

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 first BRR for 2016-17 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: 2016-17
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: ₹ 2,639 cr
03. Profit after tax: ₹ 285 cr
04. Spending on Corporate Social Responsibility: 2% of profit after tax
05. Activities in which the Corporate Social Responsibility expenditures have been incurred: refer to page number 28.

Section C: Other details

01. Number of subsidiary companies: 18.
02. Participation of the subsidiary companies in the BR initiatives: all operating subsidiary companies are participating in the BR initiatives of the Company.
03. Percentage of participation in the BR initiatives by other entities (suppliers | customers) with whom the Company does business: less than 30%.

Section D: BR information

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

a. Details of the Director:

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

b. Details of the head of BR:

Name:	Mr Deepak Ahuja
Designation:	General Manager, Human Resources
E-mail address:	deepak_ahuja@atul.co.in
Telephone number:	(+91) 2632 230398

02. Principles related to BR as per National Voluntary Guidelines (NVG)

The NVG 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 should conduct and govern themselves with ethics, transparency and accountability.
- P2 **Products lifecycle sustainability**
Businesses should provide goods and services that are safe and contribute to sustainability throughout their lifecycle.
- P3 **Well-being of the employees**
Businesses should promote the well-being of all employees.
- P4 **Engagement with the Stakeholders**
Businesses should respect the interests of and be responsive towards all Stakeholders, especially those who are disadvantaged, vulnerable and marginalised.
- P5 **Human rights**
Businesses should respect and promote human rights.
- P6 **Environment**
Businesses should respect, protect and make efforts to restore the environment.
- P7 **Policy advocacy**
Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
- P8 **Equitable development**
Businesses should support inclusive growth and equitable development.
- P9 **Value to the customers**
Businesses should 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 will be published and if so, its frequency and the URL of the published reports?	The BRR will be published annually. URL: http://www.atul.co.in/sustainability/overview.html

Section E: Principle-wise performance

Principle 1: Ethics, transparency and accountability

Businesses should 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 2016-17 and what percentage was satisfactorily resolved by the Management?
During 2016-17, no such complaints were received from the Stakeholders and there were no outstanding complaint as on March 31, 2017.

Principle 2: Products lifecycle sustainability

Businesses should 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) Caustic | Chlorine
 - iii) Sulphur black
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 the 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 wastes? If so, what percentage of recycling of products and wastes is recycled (separately as <5%, 5-10%, >10%) and details thereof?
The Company has in-house facilities to recycle its wastes and is continuously striving to minimise them. At present, it is recycling more than 10% of its wastes. 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 wastes as their inputs.

Principle 3: Well-being of the employees

Businesses should promote the well-being of all employees.

01. Number of employees: 2,434 permanent employees as on March 31, 2017
02. Number of employees hired on temporary | contractual | casual basis: 2,551 as on March 31, 2017
03. Number of permanent women employees: 98 as on March 31, 2017
04. Number of permanent employees with disabilities: 5 as on March 31, 2017
05. Recognition of employee association by the Management: the Company has recognised employee associations for workmen.
06. Percentage of permanent employees who are members of the recognised employee associations: 100% of workmen constituting 41% of the permanent employees.
07. Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in 2016-17 and pending as on March 31, 2017: none

08. Percentage of employees given safety and skill up-gradation training in 2016-17:

Employee category	Employees imparted safety training	Employees imparted skill up-gradation training
Permanent employees	35%	52%
Temporary contractual casual employees	28%	28%
Permanent women employees	10%	85%
Permanent employees with disabilities	30%	60%

Principle 4: Engagement with the Stakeholders

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

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, rural 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"> Empowerment Health Infrastructure Relief 	<ul style="list-style-type: none"> Generated employment by hiring apprentices Constructed individual household toilets Repaired community sheds and roads in villages Provided financial assistance to cancer patients
Tribals	<ul style="list-style-type: none"> Education Empowerment 	<ul style="list-style-type: none"> Provided school education Imparted vocational skills
Women	<ul style="list-style-type: none"> Empowerment Relief 	<ul style="list-style-type: none"> Imparted training to women (rural) to become skilled elementary school teachers Supported prevention of exploitation of women
Children	<ul style="list-style-type: none"> Education Health Infrastructure Relief 	<ul style="list-style-type: none"> Distributed books to children in village schools Provided food supplements Repaired school buildings Supported day care centres

* Details of various initiatives undertaken by the Company are given at page numbers 29 and 30.

Principle 5: Human rights

Businesses should 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 2016-17 and what percent was satisfactorily resolved by the Management?

During 2016-17, no complaints were received.

Principle 6: Environment

Businesses should 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 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 and if so, details thereof and 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 implemented a new caustic | chlorine project with membrane technology and installed 2 wind turbines. It recovers products from effluents | emissions | wastes. 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 2016-17?
The effluents | emissions | wastes generated by the manufacturing facilities of the Company are within the permissible limits given by CPCB | SPCB for 2016-17.
07. Number of show cause | legal notices received from CPCB | SPCB which are pending (not resolved to satisfaction) as of end of 2016-17.
There were no pending show cause notices as on March 31, 2017.

Principle 7: Policy advocacy

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

01. Is your Company a member of any trade chamber or association?
The Company is a member of various associations like
- 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 Export Organisations
 - vi) Pesticides Manufacturers and Formulators Association and
 - vii) The Federation of Indian Chambers of Commerce and Industry etc
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 should support inclusive growth and equitable development.

01. Does the Company have specified programs | projects | initiatives in pursuit of the policy related to equitable development and if so, details thereof?
The Company has 6 programs, namely, Education, Empowerment, Infrastructure, Conservation, Health and Relief, 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 team | 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 ₹ 659.94 lakhs (2016-17); details of the projects | initiatives undertaken are mentioned at page number 29.

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

Atul Foundation 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

Business should 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 the end of 2016-17?

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 last 5 years and pending as of end of 2016-17?

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.