



MEGHMANI ORGANICS LIMITED



SUSTAINABILITY REPORT 2018

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Corporate Profile

Meghmani Organics Limited (“**MOL**” or the “**Company**”, and together with its subsidiaries, the “**Group**”), is a leading global chemical specialist in the specialised fields of Pigments, Agrochemicals and Basic Chemicals. The Group’s products are categorised into three main businesses: (i) Pigments, (ii) Agrochemicals, and (iii) Caustic Soda.

In 1986, the Group commenced operations to manufacture Phthalocyanine Green 7, more popularly known as Pigment Green 7, at our first manufacturing plant situated at the GIDC Industrial Estate, Vatva. MOL is the largest manufacturer of Phthalocyanine-based pigments, with a 14% global market share, and is among the top 3 (capacity-wise) global pigment players. MOL’s pigment products are used in multiple applications, including printing inks, plastics, paints, textiles, leather, paper and rubber. The agrochemical products manufactured by MOL fall into three main categories – technical products, formulations and intermediates. These agrochemical products are used in crop protection, public health, termite and insect control, and veterinary applications. The Caustic Soda segment includes caustic, chlorine and caustic potash manufactured by Meghmani Finechem Limited (“**MFL**”), a subsidiary of MOL. MFL is the 7th largest (by capacity) caustic-chlorine producer in India. Caustic soda is used in soap and detergents, pulp and paper, textiles processing, organic and inorganic chloro solvents. Chlorine is used in PVC manufacturing, illumining, dyes and dye intermediates, organic and inorganic chemicals, disinfection of drinking water, and pharmaceuticals, while caustic potash is used in soaps, detergents and chemical fertilizers .

Having received several awards for outstanding export performance, MOL has a presence in more than 75 countries, serving over 400 customers across all three business segments. Our global distribution network consists of 20 overseas distributors catering to our international markets for our Pigments and Agrochemical products, and a chain of over 2,800 stockists, agents, distributors and dealers covering the domestic market in India.

The Group’s products are produced under our proprietary brands, which are recognised names among customers in India, Africa, Brazil, Europe, the USA and Latin America.

The brands under our Agrochemical formulations include ‘Megastar’, ‘Megacyper’, ‘Megaban’, ‘Synergy’ and ‘Courage’, while the brand ‘Meghafast’ is for the Pigments segment. The Group has more than 36 brands of various agrochemical formulations under our Agrochemicals segment to cater to the needs of Indian farmers.

Headquartered in Ahmedabad, the Group has seven dedicated manufacturing facilities in India, which includes three pigment plants in Vatva, Panoli and Dahej, and another four agrochemical plants in Chharodi, Panoli, Dahej and Ankleshwar. The Group also has four warehouses in Turkey, Russia, the USA and Uruguay.

In 2004, MOL was listed on the Mainboard of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) under the stock code M30. MOL was also listed on the Indian Stock Exchanges viz., National Stock Exchange India Limited (“**NSE**”) and BSE Limited (“**BSE**”), in 2007.

Board Statement

The Board of Directors (the “**Board**”) is pleased to present the inaugural Sustainability Report of MOL for the financial year ended 31 March 2018.

This Sustainability Report is meant for our employees, business partners, all other stakeholders and the interested public. This report has been prepared in compliance with the SGX Sustainability Reporting Guidelines that are set out in Listing Rule 711A and 711B, and with reference to the guidelines of the Global Reporting Initiative (“**GRI**”) Standards, a globally-recognised sustainability reporting framework, for reporting on topics that are deemed material to MOL.

Since we started our Pigments business in 1986, we have broadened our operations to include Agrochemicals and Basic Chemicals business segments over the last three decades. We are committed to producing premium quality specialty chemicals in our respective business segments to cater to the evolving requirements of our customers. We seized opportunities to expand progressively in our product range and manufacturing capabilities, as well as deepen our established global distribution network for our range of products with their various proprietary brands in our three main businesses.

While the Group continues to grow and pursue business opportunities, we acknowledge the need for our stakeholders to be engaged in our sustainable growth strategies and practices. In our first Sustainability Report, we cover the Environment, Social, and Governance (“**ESG**”) performance across our three main business segments – Pigments, Agrochemicals and Basic Chemicals. The Board has considered sustainability issues as part of its strategic formulation, determined the material ESG factors and overseen the management and monitoring of sustainability risks and opportunities, while ensuring all ESG matters significant to our businesses are addressed. The Board believes this report is a reasonable and clear presentation of the company’s plans and of its environmental, social and governance performance.

This report focuses on MOL’s sustainability performance with regards to the Group’s operations in India from 1 April 2017 to 31 March 2018.

No external assurance was sought for this report.

We welcome stakeholders to provide us with feedback and suggestions on this report. You may contact us at [**helpdesk@meghmani.com**](mailto:helpdesk@meghmani.com)

Sustainability Governance

MOL's sustainability agenda is developed and directed by senior management with guidance from the Board. Our sustainability approach is focused on generating stable and sustainable value for our stakeholders by managing the ESG impacts, as well as risks and opportunities present in our businesses.

The Group has in place a Sustainability Committee which is led by senior management executives and supported by representatives from the various departments across the business segments in the Group. The Sustainability Committee is responsible for reviewing the Group's sustainability performance, material topics, stakeholder concerns, setting of targets and goals for material topics, and establishing systems to collect, verify, monitor and report information required for this sustainability report.

The Sustainability Committee meets at least once a year and proposes, coordinates and promotes the company's main sustainability initiatives.

The Board maintains oversight over the Sustainability Committee, managing sustainability risks and opportunities, while ensuring all Environment, Social and Governance ("ESG") matters significant to our business are addressed.

Stakeholder Engagement

We use formal and informal engagement methods to interact with our various groups of stakeholders as identified below. We seek to engage the various stakeholder groups in identifying of material topics for our subsequent sustainability reports.

OUR STAKEHOLDERS	STAKEHOLDERS' EXPECTATIONS	MODE OF ENGAGEMENT	OUR INITIATIVES AND RESPONSES
Customers	<ul style="list-style-type: none"> • Customer privacy • Quality control • On-time delivery and services • Technical support • Reasonable payment terms • Competitive pricing 	<ul style="list-style-type: none"> • Customer feedback management via surveys, face-to-face meetings • Regular sales calls and meetings 	<ul style="list-style-type: none"> ➤ Active follow-up on customers' needs ➤ Regular internal meetings to review customers' order fulfilment and new requirements ➤ Update customers on new products and solutions ➤ Provide timely feedback to customers
Employees	<ul style="list-style-type: none"> • Career growth • Training opportunities • Competitive salaries and incentives • Pleasant and safe working environment 	<ul style="list-style-type: none"> • Regular internal communications • Regular review of working environment and welfare • Employee feedback 	<ul style="list-style-type: none"> ➤ Ensure effective implementation of HR policies ➤ Regular internal meetings to review safety practices ➤ Annual performance review
Shareholders & Investors	<ul style="list-style-type: none"> • Higher financial returns • Industry conditions • Market presence • Profitability • Transparency & corporate governance 	<ul style="list-style-type: none"> • Announcements via SGX • Annual General Meeting • Investor roadshows • Conference calls with investment community • Electronic communications through investor relations portal • Annual reports 	<ul style="list-style-type: none"> ➤ Regular and timely updates via announcements and press releases as and when required ➤ Ensure sustainable business growth
Government & Regulators	<ul style="list-style-type: none"> • Regulatory compliance • Occupational health & safety • Environmental issues • Social issues 	<ul style="list-style-type: none"> • Meetings to remain updated on issues of relevance • Electronic communications 	<ul style="list-style-type: none"> ➤ Ensure compliance with applicable laws ➤ Meetings to update and resolve issues with relevant authorities as and when required
Suppliers	<ul style="list-style-type: none"> • Competitive pricing • Payment terms • Quality benchmarks 	<ul style="list-style-type: none"> • Networking sessions • Visits to / Interactions with suppliers 	<ul style="list-style-type: none"> ➤ Regular feedback on quality or other issues

Material Topics

MOL conducted an internal stakeholder analysis to identify the sustainability topics that matter most to the success of our Group and our other stakeholders. This was conducted in 2018 and we expect to review the relevance of the material topics after we have engaged other stakeholders in the coming year. As this is our inaugural report, we have just embarked on data collection for these material topics and would be sharing more information on performance and targets in our subsequent reports.

MATERIAL TOPIC	DESCRIPTION	RELEVANT GRI STANDARDS THAT WE WILL BE REPORTING
Product Safety and Stewardship	Developing modern, innovative agricultural products and technologies that meet or exceed regulatory requirements relative to safety, human health and the environment	GRI 416: Customer Health & Safety GRI 307: Environmental Compliance
Environmental Management	Applying innovation and best practices to protect, conserve and manage energy	GRI 302: Energy
Business Practices and Competition	Adopting methods or processes that deliver products and services which meet the standards of customers based on value, quality, service and fair competitive market practices.	GRI 205: Anti-Corruption GRI 206: Anti-Competitive Behaviour
Occupational Health and Safety	Ensuring a healthy, safe and secure workplace that promotes well-being.	GRI 403: Occupational Health and Safety
Employee Development, Diversity and Benefits	Attracting, retaining and developing our employees, promoting professional growth, leveraging the power of inclusion and diversity, and creating a positive work environment.	GRI 401: Employment GRI 405: Diversity and Equal Opportunity
Relationships with Local Communities and Society	Enhancing the communities in which we operate, engaging in social contribution and employee voluntarism.	GRI 413: Local Communities



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