental and Social responsibilities of Businesses released by the Ministry of Corporate Affairs has adopted 9 Principles related to BRR. These are as follows:

- P1 **Ethics, transparency and accountability**  
Businesses will conduct and govern themselves with ethics, transparency and accountability.
- P2 **Product lifecycle sustainability**  
Businesses will provide goods and services that are safe and contribute to sustainability throughout their lifecycle.
- P3 **Well-being of the employees**  
Businesses will promote the well-being of all employees.
- P4 **Engagement with the Stakeholders**  
Businesses will respect the interests of and be responsive towards all the Stakeholders, especially those who are disadvantaged, marginalised and vulnerable.
- P5 **Human rights**  
Businesses will respect and promote human rights.
- P6 **Environment**  
Businesses will respect, protect and make efforts to restore the environment.
- P7 **Policy advocacy**  
Businesses, when engaged in influencing public and regulatory policy, will do so in a responsible manner.
- P8 **Equitable development**  
Businesses will support inclusive growth and equitable development.
- P9 **Value to the customers**  
Businesses will engage with and provide value to their customers and consumers in a responsible manner.

a. Details of the compliance (Y: yes, N: no)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
01.	Does the Company have policies for the 9 Principles of BR?	Y	Y	Y	Y	Y	Y	Y	Y	Y
02.	Have the policies been formulated in consultation with the relevant Stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
03.	Do the policies conform to any national   international standards?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The Company has developed policies for its significant operations in conformance with the international standards (such as ISO 9000, ISO 14000, OHSAS 18000), UNGC guidelines and ILO Principles.								
04.	Have the policies been approved by the Board? If so, has it been signed by the owner   MD   CEO   appropriate Board of Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		All the policies have been approved by the Board and have been signed by a Whole-time Director (WtD).								
05.	Does the Company have a specified Committee of the Board   Directors   Officials to oversee the implementation of the policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The Company has appointed a WtD to oversee implementation of the policies.								
06.	What is the URL to view the policies online?	The policies are not yet made available online.								
07.	Have the policies been formally communicated to all relevant internal and external Stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The policies have been communicated to many relevant internal and external Stakeholders.								
08.	Does the Company have an in-house structure to implement the policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
09.	Does the Company have a grievance redressal mechanism to address grievances of the Stakeholders (related to the policies)?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the Company carried out independent audit   evaluation of the working of the policies by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

### 03. Governance

No.	Questions	Frequency
a.	What is the frequency with which the Board, Committee of the Board or the CEO assesses the BR performance?	The WtD assesses the BR performance once a quarter.
b.	Whether BR and Sustainability reports be published and if so, its frequency and the URL of the published reports?	Published annually. URL: <a href="http://www.atul.co.in/sustainability/overview.html">http://www.atul.co.in/sustainability/overview.html</a>

## Section E: Principle-wise performance

### Principle 1: Ethics, transparency and accountability

Businesses must conduct and govern themselves with ethics, transparency and accountability.

01. Does the Policy relating to ethics, bribery and corruption cover only the Company or does it extend to the Group | joint ventures | suppliers | contractors | NGOs | others?

The Policy extends to the Group | joint ventures | suppliers | contractors | NGOs | others.

02. How many Stakeholders' complaints have been received in 2017-18 and what percentage was satisfactorily resolved by the Management?

During 2017-18, no such complaints were received from the Stakeholders and there were no outstanding complaints as on March 31, 2018.

### Principle 2: Product lifecycle sustainability

Businesses will provide goods and services that are safe and contribute to sustainability throughout their lifecycle.

01. List up to 3 products or services of the Company whose design(s) has (have) incorporated social or environmental concerns, risks and | or opportunities.

- i) *para* Cresol
- ii) Resorcinol
- iii) 2,4-D Acid

02. Does the Company have procedures in place for sustainable sourcing (including transportation)? If so, what percentage of inputs was sourced sustainably?

The Company is in the process of institutionalising procedures for sustainable sourcing including transportation. Currently, the Company expects its suppliers to abide by ISO 9001 and ISO 14001 standards.

03. Has the Company taken any steps to procure goods and services from local and small producers | providers, including communities surrounding its place of work? If so, what steps have been taken to improve their capacity and capability?

The Company gives preference to local and small producers | providers of goods and services based near its manufacturing sites. Its managers regularly interact with such producers | providers of goods and services to improve their capacity and capability, particularly in the areas of manufacturing and fabrication and safety, health and environment.

04. Does the Company have a mechanism to recycle its products and waste? If so, what percentage of products and waste is recycled (separately as <5%, 5-10%, >10%) and what are the details thereof?

The Company has in-house facilities to recycle its waste and is continuously striving to minimise them. At present, it is recycling more than 10% of its waste. In addition to the in-house facilities, it also works with selected companies which are duly authorised by the State Pollution Control Board (SPCB) for using such waste as their inputs.

### Principle 3: Well-being of the employees

Businesses will promote the well-being of all employees.

01. Number of employees: 2,454 permanent employees as on March 31, 2018

02. Number of employees on temporary | contractual | casual basis: 2,949 as on March 31, 2018

03. Number of permanent women employees: 109 as on March 31, 2018

04. Number of permanent employees with disabilities: 6 as on March 31, 2018

05. Recognition of employee association by the Management: the Management has recognised employee associations for workmen.

06. Percentage of permanent employees who are members of the recognised employee associations: 100% of workmen constituting 45% of the permanent employees.

07. Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment, discriminatory employment in 2017-18 and pending as on March 31, 2018: none

08. Percentage of employees given safety and skill up-gradation training in 2017-18:

Employee category	Employees imparted safety training	Employees imparted skill up-gradation training
Permanent employees	38%	76%
Temporary   contractual   casual employees	79%	79%
Permanent women employees	34%	86%
Permanent employees with disabilities	67%	67%

#### Principle 4: Engagement with the Stakeholders

Businesses will respect the interests of and be responsive towards all Stakeholders, especially those who are disadvantaged, marginalised and vulnerable.

01. Has the Company mapped its internal and external Stakeholders?

The Company has mapped its internal and external Stakeholders; they are community, consumers, customers, employees, Government, lenders, NGOs and the Shareholders.

02. Out of the above, has the Company identified the disadvantaged, marginalised and vulnerable Stakeholders?

The Company has identified the poor, tribals, women and children as the disadvantaged, marginalised and vulnerable Stakeholders.

03. Are there any special initiatives taken by the Company to engage with the disadvantaged, marginalised and vulnerable Stakeholders?

Stakeholder groups	Program	Initiatives (not exhaustive)*
Poor	<ul style="list-style-type: none"> <li>Empowerment</li> <li>Health</li> <li>Infrastructure</li> <li>Relief</li> </ul>	<ul style="list-style-type: none"> <li>Generated employment by hiring apprentices</li> <li>Constructed individual household toilets</li> <li>Repaired community sheds and roads in villages</li> <li>Provided financial assistance to cancer patients</li> </ul>
Tribals	<ul style="list-style-type: none"> <li>Education</li> <li>Empowerment</li> </ul>	<ul style="list-style-type: none"> <li>Provided school education</li> <li>Imparted vocational skills</li> </ul>
Women	<ul style="list-style-type: none"> <li>Empowerment</li> <li>Relief</li> </ul>	<ul style="list-style-type: none"> <li>Trained women to become skilled elementary school teachers</li> <li>Supported prevention of exploitation of women</li> </ul>
Children	<ul style="list-style-type: none"> <li>Education</li> <li>Infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>Distributed books to children in village schools</li> <li>Repaired school buildings</li> </ul>

\* Details of various initiatives undertaken by the Company are given at page numbers 28 and 29.

#### Principle 5: Human rights

Businesses will respect and promote human rights.

01. Does the Policy of the Company on human rights cover only the Company or extend to the Group | joint ventures | suppliers | contractors | NGOs | others?

The Policy extends to the Group | joint ventures | suppliers | contractors | NGOs | others.

02. How many Stakeholder complaints have been received in 2017-18 and what percent was satisfactorily resolved by the Management?

During 2017-18, no complaints were received.

#### Principle 6: Environment

Businesses will respect, protect and make efforts to restore the environment.

01. Does the Policy related to environment cover only the Company or extend to the Group | joint ventures | suppliers | contractors | NGOs | others?

The Policy extends to the Group | joint ventures | suppliers | contractors | NGOs | others.

02. Does the Company have strategies | initiatives to address global environmental issues such as climate change, global warming, etc? If so, what is the URL?

The Company has strategies | initiatives for enhancing its own performance (over which it is able to exercise control) related to issues concerning the environment. There is no URL at present.

03. Does the Company identify and assess potential environmental risks?  
The Company identifies and assesses potential environmental risks for its existing and new products.
04. Does the Company have any project related to Clean Development Mechanism? If so, state the details thereof and mention whether any environmental compliance report is filed.  
The Company does not have any project related to Clean Development Mechanism.  
The Company is continuously improving its environmental performance for its existing products and undertakes thorough investigation for new products. It drops any project, even if financially viable, if it does not meet norms of CPCB | SPCB.
05. Has the Company undertaken any other initiatives on clean technology, energy efficiency, renewable energy, etc? If so, what is the URL?  
The Company regularly undertakes many initiatives related to clean technology, energy efficiency, renewable energy, etc  
For example, it has installed Energy Monitoring System (EMS), installed LED lights across the Company, procured only those motors which are energy efficient and enhanced hydrogen bottling capacity by 42%. It recovers products from effluents | emissions | waste. At present, it does not have any URL.
06. Are the emissions | waste generated by the Company within permissible limits given by CPCB | SPCB for 2017-18?  
The effluents | emissions | waste generated by the manufacturing facilities of the Company are within the permissible limits given by CPCB | SPCB for 2017-18.
07. Number of show cause | legal notices received from CPCB | SPCB which are pending (not resolved to satisfaction) as of end of 2017-18.  
There were no pending show cause notices as on March 31, 2018.

#### **Principle 7: Policy advocacy**

Businesses, when engaged in influencing public and regulatory policy, will do so in a responsible manner.

01. Is the Company a member of any trade chamber or association?  
The Company is a member of various associations such as:
- i) Basic Chemicals, Cosmetics and Dyes Export Promotion Council
  - ii) Chemical and Allied Export Promotion Council of India
  - iii) Confederation of Indian Industry
  - iv) Crop Care Federation of India
  - v) Federation of Indian Chambers of Commerce and Industry
  - vi) Federation of Indian Export Organisations
  - vii) Pesticides Manufacturers and Formulators Association
02. Has the Company advocated | lobbied through above associations for advancement or improvement of public good? If so, which are the broad areas?  
The Company works with the trade associations from time to time for advancement or improvement of public good. For example, it worked with such associations and on its own for rationalisation of duty structure (excise and customs).

#### **Principle 8: Equitable development**

Businesses will support inclusive growth and equitable development.

01. Does the Company have specified programs | projects | initiatives in pursuit of the Policy related to equitable development? If so, what are the details thereof?  
The Company has 6 programs, namely, Education, Empowerment, Health, Relief, Conservation and Infrastructure in support of inclusive growth and equitable development. Serving the society is embedded in its working since its inception – for example, its first site was established not only as a factory, but an integrated township. The details of initiatives undertaken for such programs are given at page numbers 16 and 17.
02. Are the programs | projects undertaken through in-house teams | own foundation | external NGOs | Government structures | any other organisation?  
The Company undertakes projects through Atul Foundation (a trust established by the Company), NGOs and other selected trusts.
03. Has the Company done any impact assessment of its initiatives?  
Every initiative is monitored and reviewed for its effective implementation, quantitatively and qualitatively.

04. What is the direct contribution of the Company towards community development in terms of amount (in ₹) and what are the details of the projects | initiatives undertaken?

The direct contribution of the Company was ₹ 739 lakhs (2017-18); details of the projects | initiatives undertaken are mentioned at page number 29.

05. Has the Company taken steps to ensure that community development projects | initiatives are successfully adopted by the community?

Atul Foundation Trust identifies and implements projects along with the beneficiaries to ensure their successful adoption; for example, the project to build toilets is being implemented with active participation of all the beneficiaries.

#### **Principle 9: Value to the customers**

Businesses will engage with and provide value to their customers and consumers in a responsible manner.

01. What percentage of customer complaints | consumer cases are pending as on March 31, 2018?

Around 1%.

02. Does the Company display product information on the product label, over and above what is mandated as per local laws?

The Company proactively displays product information on the label as per applicable national and international laws. Any additional information required is provided to the customers | consumers.

03. Is there any case filed by any Stakeholder against the Company regarding unfair trade practices, irresponsible advertising and | or anti-competitive behaviour during the last 5 years and pending as on March 31, 2018?

No cases were filed by any Stakeholder against the Company for the above reasons.

04. Did the Company carry out any consumer survey | satisfaction trends?

The Company undertakes customer satisfaction surveys periodically. The feedback received is compiled and analysed to take corrective actions.