

Business Responsibility Report 2016-17

Annexure J

Preface:

Coromandel International Limited presents its first 'Business Responsibility Report' (BRR), as mandated by Securities and Exchange Board of India (SEBI), and in line with the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' (NVGs), as released by the Ministry of Corporate Affairs in July 2011. The report has been prepared as prescribed and in accordance with Regulation 34 of the SEBI (LODR) Regulations, 2015.

About Coromandel International Limited

Coromandel International Limited (Coromandel), part of one of India's leading business conglomerates Murugappa Group, and India's second largest Phosphatic fertiliser player, is in the business of Fertilisers, Specialty Nutrients, Crop Protection and Rural Retail. It manufactures a wide range of fertilisers, making it a leader in its addressable markets. In its endeavor to be a complete plant nutrition solutions Company, Coromandel has also introduced a range of Specialty Nutrient products comprising of water soluble fertilisers and micro nutrients. Coromandel is also a pioneer in marketing Organic Fertilisers. The crop protection business has wide range of technicals and formulations which is also exported to various countries. Coromandel has a pan India presence for distribution of these products, besides its own retail outlets. Coromandel has set up around 800 rural retail centers in the States of Andhra Pradesh, Telangana and Karnataka. Coromandel was voted as one of the top ten greenest companies in India by The Energy and Resources Institute (TERI), reflecting its commitment to the environment and society.

For more details, visit www.coromandel.biz

Business Responsibility Report: 2016-17

Section A: General Information about the Company

1	Corporate Identity Number	L24120TG1961PLC000892
2	Name of the company	Coromandel International Limited
3	Registered Office address	Coromandel House, 1-2-10, Sardar Patel Road, Secunderabad - 500 003, Telangana.
4	Website	www.coromandel.biz
5	E-mail id	mail@coromandel.murugappa.com
6	Financial Year reported	2016-17
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Fertilisers & Chemicals Fertiliser - 20122 Pesticides - 20211
8	List three key products/services that the Company manufactures/ provides	Fertilisers, Crop Protection Products and Speciality Nutrients
9	Total number of locations where business activity is undertaken by the Company	15 Manufacturing Locations in India AP - Vizag, Kakinada TN: Ennore, Ranipet JK: Jammu GJ: Ankleshwar, Dahej, Sarigam, Nandesari RJ: Udaipur, Kota MP: Nimrani KA-Hospet UP - Raebareli MH - Pali
10	Markets served by the Company	India, Latin America, APAC, Africa

Section B: Financial Details of the Company

1	Paid up capital	₹ 29.17 Crore
2	Total turnover	₹ 10,239 Crore
3	Total profit after tax	₹ 477 Crore
4	Total spending on CSR as percentage of PAT (%)	2.3%
5	List of the activities in which CSR expenditure is incurred	CSR Activities of Coromandel are focused on Health, Education and Community Development. For details refer Annual Report on CSR activities Page Nos. 55-56

Annexure J (Contd..)**Section C: Other Details**

1	Does the Company have any Subsidiary Company/ Companies?	Yes
2	Do the Subsidiary Company / Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	The subsidiaries of Coromandel are primarily either investment companies or companies holding product registration in foreign countries for export of the Company's products. Hence, this is not applicable. Number of subsidiary companies - 10
3	Do any other entity/entities (e.g. suppliers, distributors) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate % of such entity/entities?	No

Section D: BR information

1	Details of Director(s) responsible for BR	Mr. Sameer Goel, Managing Director DIN: 07298938 BR Head: Mr. Sameer Goel, Managing Director DIN: 07298938 Phone: 040 - 27841368 Email: GoelS@coromandel.murugappa.com
---	---	---

2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

Sl. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy/policies for...	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national/international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/owner/CEO/appropriate Board of Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	Policies & Codes: http://coromandel.biz/inv_financial.html CSR Policy: http://coromandel.biz/pdf/CSRPolicy/CSRPolicy_dec2014.pdf EQOHS Policy: http://coromandel.biz/pdf/2016-2017/she/Policy/EQSH_policy.pdf								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy/policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

Annexure J (Contd..)

All the policies in Coromandel are governed by its guiding principles and core values. These policies are mapped to each principle hereunder:

Coromandel Policies Mapping to BR Principles		
Principle	Applicable Policies	
1 Businesses should conduct and govern themselves with Ethics, Transparency and Accountability	<ul style="list-style-type: none"> • Values and Beliefs, called the 'Five Lights' • Whistle Blower policy • Code of Conduct • Coromandel Guide to Business Conduct (CGBC) 	
2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle	<ul style="list-style-type: none"> • Environment, Quality, Occupational Health and Safety Policy (EQOHS Policy) 	
3 Businesses should promote the well-being of all employees	<ul style="list-style-type: none"> • HR Policy • Communication policy • Sexual Harassment Policy • Training Policy • 5S policy 	
4 Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.	<ul style="list-style-type: none"> • CSR Policy 	
5 Businesses should respect and promote human rights	<ul style="list-style-type: none"> • Values and Beliefs, called the 'Five Lights' • Whistle Blower policy • Code of Conduct 	
6 Businesses should respect, protect, and make efforts to restore the environment	<ul style="list-style-type: none"> • Environment, Quality, Occupational Health and Safety Policy (EQOHS Policy) 	
7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner	<ul style="list-style-type: none"> • Values and Beliefs, called the 'Five Lights' • Coromandel Guide to Business Conduct (CGBC) 	
8 Businesses should support inclusive growth and equitable development	<ul style="list-style-type: none"> • CSR Policy 	
9 Businesses should engage with and provide value to their customers and consumers in a responsible manner	<ul style="list-style-type: none"> • Values and Beliefs, called the 'Five Lights' • Environment, Quality, Occupational Health and Safety Policy (EQOHS Policy) 	

2a. If answer to the compliance status of any of the principles listed above is 'No', please explain why.

Sl. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	The company has not understood the Principles	} Not Applicable								
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

Annexure J (Contd..)**3. Governance related to BR**

- Frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company:

The BR Performance revolves around a number of policies which is assessed by the BR Head monthly, quarterly and annually based upon its importance and impact on the environment and Company's operations & activities.

- Publication of BR or a Sustainability Report and its frequency:

This is the first Business Responsibility Report of the Company for the Financial Year 2016-17 which forms part of the Company's Annual Report for FY 2016-17. The same can be accessed at http://coromandel.biz/inv_report.html

Section E: Principle- wise performance**Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability**

Coromandel's commitment to ethical and lawful business conduct is a fundamental value shared by the Board of Directors, the senior management and all other employees of the Company. Coromandel has adopted 'Code of Conduct' (Code) to ensure ethics, transparency and accountability in all aspects of the business, and create value for its stakeholders in a sustainable manner. The Code embodies the belief that acting always with the Company's legitimate interest in mind and being aware of the Company's responsibility towards its stakeholders is an essential element of the Company's long term excellence. All Directors and senior management personnel shall affirm compliance with this Code on an annual basis.

In line with the Murugappa Group's values and beliefs (The Five Lights), Coromandel has also adopted the 'Coromandel Guide to Business Conduct (CGBC)' to set forth the principles which guides business transactions with customers, outside businesses, governments, communities and shareholders.

Coromandel has formulated and deployed the following policies in accordance with the statutory guidelines and SEBI Regulations.

- Whistle Blower Policy/Vigil Mechanism
- The Dividend Distribution Policy
- Code of practices for fair disclosure of unpublished price sensitive information
- Remuneration Policy
- Policy on preservation and archival of documents
- Policy for Determination of Materiality for Disclosure of Information/Events to the Stock Exchanges
- Policy on Related Party Transactions
- Policy for determining Material Subsidiaries

The above company policies can be accessed by anyone from the Company's website http://www.coromandel.biz/inv_financial.html.

Key elements of Coromandel's corporate governance are transparency, disclosure, internal controls, risk management, internal and external communications, and high standards of safety, health, environment, accounting fidelity, products and service quality. The Board has empowered responsible persons to implement its broad policies and guidelines and has set up adequate review processes. The Company ensures selection of vendors and contractors, who maintain and follow ethical standards. The Company endeavours to impart periodical training on Ethics to its employees and relevant stakeholders are also made aware of the same from time to time.

During the year 2016-17, 8 complaints were received by the Ombudsman under Whistle Blower Policy which were enquired in to and suitable actions were taken thereon and one complaint was pending as on March 31, 2017. Quarterly report on such complaints and action taken thereon are reported to the Audit Committee.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

Coromandel has multi-locational production facilities and manufactures & markets a wide range of Phosphatic Fertilisers, Crop Protection Products, Speciality Nutrients and Organic Fertilisers. Coromandel also provides agri input services and solutions to the farmers through its rural retail centers. The operating principles of Coromandel are 'Knows, Cares and Fulfills'. The principle 'Care' is embedded for environment, community, partners, employees and shareholders.

To ensure delivery of quality products at low cost and sustainable manner, Coromandel continually develops and upgrades its manufacturing processes and activities with world class technologies like multi effect sea water desalination plant, molten sulphur handling terminal, submarine pipeline in sea for ammonia unloading and greening of phospho gypsum ponds. The manufacturing units are certified for ISO 9001, ISO 14001 and OHSAS 18001 for Quality, Environment and Safety management systems respectively.

Annexure J (Contd..)

Coromandel pioneered in setting up Fertiliser Technology Centre (FTC) in the country with its own expertise at its Vizag facility and has R&D center at Hyderabad for Crop Protection Products. The major objectives of the FTC is to develop: (i) in-depth understanding of fertiliser manufacturing processes and use this knowledge to improve the productivity (ii) manufacturing technologies that are more efficient with respect to energy and raw material consumption (iii) new fertiliser products for India's agricultural market in a responsible way. The FTC is recognized by the Department of Scientific & Industrial Research (DSIR) of Ministry of Science & Technology.

Coromandel understands the effect of fertilisers and nutrients on soil condition as well as health and growth of the plants and has developed a range of solutions addressing the social or environmental concerns. For example, the following product segments of the Company addresses the above issues:

Fertiliser: Coromandel developed a new fertiliser product (Gromor Max 20:20:0:13S) containing elemental sulphur and sulphate sulphur. Elemental sulphur is long lasting and is available in soil for a longer duration because of its slow disintegration by micro organisms whereas sulfate sulphur is readily soluble in water and is available to the crops during early growth stages.

Organic Compost: For ecological sustainability, Coromandel markets and promotes use of 'farmer and nature friendly' organic manure from municipal waste, which acts as a soil rejuvenator and helps to supply nutrients to the crops, enrich organic carbon content of soil as well as enables sustainable sourcing and cleanliness in municipalities.

Specialty Nutrients: The use of specialty nutrients and water soluble fertilisers through spray and drip irrigation reduces nutrient losses, cost of labour, energy & water consumption and thereby increases the productivity and crop yield.

Most of the raw materials for manufacturing of fertilisers are imported due to its non availability in India. However, Coromandel encourages the local and small vendors for supply of consumables, engineering stores and carrying out job contracts. Coromandel facilitates the small vendors by providing facilities like product testing, performing lab pilots, organizing vendor meetings, site visits, etc. in order to develop the sustainable capabilities. Also in 2016-17, through CSR community development initiatives, training was imparted to local community members on preparation of safety gloves & PPEs which are procured back by Coromandel for usage in the plant.

During the year, the Company has reduced the consumption of raw materials, energy, water and fuel through effective operations and continual improvement in the manufacturing processes. The Company has achieved the following improvements in energy and water consumption during the year 2016-17:

- Reduced the consumption of power by 13% and natural gas by 50% for 20:20:0:13 Fertiliser grade in Kakinada Unit
- Reduced the energy consumption by 1.8% and water by 6% for Fertiliser production in Vizag Unit
- Reduced the water consumption by 13% and power by 5% for 17:17:17 Fertiliser grade in Kakinada Unit



'Best Energy Efficient Unit' Award by CII



'Best Operating Plant' award by FAI

Coromandel Vizag unit has received the 'Best Energy Efficient Unit' award from Confederation of Indian Industry (CII) for the 3rd consecutive year and the 'Best Operating Plant' award for efficient operations of Phosphoric Acid Plant from Fertiliser Association of India (FAI) for the 15th time.

Coromandel completely reprocesses or recycles the off-spec materials which include fines and over size products that get generated in the fertiliser granulation process. Around 4-5% fertiliser material was reprocessed during the year 2016-17. The waste water recycling and consumption in Vizag unit accounts for 68% of overall waste water generated from process and 100% from complex fertiliser production process. All other Fertiliser and Single Super Phosphate (SSP) units are zero process effluent discharge units and all process liquids are recycled back into the fertiliser manufacturing process.

Annexure J (Contd..)**Principle 3: Businesses should promote the wellbeing of all employees**

Coromandel continues to place emphasis on employees capability building and well-being and considers it as a key enabler to achieve the organizational goals.

Employee Well-Being: Coromandel lays emphasis on employee well-being, health and engagement through various initiatives like -

- Employee Wellness: The flagship health and wellness program of 10K Challenge - health awareness campaign Ver-2.0 initiated across all locations apart from regular medical check-up and diagnosis support to employees & contract workmen. Employees participation in 10K Challenge was doubled as against the previous year (876 Nos. in 2015-16 | 1888 Nos. in 2016-17). Also, various Fun@work activities, family get-together, cultural and games were organized for employees across locations.
- Coromandel aims to prevent work-related illness and occupational diseases through implementation of management system like ISO 14001, OHSAS 18001 and Process Safety Management System (PSMS). The major fertiliser units in Kakinada and Vizag have scored 4 out of 4 in PSMS.
- The Management Committee reviews the Safety performance of the Company through a set of key performance indicators like Total Recordable Injury Rate (TRIR) and also promotes the culture of reporting Safety Near Miss incidents by the employees. Safety Senses Team (Nose, Eyes and Ears teams) were formed to identify and address the safety abnormalities in plants. Safety Trainings viz., technical and behavioral training, defensive driving and road safety sessions were carried out.

People Capability: Nurturing talent and building leadership pipeline remains a key focus. Some highlights of our talent and learning initiatives during the year are -

- Sales Capability Building: EDGE (Every Day Great Excellence), training for enhancing Sales capabilities of field force. 'Vidhyaonline' e-learning program on 'Basics of Crop Nutrition' was launched for 485 members of sales & marketing team. 'Continuing Education Program (CEP)' for Retail Store Managers in association with MANAGE for 'Diploma in Agricultural Extension Services for Input Dealers'. Capability Enhancement in Agri Technology (CEAT), programme conducted for Top 200 Retail Store Managers at MANAGE.
- Manufacturing: Various technical and project management trainings have been conducted for the manufacturing team like Libre Project Software training, technical program like Boiler operation, Engineering workshop, Attendant Operator & Chemical Plant trade certificate for Plant operators, Supervisory Skill Development and Team building sessions. Coromandel has deployed the structured process for assessment and elevation of non-management staff to management staff.
- Initiated a structured process for identifying and nurturing High Potentials and developing Leadership pipeline. Also a 5 day on-site workshop on global business management for Exports team was carried out through Indian Institute of Foreign Trade, Delhi.

Prevention of Sexual Harassment: Coromandel has a Policy on Prevention of Sexual Harassment (POSH) to ensure a harassment free workspace for the employees. Sexual harassment cases are dealt as per the Company policy on prevention of sexual harassment. All the employees are communicated on regular basis on the various aspects of prevention of sexual harassment at work through e-articles and other means of communication.

- As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, Coromandel has constituted Internal Complaints Committees (ICC). The Company has designated external independent member as a Chairperson for each of the Committee. During the year 2016-17, no cases have been reported on sexual harassment, discrimination and child labour.
- Awareness building training programmes (web-based and physical) were carried out to raise awareness on the issue of sexual harassment of women at workplace: During the year, all New Joiners/Trainees/Interns were inducted on the subject of Prevention of Sexual Harassment of Women at Workplace. Also, Coromandel has deployed various women friendly policies like flexi working hours, new maternity policy, and conducted a self-defense and wellness programme for women employees as part of Women's Day celebrations.
- Sensitization and awareness workshops on 'The Five Lights' - Values and Beliefs, Whistle Blower policy and Coromandel Guide to Business Conduct (CGBC) were organized across locations to promote & reinforce value system of the organization.

Industrial Relations & Employees Strength: Industrial Relations continue to be an essential part of employee engagement. During the year, the industrial relations across all the plants continued to remain cordial and peaceful. The rights of workers to freedom of association and collective bargaining are recognised and respected. There are seven employee associations across the manufacturing locations in the Company. Nearly 939 (67%) permanent Non-Management employees are members of these associations. During the year, Coromandel entered into a long term productivity linked incentive scheme in Kakinada Unit and a long term wage settlement in Ankleshwar Unit.

Annexure J (Contd..)

In Coromandel currently there are around 4,309 Permanent manpower (2,792 Management staff, 1,404 Non-Management staff and 113 Trainees) with 115 female employees and 15 differently abled employees. In addition, there are around 5,400 off-roll/contract employees. Almost 90% of permanent employees (including women employees and differently abled employees) and 100% casual/contractual employees underwent training in the areas of safety, health, behavioral and skill upgradation. Also, Coromandel encourages and provides training and counseling to employee family members in various areas viz., home safety, home 5S, child education and family health.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

"The fundamental principle of economic activity is that no man you transact with will lose; then you shall not" (an excerpt from *Arthashastra*). This was the basic principle laid out by the founder of Murugappa Group, over a century ago and the tradition has endured. Today, this belief continues to guide the decisions and define the work ethics of the Company.

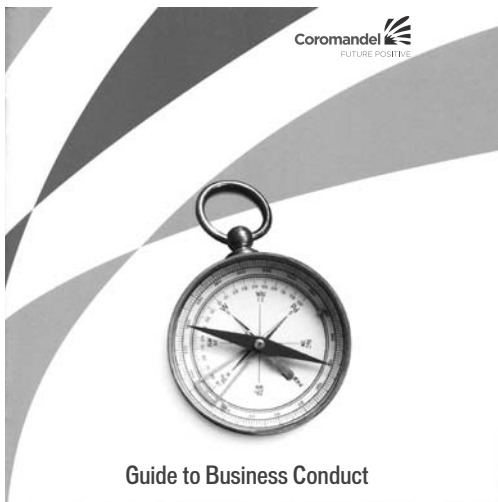
Our Mission is "To enhance prosperity of farmers through quality farm solutions with sustainable value for all stakeholders". Coromandel strongly believes in the inclusive growth. In line with the philosophy and mission Coromandel has mapped all its stakeholders that include farmers/customers, employees, shareholders, government, suppliers, business alliances, and society. The Company understands the short term and long term needs & expectations of its stakeholders through established communication mechanisms and deliver to achieve the sustainable relationships.

Company's primary stakeholder is the farmer, who is mostly economically disadvantaged, followed by economically backward communities in the vicinity of its manufacturing plants.

As a responsible corporate, Coromandel believes that it can help make a difference to the society and change lives for the better. Coromandel makes conscious efforts for community development and to enable the prosperity of farmers, complementing the government's plan of doubling the farmer's income by the year 2022. Few of the initiatives with inclusive growth being undertaken by Coromandel are mentioned below;

- Coromandel strongly believes that girl-child education has great influence in farmer's prosperity. In line with its objective to make the farmer prosper, a unique program called Rural Girl Child Education Assistance Programme (RGCEAP) has been initiated and carried out from 2005. The strength of this initiative is its core targeted societal group i.e farmers, towards achieving the noble objectives of reducing the drop out percentage of rural girl children thereby empowering rural women and encouraging the girl child to continue her education.
- Coromandel continuously facilitates the farming community through various services for improving the crop yield like free soil testing for balanced nutrient inputs, farm advisory support through Agronomist team, unique grade & fortified fertiliser and providing complete farming solution.
- As part of its responsibility towards development of the communities in and around its factory locations, Coromandel has organized various programs, aimed at enhancing their skills through skill development initiatives and to increase employability and livelihood through various initiatives such as tailoring units, glove making units for community women, car driving and technical trainings for community youth, welding, CNC, auto CAD courses etc. apart from major initiatives in the areas of Health and Education.

Principle 5: Businesses should respect and promote human rights



Coromandel ensures compliance with all applicable laws of the land pertaining to human rights, in order to preserve the rights of all its internal and external stakeholders. Coromandel has a procedure for taking an undertaking from all its suppliers/contractors that they will abide by all the local laws as applicable to the workmen engaged by them for the Company. A special focus was given on prohibition of engagement of child labour.

Coromandel Guide to Business Conduct (CGBC) provides guidelines to set forth the principles which will guide business transaction with all stakeholders. The essence of this code is based on The Five Lights (Value system) of the Murugappa Group. The CGBC enables to embed the value system and respect for human rights in every aspect of business transactions including respect for employee fundamental rights, prevention of sexual harassment, any kind of discrimination and adherence to SHE (Safety, Health & Environment) policies.

Coromandel has deployed various management systems towards ensuring the Human Rights and environment protection which is guided by various policies like HR policy, EQOHS (Environment, Quality, Occupational Health & Safety) Policy, 5S policy, Training and Communication policy. There were no complaints on violation of human rights in 2016-17.

Annexure J (Contd..)**Principle 6: Business should respect, protect, and make efforts to restore the environment**

Coromandel continually strives to minimise the environmental impact of its operations through sustainable practices and responsible use of natural resources through effective implementation of integrated Environment, Quality, Occupational Health & Safety (EQOHS) Policy and ISO 14001 - Environment Management System (EMS). As of now the policy covers the entire operations of Coromandel (employees & contractors) and the Company is also in its early stages of deployment in extending the policy guidelines to its suppliers and joint ventures.

The environmental management is an integral part of annual business planning process framework of Coromandel, wherein each business has to frame the strategy and improvement/Capex projects for environmental management. Coromandel contributes to sustainable development through a range of environmental activities in a major scale like development of green belt, developing sustainable solution for greening of phospho gypsum ponds and continual improvement in consumption of raw material and utilities, which are an integral part of all operations and Coromandel has fully complied with all the requirements.

Coromandel makes consistent efforts and initiatives to complement and support the Government policy of promoting organic fertilisers. Coromandel has adopted 10 villages in Telangana, West Bengal and Maharashtra States under its project 'Humaare Kisan' to disseminate information and create awareness among the farming community about the use of municipal organic compost as a natural source of organic carbon for soil to replenish the fertility of soil and ensure balanced fertilization to crops.

Company has adopted 'Enterprise Risk Management' model to address its business and operational level risks. As part of this, environmental risks are also identified and addressed across the organisation. Individual responsibilities are given to monitor and mitigate the potential environmental risks, if any. Manufacturing sites undergo Environmental Impact Assessment studies, as required, to understand and mitigate the long term impacts.

Vizag and Ennore Units generate around 50% of its energy requirement for plant operations by recovering waste heat from the captive sulphuric acid plant, thereby reducing its Carbon footprint. Though the Company does not have registered projects under CDM, it has initiated projects for use of renewable energy which directly reduces Green House Gas (GHG) emissions.

- Solar powered admin block at Ennore Plant
- Use of solar water heating systems in employees colonies and canteen
- Use of solar energy to preheat the boiler feed water in Kakinada plant
- Nearly about 40,000 units of solar power is used in our manufacturing operations every year as part of Renewable Energy use agreements
- Solar powered street lights are used extensively across the plants

During the last year, the Company invested in several projects and initiatives towards a sustainable growth viz., launched dedicated crop protection environmental lab, optimum utilisation of resources, responsible management of waste and effluents, reducing the energy consumption and air emissions and preservation of biodiversity.



Birds Sanctuary at Kakinada Plant

Coromandel's proactive approach in preserving the biodiversity has helped to develop large areas of its factory lands into lush green belts. In 2016-17, Company has planted about 8,800 saplings across its manufacturing sites in collaboration with local Forest Department authorities and Social Forest Conservation agencies. The Company employed dedicated staff to regularly monitor water, soil, flora, fauna and habitat to ensure that no stone is unturned in preserving the biodiversity profile of the area.

To ensure that the integrity and richness of the ecosystem is preserved, the Company has developed a Bird Sanctuary at its Kakinada manufacturing site and in collaboration with EGREE Foundation (a Naturalist local body) it has further improved its Bird Conservation efforts making the East Godavari River Estuarine Ecosystem (EGREE) region a home for 264 species of birds.

The video on 'Turning a Factory into a Bird Sanctuary' can be viewed through the link <https://www.youtube.com/watch?v=Q0FDLaQUQ18>

- Kakinada site received recognition from UNDP for its Bird Sanctuary inside the Factory Premises.
- Coromandel won 'Sustainable Waste & Resource Management Award' during India Sustainability Leadership Summit Awards - 2016.

Annexure J (Contd..)

Coromandel give primary importance and ensures all regulatory compliance with respect to ensuring the emissions, discharge and wastes disposal are within the permissible limits given by CPCB / SPCB. The company files the environment reports to respective government bodies and also reports are available to public in http://coromandel.biz/she_compliance_report.html. No show-cause/legal notice is pending against the company from CPCB/SPCB for the year 2016-17.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

Coromandel engages in policy advocacy in a responsible manner through its membership in various industry forums & associations. Coromandel contributes its views in the setting of new industry standards and regulatory development pertaining to the fertilizer industry in areas such as fertilizer policies, subsidy policies, industry economic reforms, improving industry standards, development of new and unique grades of products for enhanced crop yields, inclusive development policies etc. The Company works with apex industry institutions that are engaged in policy advocacy, like the

1. Fertilizer Association of India (FAI)
2. International Fertilizer Industry Association (IFA)
3. Crop Care Federation of India (CCFI)
4. Pesticide Manufacturers and Formulators Association of India (PMFA)
5. Southern Indian Chamber of Commerce and Industry (SICCI)
6. Confederation of Indian Industry (CII)
7. The Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry (FTAPCCI)
8. National Safety Council

Coromandel Leadership team plays an active role in industry federations. For example, Mr. Sameer Goel, Managing Director, is a Director in FAI, Mr. G Veerabhadram, President-Crop Protection, is a Director in CCFI and Dr. Kuppusamy, Sr. GM & Head-Regulatory Affairs (Crop Protection) is a Technical Committee member in CCFI. Coromandel's engagement with the relevant authorities for responsible advocacy is guided by the values of integrity, respect and responsibility and with sustainable value for all stakeholders. Few of the key areas that Coromandel has advocated through industry associations for the advancement and benefits of farmers are mentioned below.

1. Quality testing of SSP
2. Priority of 'Make in India' concept for Fertiliser industry
3. Balanced use of Fertiliser Nutrients
4. Neem oil coating of Urea
5. Micro Nutrient Fortification
6. Use of Sulphur enhanced Fertiliser
7. Promoting organic manure
8. Usage of Gypsum

Further, Coromandel ties-up with district/taluk/block level government agri-extension officers for joint farmer sessions. For social development initiatives and projects, it engages with the local administrative bodies and state governments to seek their participation and expertise support.

Principle 8: Businesses should support inclusive growth and equitable development

Coromandel, in line with its CSR policy, has been focusing on upliftment of the society by implementing the programs related to health, education and community development, to make a meaningful impact on their lives. The aim is to improve the wellbeing and quality of life of the community people, focusing on communities living close to Coromandel's area of operation.

Coromandel has been carrying out Corporate Social Responsibility (CSR) activities for a long time through AMM Foundation of Murugappa Group. Coromandel is also working closely with Government as well as NGOs based on the need and expertise for implementing the program smoothly. Also, Coromandel has an in-house CSR team at every site to implement programs in coordination with various stakeholders which are coordinated from Corporate Office to ensure effective implementation and constant monitoring to create an impact in the society and ensure improved socio-economic conditions.

Annexure J (Contd..)

Coromandel undertook Social Impact Assessment (SIA) to ensure that the social practices are participatory and support beneficiaries to make maximum impact. This process helps the Company to understand the impact and change, capabilities required for the respective intervention and how the intervention can bring a change and to enhance benefits across the society.

Coromandel has developed various monitoring and evaluation tools to understand and assess the social and economic impact of the various CSR initiatives Viz., (a) systematic impact study of Coromandel Medical centers through a 3rd party agency in Ennore, Kakinada and Vizag to understand the social and economic impact of the program (b) impact study on WASH (Water and Sanitation and Hygiene practices) and the study revealed about significant improvement in their behaviours which in turns helps in creating social and economic impact in the society (c) Feedback from the beneficiaries as well as Doctors/Professors on the Coromandel Pediatric Ward in Government General Hospital, Kakinada, where Coromandel has transformed the old pediatric Ward into an ultra-modern Pediatric ICU and maintains the hygienic conditions in the ward.

Coromandel always tries to innovate and invest in Research and Development initiatives which gives significant results and directly or indirectly promote the wellbeing of the society.

Coromandel partners with the government at the local and national levels for smooth implementation of the development initiatives like -

- Coromandel Girl Child Education Scheme in government schools across Andhra Pradesh, Telangana, Karnataka and Tamil Nadu.
- Support to Swachh Bharat Initiative: Constructed individual toilets at community, at schools and conduct Behaviour Change Communication programs in communities and schools to bring a positive change to use the services.

Coromandel has spent around 2% of its average net profit for the previous 3 years on CSR activities across location in the areas of Education, Health and Community development. Year wise CSR expenditures are given below:

Year	2014-15	2015-16	2016-17
₹ in Lakh	1,028	1,075	1,097

Coromandel always ensures that all community development initiatives should have sustainability and long term impact by ensuring participation of the community members for self-sustenance and facilitate them to take up the projects on their own. For example, Coromandel Medical Centre (CMC), support to government pediatric ward, glove making unit, skill development program, etc., Some of the activities implemented by the Company have benefitted

			
10,978 Children Impacted	5,955 girls benefited	26 Toilets for Girls	Extensive village coverage
			
7 Schools get Drinking water	13 Schools get Hand wash facilities	398 Household Toilet Built	6,869 people treated at Medical Camp
			
912 women got livelihood training	20 RO Plants	940 schools	Reaching around 2 Lakh Beneficiaries

Annexure J (Contd..)

the communities and created social, financial and environmental impact. These impact the household on a larger scale and also help in improving the socio-economic condition of the family.

Impacted lives of nearly 2 Lakh community members through CSR initiatives

Coromandel, for its efforts made during the year, received the CSR Award for best Community Development Initiative in National CSR Leadership Congress & Awards. Coromandel has also been recognized by the Government authorities and received 'SWACHHTA CERTIFICATE' for exemplary services and support towards construction and creating awareness on Open Defecation Free (ODF) and health issues in the Gram Panchayat.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

Coromandel in line with its Mission "To enhance prosperity of farmers through quality farm solutions with sustainable value for all stakeholders" continuously strives to enhance the value addition to the farmers through its various products and services which enable farmers to take informed decisions towards enhancing productivity.

Coromandel enables overall well-being of customers and the society through its various best practices and value added services at no additional cost to customers/farmers like

- Coromandel creates awareness amongst farmers on latest agri technology, nutrient requirements of crops and optimal & safe usage of agri-chemicals through extensive farmers' group meetings, seminars, webinars and village sessions.
- Soil testing services: Application of right nutrients to soil ensures higher crop yields and also reduces the cost of nutrient application. Coromandel conducts the soil testing activities through its soil testing labs and mobile soil testing kits to enhance the awareness among the farmers.
- SSP Quality - Quick Test Kits: Coromandel has developed Quick Test Kits to measure nutrient content in the product to develop quality consciousness amongst the users of Single Super Phosphate (SSP) and building quality differentiation. The Quick Test kit for SSP was demonstrated to Secretary, Department of Fertilisers, to further enable and build the quality movement in the SSP segment. During the year 2016-17, more than 350 awareness camps were conducted for farmers and around 750 SSP quick quality test were carried out.



- Farm Advisory Services: Coromandel operates 'Hello Gromor' Center (Toll free helpline for farmers) to ensure continuous availability of agri technical support to farmers over phone and also voice SMSes to the farmers from time to time customized as per seasonal requirements of the crop nutrient & protection.
- Interactive touch screen kiosks (Voice enabled): To help the farmers to diagnose the field problems by themselves, Coromandel introduced touch screen kiosks enabled with voice over/online Knowledge Sharing Portal for communicating crop specific knowledge and product attributes. Farmers can navigate through different sections and find out recommendations for their field.

The products of Coromandel are in adherence with and governed by respective Government rules and regulations like Fertiliser Control Order (FCO) and Central Insecticides Board & Registration Committee (CIB&RC). There is no restriction or barrier on entry for other market players and customers have the full freedom to select the products of their choice.

Annexure J (Contd..)

Coromandel discloses all the relevant information on safe and judicious usage of its product through various channels like packaging, labeling, leaflets and website. Crop protection chemicals/specialty nutrients products are provided with the information on safe handling, dosage to crop, time and method of application, thereby encouraging consumers to use products in a responsible manner. Product details, state wise and crop wise fertigation schedules are also provided to customer in SND knowledge portal of Coromandel. The Toll-free (Hello Gromor center) phone number is provided in all the packs for enabling customers to register their queries and complaints.

Coromandel ensures that all the claims made in advertising are backed by the results established through pilot experiments, field studies and demonstrations carried out in fields and with proper registration of products as per all legal requirements.

Coromandel continuously educates and creates awareness to farmers on optimal usage of fertilisers and effects of usage of higher dosage of fertilisers and crop protection chemicals through its extensive soil testing, farm advisory and farmer education sessions. In this regard, Coromandel has conducted around 45,000 Soil Tests and created awareness through dealer's training and Crop Seminars.

Coromandel promotes usage of Organic compost to rejuvenate the soil condition and enhance crop yield. Coromandel continually develops unique grades of products which enables balanced nutrient application and improves crop yield.

Coromandel receives and addresses the customer grievances through its 'Hello Gromor Centre', CRM cell & Marketing officers of respective businesses. The number of calls by Hello Gromor for the year on farm advisory to farmers is as below:

- In-bound calls - 19,230
- Outbound calls - 4,188

Around 94 product related complaints were received and addressed through CRM calls for the year 2016-17.

There are 12 customer/consumer legal cases filed and pending against the Company as on 31 March 2017. These complaints are contested claims and pending before Consumer Forum. No complaint was received against the Company with respect to unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years

Coromandel periodically conducts internal customer satisfaction surveys as well external third party surveys through research firms to obtain the customer perception and feedback on its products and services for continual improvement. Survey results of business depicts that Coromandel's product receives repeated purchase and farmers make informed decision during buying process, with better understanding and usage of nutrients and new farming practices. Coromandel, in line with its brand essence 'Maximise', persistently work towards maximizing the sustainable value for all stakeholders by delivering the promise, reliability assurance, value for money and exceeding expectations of customers.

