

BUSINESS RESPONSIBILITY REPORT 2017-18

Preface:

Coromandel International Limited presents its 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 endeavour 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 pioneer in marketing Organic Fertilisers. The crop protection business has wide range of technicals, which are 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 close to 800 rural retail centers in the States of Andhra Pradesh, Telangana, Karnataka and Maharashtra. Coromandel was voted as one of the top ten greenest companies in India by TERI, reflecting its commitment to the environment and society.

For more details, visit www.coromandel.biz

Section A: General Information about the Company

1	Corporate Identity Number	L24120TG1961PLC000892
2	Name of the company	Coromandel International Limited
3	Registered 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	2017-18
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, Europe, Australia and New Zealand

Section B: Financial Details of the Company

1	Paid up capital	₹ 29.24 Crore
2	Total turnover	₹11,044 Crore
3	Total profit after tax	₹ 659 Crore
4	Total spending on CSR as percentage of PAT (%)	2%
5	List of the activities in which expenditure in 4 above has been incurred	CSR Activities of Coromandel are focused on Health, Education and Community Development. For details refer Annual Report on CSR activities Page Nos. 78,79,80

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

S.No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
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 wellbeing of all employees	<ul style="list-style-type: none"> HR Policy Communication policy Policy on prevention of Sexual Harassment 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. Business 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

S.No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the Principles									
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						Not Applicable			
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 to 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 second Business Responsibility Report of the Company and it forms part of the Company's Annual Report for the financial year 2017-18. The same can be accessed at http://coromandel.biz.inv_report.html. The previous report was made for the financial year 2016-17.

Section E: Principle-wise performance

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

Coromandel fosters a work culture with high ethical principles and standards and encourages its employees to perform with total integrity, commitment and ownership. Commitment to ethical and lawful business conduct is a cornerstone of Coromandel's business practices. It is a fundamental shared value among the Board of Directors, the senior management and all the employees in the Company. Coromandel has adopted the '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 being aware of the Company's responsibility towards its stakeholders and acting with the Company's legitimate interest in mind, is essential for 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 guide business transactions with customers, outside businesses, governments, communities and shareholders. All policies are communicated to Coromandel's employees upon joining as well as reinforced through annual refresher sessions.

Coromandel has well established 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 mentioned policies of the Company can be accessed by anyone from the Company's website at http://coromandel.biz/inv_financial.html.

Key elements of Coromandel's corporate governance are transparency, disclosure, internal controls, risk management, internal and external communications, and adherence to 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 also 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, on a regular basis.

During the year 2017-18, 10 complaints were received by the Ombudsman under Whistle Blower Policy which were enquired into and suitable actions were taken thereon and 1 complaint was pending as on 31 March, 2018. 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

The core operating principles of Coromandel are Knows, Cares and Fulfils, in which, 'CARE' emphasizes on environment, community, partners, employees and shareholders. Coromandel has its own Fertiliser Technology Centre, FTC, at Vizag, recognized by Department of Scientific & Industrial Research (DSIR) of Ministry of Science & Technology and a R&D center at Hyderabad for Crop Protection Products. Coromandel is having an active R&D program to develop products with high Nutrient Use Efficiency (NUE) which offer the twin advantages of providing higher value to the farmer and protecting the environment as, during the life-cycle of the product the nutrient uptake by the plant is maximized and losses to the environment are minimized. The social and environmental concerns have been incorporated in the development of the following products of Coromandel.

- Organic Fertilisers - City Compost : Recycling of nutrients and carbon in organic waste
- Sulphur Enhanced Fertilisers: Maximizing the availability of Sulphur to the crop and minimizing leaching losses of Sulphur
- Zinc Fortified Fertilisers – Improving crop productivity and human health

Coromandel has been a leader in promoting organic fertilisers (Municipal compost, sugarcane filter-cake compost, oilseed cakes) to farmers for sustaining the soil health and improving productivity, by sustaining nutrient availability to crops and enriching organic carbon content of soil. Coromandel has initiated city compost Bio-mining in association with Visakhapatnam Municipality contributing significantly to conserve environment and add value to available resources. Also, during the year Coromandel has launched three crop specific water

Annexure J (Contd.)

soluble grade Specialty Nutrient products, which help in balanced nutrition of the selected crops.

In 2017-18, for sulphur enhanced grades (20:20:0:13S & 24:24:0:8S) of fertilisers, the production process has been streamlined and stabilized through continuous improvements, resulting in enhanced product quality, improved operational efficiency and higher throughput.

There was an increased focus at the manufacturing units for energy efficiency. For example, Ankleshwar unit has invested considerably to implement energy and water conservation projects like RO plant to recycle waste water, replacement of ordinary pump with more energy efficient pumps. Also, through effective operations and continual improvement, the fertilizer manufacturing processes reduced the consumption of raw materials, energy, water and fuel. The Company has achieved the following improvements in energy, water & raw material consumption during the year 2017-18:

- Reduced the specific water consumption by 10% in Vizag unit, 5% at Kakinada and Ennore
- Reduction of specific power consumption in the GSSP plant by 6% at Nandesari unit.
- Reduced the consumption of specific power by 5.52 % at Sarigam Unit
- Reduced the specific steam consumption by 13.65% at Sarigam unit
- Substantial reduction in COD of main filtrate in Sarigam and Ankleshwar units
- 5% yield increase for Mancozeb product in Sarigam unit and also successfully implemented effluent recycle system saving 1.4 KL/3.15 MT of Phenthoate product

Coromandel Vizag unit has received the 'Best Energy Efficient Unit' from CII for the 4th consecutive year. Also, the unit has received the Best Production Performance – 'Special Awards 2017' for a Phosphoric acid plant (winning 4 times, in consecutive years), Environment Protection Award for 'Complex fertilizer plant with captive acid'.



Best Energy Efficient Unit – Awarded by CII (4th consecutive times)

Most of the raw materials for manufacturing of fertilisers are imported due to its non-availability in India. However, Coromandel encourages procurement of local raw materials and indigenous spares, wherever feasible. For example, in its SSP business around 50% of rock phosphate is sourced locally from Rajasthan States Mines & Minerals Ltd., and almost 100% of sulphuric acid is sourced locally from other companies. Also, Coromandel encourages local and small vendors for supply of consumables, engineering stores and carrying out job contracts in order to develop the sustainable capabilities.

Coromandel strives towards sustainable way of utilizing & recycling of resources.

- Coromandel completely reprocesses or recycles the off-spec materials which include fines and over size products that get generated in the fertilizer granulation process. Around 7% fertilizer material was reprocessed during the year 2017-18.
- In Vizag unit, the waste water recycling and consumption is accounted to 80% of overall waste water generated from process and 100% from complex 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
- Precipitated silica is recycled in the production operation and generation is below 5% in SSP Units and around 5-10% of SSP off-spec material is reprocessed
- Scrap material like torn HDPE bags and MS scrap are recycled by licensed vendor as applicable. Scarp material is < 5%.

Coromandel fully complies with the Indian laws relating to Intellectual Property Rights (IPR) and takes the help of renowned Patent Attorneys for guidance in IPR matters.

Principle 3: Businesses should promote the wellbeing of all employees

Coromandel continues to emphasize employee training and capability building by placing employee well-being at the forefront, as a key enabler in the organizational strategy



Best Production Performance 'Special Award 2017' for a Phosphoric Acid Plant (For consequently 4th times in a row)

Annexure J (Contd.)

In 2017-18, there are 4,472 Permanent manpower (2,977 Management staff, 1,348 Non-Management staff (NMS) and 147 Trainees) with 127 female employees and 9 differently abled employees. Also, there are around 6,754 off-roll/contract employees.

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 8 employee associations across the manufacturing locations of the Company, with nearly 890 (66%) NMS being members of it. During 2017-18, Coromandel entered into long-term wage settlement as well as productivity linked incentive schemes at Ennore and Ranipet units, long term wage settlement at Hospet and rate contract for bagging at Kakinada unit.

As part of organizational value reinforcement, sensitization and awareness workshops on Murugappa Group's 'Five Lights' – Values and Beliefs, Whistle Blower policy and Coromandel Guide to Business Conduct (CGBC) were organized across locations to promote & reinforce value system and equality across the organization

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.

S.No	Category	No. of complaints filed during 2017-18	No. of complaints as on end of 2017-18	Remarks
1	Child labour/forced /involuntary labour	Nil	Nil	
2	Sexual Harassment	1	1	ICC investigated and submitted its recommendations to Mgmt. within 45 days from the date of complaint
3	Discriminatory employment	Nil	Nil	

Employee Well-Being: Coromandel continues to emphasize 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-4.0 was initiated across all locations apart from regular medical check-up and diagnosis support to employees & contract workmen. Employees participation in 10K Challenge increased as against the previous year (1888 Nos. in the year 2016-17 | 2400 Nos in the year 2017-18).
- Employee Assistance Programme (EAP) launched with focus on emotional well-being of an employee and his/her family. EAP has partnered with an industry leader, Optum International, to provide counselling services to employee(s) and his/her family members. The consultation is available 24 X 7 through phone, online channels and if required, in person as well.
- Coromandel aims to prevent work-related illness and occupational diseases through implementation of management systems like ISO 14001, OHSAS 18001 and Process Safety Management System (PSMS). The Management reviews the Safety performance of the Company through set of Key performance indicators like Total Recordable Injuries Rate (TRIR) and also promotes the open culture of reporting Safety Near Miss incidents by the employees. Defensive driving, road safety, process safety and behavioral safety training were conducted across the manufacturing and sales & marketing locations.

Coromandel ensures continuous skill and competence upgrading of all its employees by providing access to necessary learning

opportunities on an equal and non-discriminatory basis. The learning & development process of Coromandel aims to build employee capabilities in line with the current and future core competency requirements of the organisation. The Company has deployed various key developmental initiatives in the year 2017-18 viz., Sales capability building, "Vidhyaonline" e-learning modules, Leadership development program, Project Management, TQM, Structured Problem Solving Capabilities, Technical, Safety and behavioral trainings.

Coromandel also deposes its executives to the best of institutions to be trained in various areas including leadership, innovation, strategy and functional capabilities.

Almost 90% of permanent employees (including women employees) and 100% casual/contractual employees have undergone training in the areas of safety, health, behavioral and skill upgradation. Also, Coromandel encourages and provides training and counseling to employee(s) 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 adopted out by the founder of the Murugappa Group, over a century ago and the tradition has endured. Today, this belief continues to guide our decisions and define our work ethics.

Annexure J (Contd.)

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

As a responsible corporate, Coromandel believes that it can help make a difference to the environment and change lives for the better. Coromandel makes conscious efforts for community development and to enable the prosperity of farmers. Few of the initiatives with inclusive growth approach of Coromandel that enables farmers prosperity are mentioned below.

- Coromandel strongly believes that woman education has great influence in farmer’s prosperity. In line with its mission to make the farmers prosper, a unique program called Rural Girl Child Education Assistance Programme (RGCEAP) has been initiated and executed since 2005. The strength of this initiative is its core targeted societal group i.e farmers, who are supported in achieving the noble objectives of reducing the drop out percentage of Rural Girl Child, empowering the rural women and encouraging the rural girl child for higher education. During the year 2017-18, 1,468 number of girl children, from 658 schools, were benefited through Coromandel RGCEAP.
- 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 grades & fortified fertilisers and providing complete farming solution.
- Coromandel strives for the betterment of community in and around its factory locations. Various initiatives in this direction include skill development for employability, livelihood through establishment of glove making units, providing health care through Coromandel Medical centres and mobile medical vans. During the year 2017-18, around 78,947 patients availed the services of Coromandel Medical centers, while 13,345 people benefited from the mobile medical van service.

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.

Based on The Five Lights (Value System) of the Murugappa Group, Coromandel Guide to Business Conduct (CGBC) provides guidelines to set forth the principles which will guide business transaction with all stakeholders. The CGBC enables to embed the value system and respect for human rights in every aspect of business transactions including respect for employees fundamental rights, prevention of



sexual harassment, any kind of discrimination and adherence to SHE (Safety, Health & Environment) policies.

Coromandel measures the progress on Human rights protection through metrics like

- Training Mandays and employee coverage for awareness on Policies and CGBC
- Employee Engagement survey outcomes on respective parameters
- Number of grievances received and addressed
- Internal HR and Management audit points and closures
- 5S audit score for work environment

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 2017-18.

Principle 6: Business should respect, protect, and make efforts to restore the environment

Coromandel continually strives to minimize 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.

A fundamental part of the Company’s annual business planning process is Environmental management, wherein each business has to frame the strategy and improvement/Capex projects for environmental management. The Company is also actively involved in sustainable development through various environmental activities at a large scale, like the development of green belt, continual improvement in consumption of raw materials along with energy & water. These activities form an indispensable part of all the operations and fully comply with all the requirements.

Annexure J (Contd.)

The 'Enterprise Risk Management' model has been adopted by the Company, in order to address its business and operational level risks. As part of this, environmental risks are also identified and addressed across the organization. Individual responsibilities are given to monitor and mitigate the potential environmental risks, if any. To understand and mitigate the long-term impact, manufacturing sites also undergo Environmental Impact Assessment studies.

At Coromandel, all major manufacturing processes have installed Continuous Emission monitoring systems, through which real time data is uploaded to Pollution control Board websites, which are open to Public viewing. Additional investments were done during the year to ensure and monitor Zero Liquid Discharge in all operating sites of SSP SBU by installing PTZ camera and Electromagnetic flow meters connected to Central and State PCB Department. As part of ISO 14001, Company has deployed various Environmental Management Programs (EMPs) which were implemented across units like Sound/ Noise Pollution Controls, Dust level Control through installation of Twin Vertex type Cyclones at SSP Baroda & Udaipur units and Greenery development. Coromandel has continued its support to the greening efforts of the local Government agencies and contributed around 10,000 saplings in Visakhapatnam district.

- Coromandel Visakhapatnam Unit has won 'Environment Protection award for Complex Fertilizer Plant with Captive acids' from Fertilizer Association of India during the year
- Coromandel Ennore and Visakhapatnam Units have won 4 STAR award from CII – Southern region for its 'EHS Excellence 2017'

To become energy efficient various projects were executed across units on a continual basis like the following:

- Commissioned state of the art Sewage Treatment Plant at Visakhapatnam unit, which produces water of 100% recyclable quality
- Adopted energy efficient motors & lighting systems
- Focus on use of renewable solar energy by installing solar street light fittings
- Installed VFD (variable frequency drive) at Udaipur, Baroda and Nimrani SSP Units
- Replaced 113 normal lights with LED lights across SSP Units
- Debottlenecking and enhanced capacity enhancement
- Implemented online stack monitoring, dewatering system for the ETP solid waste, dust and odour controls systems in Sarigam unit

Coromandel's proactive approach in preserving the biodiversity at Kakinada site has caught the attention of nationwide stakeholders. The video on 'Turning a Factory into a Bird Sanctuary' can be viewed through the link <https://www.youtube.com/watch?v=Q0FDLaQUQ18>. During 2017-18 Discovery channel has covered the Coromandel efforts in preserving the bio-diversity. Also a coffee table book on Coromandel Kakinada "Birds Paradise" was

launched to support initiatives leading to sustainable conservation measures and improve understanding of the fragile ecosystems in relation to ecology, field biology and conservation

Coromandel has received all the needful environmental approvals and consents for the year from the PCB and MoEF. Company continuously ensures all the emissions, discharge and wastes disposal are well within the permissible limits. Coromandel files the environment reports to respective government bodies and these reports are also available to public at http://coromandel.biz/she_compliance_report.html.

No show-cause/legal notices is pending against the Company from CPCB/SPCB for the year 2017-18.

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 continues to share its rich experience to provide incisive insights and detailed inputs to key decision makers in planning better policies in setting of new industry standards and regulatory development pertaining to 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 with and other inclusive development policies.

The Company works with apex industry institutions that are engaged in policy advocacy, like The Fertiliser Association of India, International Fertilizer Association, Crop Care Federation of India, Pesticide Manufacturers and Formulators Association of India, Southern Indian Chamber of Commerce and Industry, Confederation of Indian Industry, Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry, National Safety Council, Environmental/Pollution Control Boards, Bureau of Indian Standards, Central Insecticides Board, State Fertiliser marketing federation, Petroleum and Natural Gas Regulatory Board and Gas Authority of India.

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. Kuppasamy, Sr. GM & Head-Regulatory Affairs (Crop Protection) is a Technical Committee member in CCFI, Mr. B. Prasannatha Rao, Executive VP and Head of HR, is a member of National Human Resource Development (NHRD), Mr. Arun Leslie George, Executive VP and Head of SSP Business, serves on the Board of Apprenticeship Training. Coromandel's engagement with the relevant authorities for responsible advocacy is guided by the values of integrity, respect and responsibility, providing 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. GST rate on Fertiliser and Phosphoric Acid
2. Quality testing of SSP
3. Priority of 'Make in India' concept for Fertiliser industry
4. Balanced use of Fertiliser Nutrients

Annexure J (Contd.)

5. Neem oil coating of Urea
6. Micro Nutrient Fortification
7. Use of Sulphur enhanced Fertiliser
8. Promoting organic manure
9. Usage of Gypsum; and
10. Indigenous sourcing of Potash

Coromandel, for the social development initiatives and plant capacity enhancement projects, organizes meetings with the local administration 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 areas of operation.

Coromandel has been executing Corporate Social Responsibility (CSR) activities for a long time through AMM Foundation of

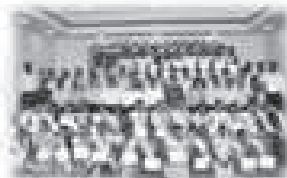
Murugappa Group. Coromandel is also working closely with Government as well as NGOs based on the need and expertise for implementing the program smoothly. Also, Coromandel has an in-house CSR team at every site to implement programs in coordination with various stakeholders which are coordinated from Corporate office to ensure effective implementation and constant monitoring to create an impact in the society and ensure improved socio-economic conditions.

Coromandel conducts **Social Impact Assessment (SIA)** of its CSR programs through reputed independent institutions to ensure that the social practices are participatory and support beneficiaries to make maximum impact. During 2017-18, three thematic impact studies of its initiatives including the –

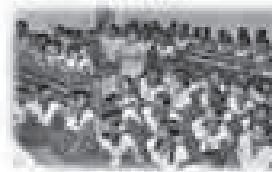
1. **Coromandel Girl Child Scholarship Scheme** – The impact study consisting 2030 students from 9 States reflected the positive influence on the parent's attitude towards the girl child education (91%), motivation for higher education (99%), bringing in gender neutrality (62%), and reducing child marriage by bringing in attitudinal change among the parents (92%).
2. **Public Private Partnership** in Government General Hospital, Pediatric ward, Kakinada, Andhra Pradesh



18,941 children reached



6565 girls benefited



727 schools



700 villages



70,015 get drinking water through 30 RO plants (12 in schools & 18 in communities)



548 house hold toilets built for communities



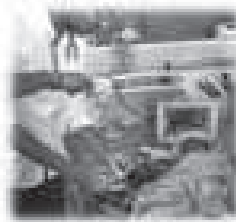
2996 got benefited through medical camps



37 toilets for girls



2353 women beneficiaries



PPP – 10 Programs, 4 Hospitals, saved 425 lives



3129 benefited through sports



72,100 plants planted

Annexure J (Contd.)

National Award from Public Relations Society of India (PRSI) - Best CSR Project for Childcare

3. **Open defecation free villages** - Coromandel conducted behavior change communication programs to inculcate positive behavior in using toilets. The assessment study revealed that 82% of villagers are using toilets regularly and open defecation has been almost stopped.

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, to enhance benefits across the society.

Coromandel complements the government initiatives at the local level and has taken up to the national levels in partnership with local government and also engaged with respective departments for smooth implementation of the programs like

- Support Govt. Hospital: Coromandel adopted Government pediatric ward at Kakinada and enhanced the quality of services by providing infrastructure support like ventilators in saving lives of children and support government in reducing mortality rate.
- Coromandel Girl Child Scholarship Scheme in government schools across Andhra Pradesh, Telangana, Karnataka, Tamil Nadu, Gujarat, etc.,
- Support in supplying of drinking water: Coromandel in partnership with local governments established RO plants based on the need and requirement of respective panchayats/villages.
- Support to Swachh Bharat Initiative: Constructed individual toilets at community, at schools and conducted innovative behavior 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 locations in the areas of Education, Health and Community development. Year wise CSR expenditures are given below

Year	2015-16	2016-17	2017-18
₹ in lakhs	1075	1097	1440

Coromandel has won the following accolades for its work in the communities:

- National CSR Awards from Public Relations Society of India (PRSI) in the category of 'Best CSR project for Childcare' for

the intervention in the Pediatric ward in the Government General Hospital in Kakinada

- ET NOW CSR Leadership Award for Best CSR practices.

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

Coromandel believes that customer-centricity is the key to long-term business sustainability. The Company has made successful engagement and provides value to the customers and consumers in a responsible manner.

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 with various aspects:

1. **Agronomists:** Coromandel's team of Agronomists works closely with the farmers to educate them about the usage of various farm inputs and overall solutions to the customer needs.
2. **Soil testing services:** Application of right nutrients to soil ensures higher crop yields and also reduces the cost of nutrient application.
3. **Quick Test Kit for Quality:** To measure nutrient content in the product to develop quality consciousness amongst the users of Single Super Phosphate (SSP)
4. **Farm Advisory Services:** Coromandel provides farm advisory services through various modes viz., 'Hello Gromor' Centre (Toll free helpline for farmers), voice SMSes, extensive farmers' group meetings, seminars, webinars and village sessions, Interactive touch screen kiosks of around 80nos for voice enabled online portal for knowledge sharing on crops
5. **'Pride' club for dealers:** In addition to rewards and motivation, dealers who have Pride mobile app have access to various features like real time weather information, prices of agricultural commodities and crop pest management solutions

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). Hence, there is no restriction or barrier of entry for other market players and customers are having the full freedom to select the products of their choice.

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

Annexure J (Contd.)

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, Store Advisory Board Meeting, Farmer panel Feedback and farmer education sessions.

- o 13180 number of SBZ (Sulphur, Boron & Zinc) soil analysis carried out and given recommendations
- o 1971 number of dealer trainings and organized crop seminars with scientists.

A total of 31613 farmer meetings/training sessions were conducted in 2017-18. 20 Store Advisory meetings were conducted in different stores across AP&TS and Karnataka. The Company interacted with nearly 300 farmers during Store Advisory Meeting. The key customer friendly new initiatives during 2017-18 include

- Gromor Dhamaka Scheme- In order to ensure the right usage of nutrients and crop protection chemicals, and adoption of scientific packaging, customer schemes were operated wherein, the customers buying the total package were offered discounts and incentives. 27514 farmers registered through the scheme.
- Gromor Anubhandam Scheme- In order to encourage customers to visit the Gromor centers regularly, to avail the technical services apart from buying agri-inputs, the Gromor Anubhandam loyalty program was operated. 29789 farmers registered through the scheme.
- Hingaaru Yojana – To ensure that the cotton farmers use entire set of agri-inputs as per the technical recommendations, a series of incentives, were offered at each stage of their crop, for which they bought the agri inputs. This scheme was operated in the state of Karnataka. 357 farmers have availed the scheme.

Coromandel promotes increased usage of Organic compost to rejuvenate the soil condition and enhance crop yield, thereby reduce the excessive application/consumption of Chemical fertilisers. Coromandel continually develops unique grades of products that enable slow release of nutrient to soil for enhanced retention/availability of nutrient to crops and thereby reducing seepage of nutrients.

During the year, Coromandel has organized number of Farm Advisory activities like Crop Seminar, Crop Demonstration, Soil Testing, with the aim to improve the farmers' crop productivity and profit.

Coromandel tracks grievances from the farmer, related to products and services and creates necessary improvement for farm productivity. During the year the number of calls received from/given to farmers by Hello Gromor on farm related advisory is as below:

- o In-bound calls - 8,254
- o Outbound calls - 1,954

Customer feedback is taken with utmost seriousness and attempts are made to satisfactorily close all customer feedback or complaints expeditiously. Around 27 product related complaints were received and addressed through CRM calls for the year 2017-18.

Coromandel also proactively seeks customer feedback through its Net Promoter Score initiative.

There are 23 customer/consumer legal cases/appeals filed and pending against the Company as on 31 March, 2018. These complaints are contested claims and are pending before various consumer forums. There are no cases filed and pending against the Company with respect to unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years.

Coromandel conducted various market research studies through external agencies during the Financial Year 2017-18, to understand the farmer's perception and satisfaction level across SBUs like Price Benchmarking, Cotton Brand Preference study, Product need gap study. The surveys depict the increased farmer's awareness level on choice and selection of products and services, opportunities through unmet needs of farmers and NPS score depicting the customer satisfaction level, promote or detract or remain passive, with the products and services. Coromandel persistently works towards maximizing the sustainable value for all stakeholders by delivering the promise, reliability assurance, value for money and exceeding expectations of customers in line with its brand essence 'Maximise'.

On behalf of the Board of Directors
For **Coromandel International Limited**

Date: 24 April, 2018
Place: Secunderabad

M M Murugappan
Chairman