



Co-creating a Circular Future

**Sustainability  
Report**  
2018-2020

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#### Cautionary statement

This report contains forward-looking statements which may be identified by their use of words like 'plans,' 'expects,' 'will,' 'anticipates,' 'intends,' 'projects,' 'estimates' or other words of similar meaning. All statements that address expectations, assumptions or projections about the future, including statements about the Company's strategy for growth, market position, expenditures and financial results are also forward-looking statements. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized.

# Abbreviations

<b>BioPET-</b> Biodegradable PET Film	<b>MEG-</b> Mono Ethylene Glycol
<b>BOPET-</b> Biaxial Oriented PET Film	<b>PCL-</b> Polyplex India Operation
<b>BOPP-</b> Biaxial Oriented Polypropylene Film	<b>PE/Polyplex Europa-</b> Polyplex Europa Polyester Film Sanayi Ve Ticaret Anonim Şirketi, Turkey
<b>BRC-</b> British Retail Consortium	<b>PET-</b> Polyethylene Terephthalate
<b>COD-</b> Chemical Oxygen Demand	<b>PP-</b> Polypropylene
<b>CPP-</b> Cast Polypropylene Film	<b>PTA-</b> Purified Terephthalic Acid
<b>CSR-</b> Corporate Social Responsibility	<b>PTL-</b> Polyplex (Thailand) Public Company Ltd, Thailand
<b>EG-</b> Ethylene Glycol	<b>PU-</b> Polyplex USA LLC, USA
<b>ETP-</b> Effluent Treatment Plants	<b>PVC-</b> Polyvinyl Chloride
<b>FDA-</b> Food and Drug Administration	<b>rPET-</b> Recycled Polyethylene Terephthalate
<b>GHG-</b> Green-House Gases	<b>SDGs-</b> Sustainable Development Goals
<b>GRI-</b> Global Reporting Initiative	<b>TPL-</b> Transparent Paper Ltd.
<b>IFC-</b> Internal Financial Control	<b>UV-</b> Ultraviolet
<b>ISO-</b> International Organization for Standardization	
<b>LED-</b> Light-Emitting Diode	

# Message from CEO



**Dear valued stakeholders,**

I am proud to share our third GRI aligned Sustainability Report, intimating our efforts towards creating a circular future. Our commitment towards the advancement of our sustainability efforts is reflected in every aspect of our business and operations. With versatility and high performance of our products, and improved customer satisfaction, we have maintained our global leadership position along with strong financials during 2018-20.

We commenced our journey more than three decades ago. Since then, we have been driven by our mission to grow responsibly and have become the sixth-largest global integrated manufacturer of Polyester (PET) films with a reach of over 80 countries. We are

leveraging our leadership position in the packaging industry to make progress in providing innovative solutions for flexible packaging across the world. Currently, we have manufacturing and distribution operations in Thailand, Turkey, the USA, Indonesia, Netherlands, besides India with warehouses in Poland, Germany and Mexico. We have a growing base of over 1900 customers, thereby further expanding our reach in all the regional markets.

Highlights for this reporting period include the successful commissioning and ramp-up of the greenfield Indonesia PET film project along with its associated metallizer/resin plant. This line is the world's highest productivity line with attendant savings in energy costs, lower wastes and hence a lower carbon footprint on a per-unit basis. We have also commissioned new offline coating lines in India and Thailand to meet the market demand and broaden the product portfolio. In addition, the brownfield BOPP film line in Indonesia, which is under implementation, will have the capabilities to further our company's product diversification plans and would also broaden base our offering of sustainable products in the regional market.

Whether it is our 'chemical recycling' process to manufacture Sarafil rPET polyester films with up to 90% post-consumer recycled content or in-house recycling of most of our industrial process wastes, our operations have never been this aligned with our aspiration to become more sustainable and reduce our carbon

footprint. With minimal negative impacts on our environment and society, we have been redefining the way we procure, operate and produce. We have improved operational efficiencies to ensure optimal consumption of resources. Besides, we have been committed to the health and safety of our people, well-being of our communities and procured ethically sourced materials. As an outcome of our commitment, we are proud to have earned the Ecovadis sustainability rating – Silver award. While there is much to do, I wanted to appreciate the commitment and dedication of our people throughout the Polyplex Group, in championing our vision.

We have taken steps to integrate this vision into our growing portfolio as well. The ongoing investments include a brand-new facility in Thailand for recycling post-consumer PET wastes as well as HDPE and polyolefin waste in our subsidiary Ecoblue. Additional investments in batch resin plants in Thailand and Turkey would also help augment the capacity for rPET resin and films. Significant progress has been made in developing and commercializing Recyclable Monomeric PET packaging structures

On behalf of the Board, I would like to thank all the shareholders and other stakeholders for their continued support and efforts in fueling our spirits.

**Pranay Kothari**  
Chief Executive Officer

# About the report

*We are proud to present our third Sustainability Report showcasing our sustainability journey during FY 2018-20*

## Report overview

Polyplex is committed to transparently disclosing its economic, social and environmental performance. This report is a compendium of Polyplex’s mission to create and deliver value to its stakeholders. Two-year historical figures are provided across the Key Performance Indicators (KPIs) throughout this report. We intend to disclose historical performance data transparently to enable stakeholders to contextualise the progress we have made. We seek to co-create a circular future with you.

## Defining the report

Our sustainability report has been developed in accordance with the Global Reporting Initiative (GRI) Standards “Core” reporting requirements. The GRI Standards provide a credible framework to identify aspects for disclosure of interest and importance to our stakeholders.

To meet the expectations of our customers and business partners, we have taken further steps to enhance our disclosures in alignment with the Sustainability Accounting Standards Board’s (SASB) Containers and Packaging Standards. These are the first standards developed by SASB to assist companies in the packaging industry to disclose relevant information to their stakeholders.

## Our approach to materiality

In this report, we provide both qualitative and quantitative information that we consider to be of material significance to our stakeholders. We conducted a materiality survey and workshops with our internal and external stakeholders to identify sustainability priority areas or material topics for this reporting year. Our disclosures on these material topics demonstrate our commitment to creating sustained value.

We strongly believe that this sustainability report is a fair representation of our firm’s overall financial, non-financial, sustainability and operational performance for the years FY 2018-19 and 2019-20.

## Scope and boundary

We strive to provide the most accurate and transparent account of our sustainability initiatives and challenges in managing different material aspects of our business, which we believe this report has achieved reasonably. The material aspects include the information relevant to our company’s economic performance, governance frameworks (governance structure, policies and strategies), employee engagement and environmental initiatives, product sustainability programmes, health and safety initiatives, community building programmes and other areas of our work that are relevant to our stakeholders.

The boundary includes Polyplex’s global manufacturing and distribution operations. Data pertaining to all the relevant

business units are shown wherever required to provide a holistic view of our company’s performance in the operational geographies. The boundary further extends to include aspects that impact our company’s ability to create value. Exclusions if any, are provided in the respective sections. Since there have been no significant changes in the reporting boundaries or the nature of the business in the given financial year, there are no restatements of the information.

The reporting boundary for this report comprises of the following business units of Polyplex:

## Assurance

We ensure that data quality is presented in the sustainability report through a robust assurance process, confirming that we leverage the internal expertise along with the assurance provided

by a third party, which has no financial interests in Polyplex operations other than that for the assessment and assurance of this report. This report has been externally assured by TUV India Private Limited (TUVI) and includes a “Limited” level of assurance of PCL Sustainability information for the applied reporting period.

## Feedback

We encourage you to share your insights, suggestions and queries regarding our sustainability report to strengthen our future reporting efforts. Your suggestions/queries may be communicated at [sustainability@polyplex.com](mailto:sustainability@polyplex.com).

We provide global access to our reports via our company website. The sustainability report can be accessed from the below-mentioned websites.

- [www.polyplex.com](http://www.polyplex.com)
- [www.polyplexthailand.com](http://www.polyplexthailand.com)

**Polyplex Corporation Limited, India (PCL)**

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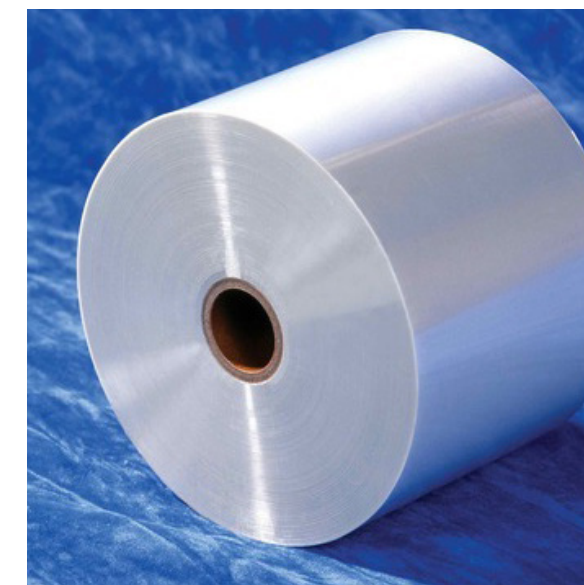
**Polyplex (Thailand) Public Company Ltd (PTL)**

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**Polyplex Europa Polyester Film Sanayi Ve Ticaret Anonim Sirketi (PE)**

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**Polyplex (Americas), Inc. (PU)**



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# Sustainability highlights



## Business

<b>6</b> Manufacturing units	<b>381,837</b> Total base film capacity (in MT per annum) (including upcoming capacities as on March 31, 2020)	<b>50.03</b> Promoter's shareholding (as of March 31, 2020) (in %)	<b>1900</b> Customer base across the globe
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## People

<b>2,841</b> employees as of March 31st, 2020
<b>12%</b> female employees as of March 31st 2020



## Environment



### Water

<b>1,548</b> (in thousand KL) is the total water consumption in 2018-19	<b>1,562</b> (in thousand KL) is the total water consumption in 2019-20
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### Waste

<b>19,404 MT</b> of waste reduction in 2018-19	<b>13,250 MT</b> of waste reduction in 2019-20
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### Environmental expenditure

<b>\$ 3,80,214</b> spent for environmental initiatives in 2018-19	<b>\$ 4,03,305</b> spent for environmental initiatives in 2019-20
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# Global recognition

We take pride in the global recognition we receive from the efforts we put forward for building a circular future. We are proud to have earned the Ecovadis CSR rating Silver awards (Polyplex Turkey and Polyplex India (Khatima)) and Ecovadis CSR rating Bronze awards (Polyplex Thailand). These awards are the key milestones in our sustainability journey. We have also participated in voluntary sustainability assessments such as Sedex during the reporting years. Being Sedex compliant enables us to drive improvements in ethical and responsible business practices across our global supply chains.

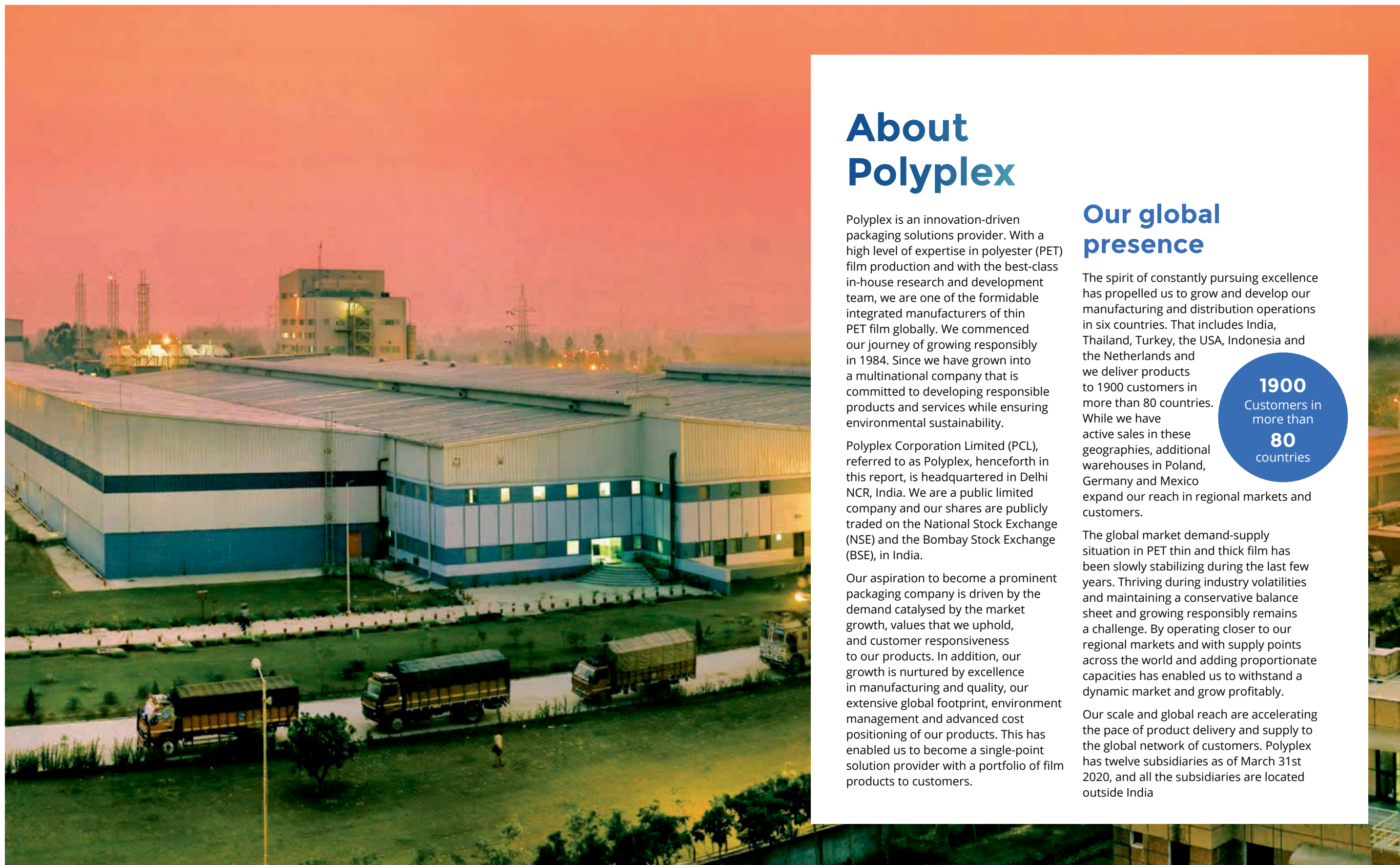


Figure 1: Ecovadis CSR rating award and Sedex certification awarded to Polyplex

## Section 1

# Co-creating a circular future

Polyplex remains committed to our purpose of building a resilient future. Aligned with our beliefs of product design optimization, environmental stewardship, impactful collaborations and partnerships, we are focusing on a transformational journey to make our products more sustainable. By moving away from a one-way take-make-waste economy and incorporating the principles of circular economy, together, we are co-creating a circular economy.



## About Polyplex

Polyplex is an innovation-driven packaging solutions provider. With a high level of expertise in polyester (PET) film production and with the best-class in-house research and development team, we are one of the formidable integrated manufacturers of thin PET film globally. We commenced our journey of growing responsibly in 1984. Since we have grown into a multinational company that is committed to developing responsible products and services while ensuring environmental sustainability.

Polyplex Corporation Limited (PCL), referred to as Polyplex, henceforth in this report, is headquartered in Delhi NCR, India. We are a public limited company and our shares are publicly traded on the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE), in India.

Our aspiration to become a prominent packaging company is driven by the demand catalysed by the market growth, values that we uphold, and customer responsiveness to our products. In addition, our growth is nurtured by excellence in manufacturing and quality, our extensive global footprint, environment management and advanced cost positioning of our products. This has enabled us to become a single-point solution provider with a portfolio of film products to customers.

## Our global presence

The spirit of constantly pursuing excellence has propelled us to grow and develop our manufacturing and distribution operations in six countries. That includes India, Thailand, Turkey, the USA, Indonesia and the Netherlands and we deliver products to 1900 customers in more than 80 countries. While we have active sales in these geographies, additional warehouses in Poland, Germany and Mexico expand our reach in regional markets and customers.

**1900**  
Customers in  
more than  
**80**  
countries

The global market demand-supply situation in PET thin and thick film has been slowly stabilizing during the last few years. Thriving during industry volatilities and maintaining a conservative balance sheet and growing responsibly remains a challenge. By operating closer to our regional markets and with supply points across the world and adding proportionate capacities has enabled us to withstand a dynamic market and grow profitably.

Our scale and global reach are accelerating the pace of product delivery and supply to the global network of customers. Polyplex has twelve subsidiaries as of March 31st 2020, and all the subsidiaries are located outside India

## Our global footprint

Table 1: Global footprint of Polyplex

Polyplex group companies	Polyplex subsidiary companies (% holding)
<b>I. Manufacturing Units</b>	
➔ Polyplex Corporation Limited (PCL/Polyplex India) India	1. Polyplex (Asia) Pte. Ltd (100.00)
➔ Polyplex (Thailand) Public Co. Ltd. (PTL/Polyplex Thailand) Thailand	2. Polyplex (Thailand) Public Company Ltd. (51.00)
➔ PT. Polyplex Films Indonesia (PFI/Polyplex Indonesia) Indonesia	3. Polyplex (Singapore) Pte. Ltd. (51.00)
➔ Polyplex Europa Polyester Film Sanayi Ve Ticaret Anonim Sirketi (PE/Polyplex Europa) Turkey	4. Polyplex Europa Polyester Film Sanayi Ve Ticaret Anonim Sirketi (51.00)
➔ Polyplex USA LLC (PU/Polyplex USA) USA	5. Polyplex Trading (Shenzhen) Company Ltd. (51.00)
➔ EcoBlue Ltd (EB/EcoBlue) Thailand	6. PAR LLC (100.00)
<b>II. Investment and trading and distribution</b>	7. Polyplex America Holdings Inc. (51.00)
➔ Polyplex (Asia) Pte. Ltd (PAPL/Polyplex Asia) Singapore	8. Polyplex USA LLC (51.00)
➔ Polyplex America Holdings Inc. (PAH) USA	9. EcoBlue Limited (33.92)
➔ Polyplex Europa B.V. (PEBV/Polyplex Netherlands) Netherlands	10. Polyplex Paketleme Cozumleri Sanayi Ve Ticaret Anonim Sirketi (51.00)
➔ Polyplex Paketleme Cozumleri Sanayi Ve Ticaret Anonim Sirketi (PP/Polyplex Turkey) Turkey	11. Polyplex Europe BV (51.00)
<b>III. Provision of shared services</b>	12. PT Polyplex Films Indonesia (51.00)
➔ PAR LLC (PAR) USA	

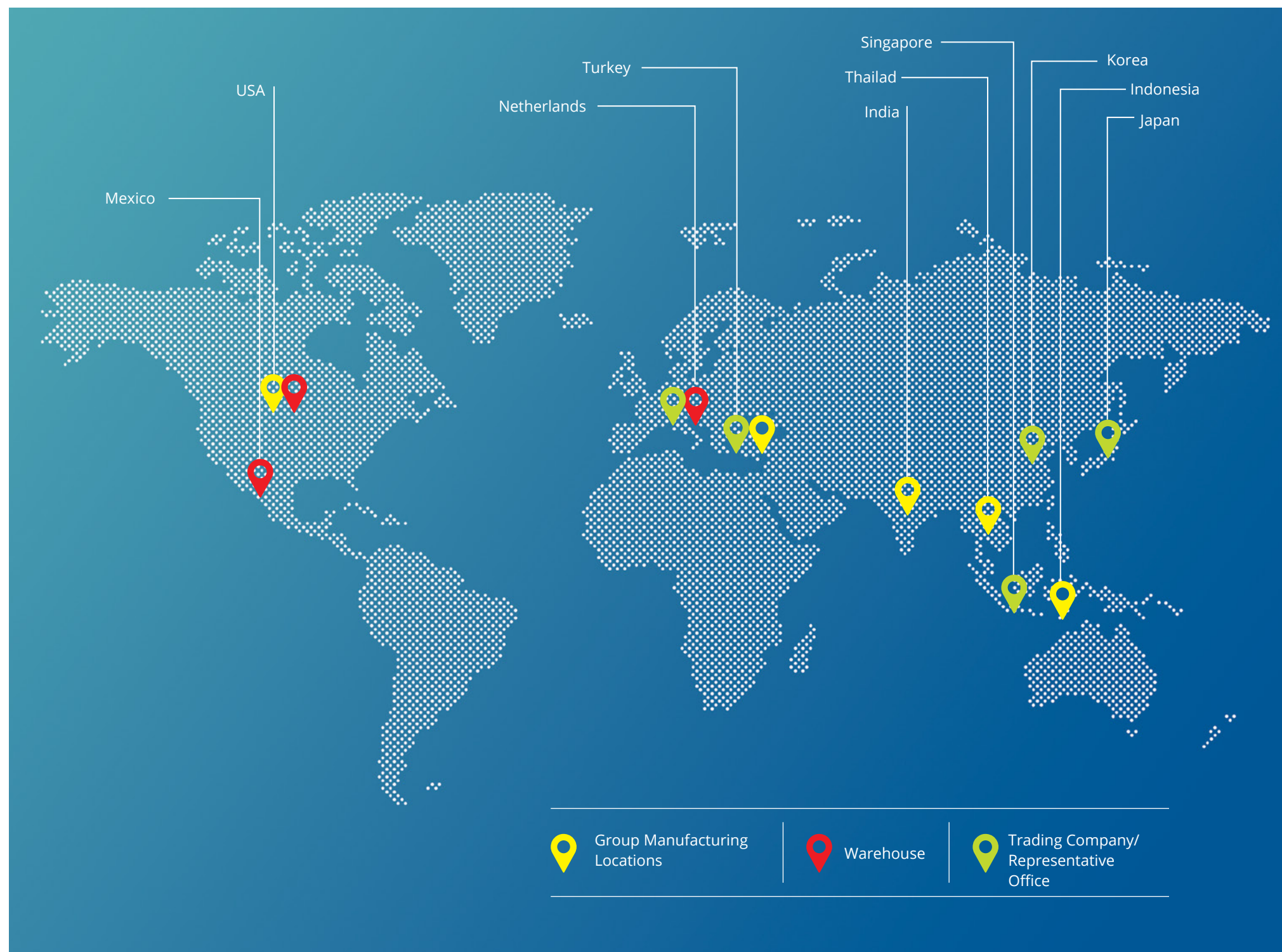


Figure 2: Our global presence





## Our product portfolio

We offer a wide range of plastic films across various substrates. They include standard plain films and various kinds of value-added films with offline coating and metallizing capabilities. With increased concerns about the sustainability aspect of single-use plastics and growing consumer awareness on sustainable packaging and increased demand, we are involved in developing sustainable products such as RPET, bio-based, biodegradable films, etc. This includes improving our global operations to contribute to the emerging global sustainability movement. With the enhanced product portfolio, operational excellence and improved recyclability of our products and global partnerships, we intend to close the material loop.

Our product portfolio is diversified to meet our stakeholder expectations and needs because the packaging has become an important aspect of the materials that we use every day. With a product portfolio ranging from BOPET, BOPP, Blown PP/PE and CPP films, we are primarily focusing on our state-of-the-art manufacturing facilities and capabilities to develop PET films that find their application in packaging, industries, electrical and electronics, printing and thermal lamination sectors and all other parts of our lives.

The product applications of Polyplex include:

### Packaging applications:

Packaging of food, juices and liquid food, health and personal care products, cosmetics, confectionaries, retort and microwave food, lidding applications, sauces and noodles, anti-fog packaging, etc.

### Industrial application:

Label and stickers, smart cards, holography and security stickers, embossing, yarn, duct insulation, release liners, automobiles, magnetic tape, barcode label, adhesive tape, etc.

### Electrical and electronics applications:

Insulations, cable insulation, antistatic bags, solar panels, capacitor, flexible circuits, screens and membranes switch, etc.

### Printing and imaging:

Print media, photo albums, product brochures, posters, offset printing, laser printing, etc.

### Thermal lamination:

Book cover lamination, carton lamination, document lamination, reflective insulation with epe/xpe foam.

During FY 2019-20, we have commissioned new offline coating lines in India and Thailand to meet market demand and broaden the product portfolio. Another offline coater is under implementation in Turkey. Our recycling company in Thailand is venturing into a new state of the art facility that can convert post-industrial and post-consumer PET waste into PET resin.

Polyplex has successfully commissioned a laminating machine to facilitate the Transfer metallized paper business in FY 2019-20 which will further enhance its product offering. Paper is a more environmentally friendly substrate being a biodegradable and recyclable solution for many packaging applications. The metallized paper offers dramatic benefits over the use of foils and metallic inks on reduction of carbon footprint and they are easily recyclable along with conventional paper or board.

Polyplex has successfully commissioned six holography film production lines in India for flexible packaging applications and Carton lamination. New Developments are being pursued in BOPP Holography for Book Cover Lamination, WPP Bags for Rice & Grain packaging, Textile Bags etc. The Company has also commissioned one holography line in Turkey and two holography lines are under implementation in Thailand.



## Product Sustainability

Polyplex's approach to sustainable packaging is based on the three interconnected strategies of reducing, reusing and recycling. We have made a name for ourselves by introducing innovative products that incorporate these strategies. These include films for back sheets of solar panels, thick films for electrical and electronic appliances, easy-to-tear packaging films for food and cosmetics, foldable films for medical and industrial uses, high-barrier high-adhesion films for metallic surfaces, transparent barrier films for food packaging, especially-coated PET films and specialized films for print media suitable for digital printable and UV inks, among others. The films are made of recycled or bio-based renewable raw materials; which are sustainable, resource-efficient and lead to significantly lower carbon emissions as compared to virgin plastic and have a high product to packaging ratio.

We have developed an optimized 'chemical recycling' process to manufacture Sarafil rPET polyester films with up to 90% post-consumer recycled content. In terms of reporting our greenhouse gas (GHG) emissions, this translates into savings of over 60% emissions as compared to virgin PET. The resultant rPET films have similar properties to that of virgin PET, which is suitable for direct food contact and are compliant with all relevant regulations including FDA and EU regulations. Our current capacity for manufacturing rPET stands at 12,000 MT per year. However, expansion plans are underway at all its manufacturing locations to further increase this capacity. Another innovative solution developed including the Sarafil range of products is the Sarafil Bio-PET, which is made up of 32% bio component (bio/renewable feedstock) and has also resulted in 20% reduced CO2 emissions.

Polyplex has also come up with monolayer structures for packaging applications. With polymeric modifications, we were able to develop special Low SIT Heat Sealable PET films with a high seal strength of up to 2kg/25mm. Such films are instrumental in designing mono polymeric PET laminates for applications like a cold seal as well as replacing a few multi-layer laminate structures where PET films can be used as sealant layers. It facilitates brand Owners and converters to develop recyclable packaging.

The Sarafil range of plastic films is a key product line of Polyplex. They are suitable for a range of applications due to their inherent properties of being transparent,

flexible, strong and lightweight. And as a sustainable source of packaging by using consumer waste, they offer the added advantage of drastically reducing the volume of PET plastic waste that is littered in the environment or leaked into the oceans. This advantage also applies to all Polyplex's rPET films. Currently, all standard PET film types are available also in rPET version, offering the same high-quality level as standard films. There is also no compromise to the shelf life of the packed food products.

Another use of the collected post-consumer waste is in manufacturing BOPET and BOPP films. The bottle flakes received from pre-approved vendors provide a steady flow of feedstock to produce rPET resin. Once the flakes qualify the rigorous pre-input quality evaluation, they are fed into the modified polymerization plant along with other process inputs. The BOPET and BOPP films produced from the process are 100% recyclable endlessly (thereby closing the material loop) and substantially reduce the amount of GHG emissions produced during the manufacturing process. This technology is being implemented across all our manufacturing locations to ensure the availability of the rPET films to our global customer base. Our European distribution partner, Transparent Paper Ltd. (TPL) has already begun offering rPET with up to 70% post-consumer recycled content from its warehouse in Antwerp, Belgium, for immediate delivery. We have a dedicated recycling unit in Thailand; its subsidiary, Ecoblue Limited, provides sustainable solutions for post-consumer and film-based plastic waste. This unit has partnered with the organization UPM Raflatac for its recycling solution, RafCycle gives new life to PET post-consumer waste and produces upcycled products that benefit brand-owners, printers, packers, etc. The unit has a production capacity of 1,300 MT and is also a member of Ceflex.

A key aspect of product sustainability is building the right stakeholder network along the polyester value chain. In order to achieve this, we have partnered with stakeholders, who place sustainability at the forefront of their operations. We have also represented the polyester industry at several national and international industry associations (including 'PETCORE - Europe', 'Circular Economy for Flexible Packaging -Europe', 'EUPP - Europe', 'Indian Flexible Packaging and Folding Carton Association - India', 'Sustainable Packaging Coalition - the USA', 'BOPET FILM Europe Association - Europe' and many more), which aim to promote sustainability and circular economy in the PET and flexible packaging industry. To ensure product transparency and improve trust amongst our customers, we label our product with utmost care. Our product packaging includes the production information, dimension details, weight, quality status etc.

Our participation in industry associations and partnerships amplify our business aspirations. Currently, we engage with the below-mentioned associations and partners.

### Industry associations

1. Delhi Chamber of Commerce (India)
2. Federation of Indian Export Organization (FIEO-India)
3. Plastics Export Promotion Council of India (PLEXCONCIL-India)
4. Polyester Film Manufacturers Association (PFMA)
5. Indian Flexible Packaging and Folding Carton Association (IFCA-India)
6. BOPET FILM Europe Association (BOFE-Europe)
7. European Plastic Pact (EUPP-Europe)
8. PETCORE Europe
9. A Circular Economy for Flexible Packaging (CEFLEX-Europe)

- \* Sustainable Packaging Coalition (SPC-USA)
- \* Association of International Metallizers, Coaters and Laminators (AIMCAL-USA)
- \* Polyplex is a member of SPC-USA and AIMCAL-USA through its subsidiary, i.e., Polyplex America

### Partnerships



➔ Avery, a Fortune 500 company, is a global leader in the labelling industry and we partner with them for recycling filmic liner waste.



➔ Signode, the world leader in industrial packaging solutions, is a 2.4-billion-dollar multinational firm with 88 manufacturing facilities. We have been a strategic supplier to Signode APAC for rPET for the last four years.



➔ UPM Raflatac, a part of the UPM Group, is one of the world's leading producers of self-adhesive label materials. We partnered with them for the recycling of filmic liner waste.

### Certifications

Our enduring value showcases our commitment to continuous evaluation and improvement of our products. Considering the versatility of our products being used and utilized in multiple sectors and geographies, we, as a responsible corporate, adhere to global standards and deliver the best to our customers.

We understand the need to comply and adopt management practices detailed under international standards such as ISO 9001, ISO 14001, OHSAS 18001/ISO 45001, ISO 22000/ BRC-IOP/FSSC-V5 and ISO 50001. By integrating these international management system standards into our operations, we ensure no harm to our people, environment and society; and deliver world-class quality products that are safe to use and create a culture that engages our employees to evaluate and improve what we offer.

Table 2: International standards adopted at various Polyplex's operational units

Management System International Standards	PCL - Khatima	PCL - Bazpur	PTL - Thailand	PE - Turkey	PU - USA	PFI - Indonesia
Quality Management System (ISO 9001:2015)	Certified since 1996	Certified since 2010	Certified since 2004	Certified since 2006	Certified since 2018	
Environment Management system (ISO 14001:2015)	Certified since 2002	Certified since 2010	Certified since 2004	Certified since 2009	Certified since 2018	Under Implementation (Certification expected by Q2 FY' 2020-21)
Occupational health & safety management system (OHSAS 18001:2007/ ISO 45001:2018)	Certified since 2004	Certified since 2012	Certified since 2008	Certified since 2009		
Food Safety Management System (ISO 22000:2005/ BRC-IOP/ FSSC-V5)	Certified since 2008 (ISO 22000)	Certified since 2012 (ISO 22000)	Certified since 2009 (ISO 22000)	Certified since 2006 (BRC-IOP)	Under implementation (Certification expected by Q2 FY' 2020-21)	Under implementation (Certification expected by Q4 FY' 2020-21)
Energy Management System (ISO 50001:2011)	Certified since 2013		Under Implementation, (Certification expected by Q3 FY' 2020-21)	Certified since 2014		

## Corporate governance

We aspire to comply with the highest corporate governance standards, striking an absolute balance amongst our social, economic and environmental goals. At Polyplex, we believe that having a strong governance framework enables us to provide long-term value to our stakeholders, by being transparent, accountable and responsible. Our employees in global manufacturing and distribution units as well as in board and management are guided by our mission. Our values are entrenched in our practices to do business ethically- to drive sustainable business growth.

With our growing global footprint and product diversification, we are continuously challenged and expected to comply with different regulatory environments. Hence, we ensure that we adapt quickly, develop and establish adequate corporate policies to thrive in a challenging global market and minimize the risks. With effective internal control mechanisms, we assure the board and management and the audit committee about our operational excellence.



## Our corporate philosophy

Fairness, transparency, accountability and responsibility remain central to our corporate philosophy. This shows what we stand for and describes the vision that unifies the company and its people. The aforementioned quintessential elements of corporate governance are deeply embedded in our business strategies and plans.

As a responsible corporate, we deploy our resources to advance the communities closer to us, protect our people and the environment and maximize our efforts by ensuring that the triple bottom line principles are engraved into our business initiatives. Internal control checks and balances help in the conformance to the norms of corporate governance during such initiatives and enable us to comply with the necessary regulations and laws. Over the years, we have witnessed that with improved transparency, risk mitigation and better governance policies, we protect our shareholders, better understand their expectations and concerns, accelerating our performance. In addition, we have necessary firm-wide practices

to report concerns about unethical/unlawful and organizational integrity-related matters.

Our corporate philosophy extends holistically to maximize the value that we create. While doing business, we emphasize to-

- Enhance stakeholder value
- Protect the interests of the public shareholders
- Focus on the long-term financial health of our company
- Provide fair wage and safe working conditions for our employees and engage them in corporate decision making
- Provide customers with quality products and services at competitive prices
- Utilize environment-friendly production methods
- Contribute to the socio-economic development of the local community



## Leading responsibly

A strong governance framework enables us to maintain and improve stakeholder value creation in conjunction with fulfilling our responsibilities as a responsible company. All directors and the management, employees and other stakeholders involved in our operation are expected to act with utmost integrity and accountability, striving to enhance public perception, reputation and overall performance.

At Polyplex, we have developed a culture that promotes transparency and accountability amongst all our stakeholders to ensure that there are no possible ways of conflict of interest in global operations. The company has formulated policies covering issues such as ethics, bribery and corruption including the policy for Prevention of Sexual Harassment, Whistle-Blower policy, which extend to vendors, contractors, visitors including employees and board members of the company. We encourage all our employees to comply with these policies which are available on our websites and other internal portals for easier accessibility. Necessary legal actions will be taken in case of a violation of these company policies. We conduct all our business activities honestly and ethically and take a zero-tolerance approach to bribery and corruption in all its business dealings and relationships. During the reporting period, there were no cases of corruption at Polyplex.

The board of directors, including the shareholders and board committees, remains at the apex of our governance framework. While the top management is an Indian team, all other managers are local to the Polyplex group company's operations. The board's structure and composition are carefully considered, and it complies with the regulatory requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. During the year 2019-20, Mr Brij Kishore Soni, Mr Jitender Balakrishnan, Dr Suresh Inderchand Surana (w.e.f. 10 July 2019), Ms Pooja Haldea and Mr Ranjit Singh served on the board of the company. Executive and non-executive directors are also a part of the board. As of 31 March 2020, the board consists of eight directors, of which one is the executive director and seven are non-executive directors including one female. More than one half of the board of directors is independent. During 2018-19 and 2019-20, a total of 12 board meetings were conducted (six each year).

Polyplex follows a formal annual performance appraisal system to review the performance and remuneration of all the employees as per the remuneration policy. All statutory minimum wages

compliances are being adhered to by the Polyplex group. Employees are given more than minimum wage except at the entry levels where some employees receive minimum wage based on the skill requirement of the job.

### Highlights of remuneration aspects at Polyplex

- The ratio of the remuneration of non-executive directors to the median remuneration of the employees at Polyplex for the financial year 2019-20 is 80.32 and in 2018-19 is 80.23
- The ratio of the remuneration of the executive director to the median remuneration of the employees at Polyplex for the financial year 2019-20 is 102.03 and in 2018-19 is 106.60
- Remuneration of median employee increased by 12.60% during 2019-20 and the remuneration of median employee increased by 3.66% during the year 2018-19

The performance of the individual directors is evaluated periodically based on the criteria such as their participation in the board and committee meeting, skill and expertise, managing relationships and other personal attributes. Independent directors review the performance of non-independent directors and the board as a whole. These include the performance evaluation of the chairperson of the company. This annual revaluation is conducted in adherence to the provisions of the Companies Act and the corporate governance requirements prescribed under regulations. Leadership team coaching training is provided to the selected executives during the reporting years.

Annual performance review of the board and committee was evaluated by the board after seeking inputs from all the directors on the below-mentioned criteria:

1. Degree of achievement of key responsibilities
2. Structure and composition
3. Establishment and delineation of responsibilities to committees
4. Effectiveness of board processes, information and functioning
5. Board culture and dynamics
6. Quality of relationship between board and management
7. Efficacy of communication with external stakeholders

## Board committees

The governance structure of Polyplex is composed of six committees of the Polyplex board with dedicated functions that augment their efficiency. These committees consist of a combination of independent and non-independent directors. Pursuant to the requirements under the SEBI (LODR) Regulations, 2015, the Board of Directors has constituted various committees of the board such as

### Audit committee

Major roles of the committee include:

1. Oversight of the financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible
2. Recommendation for appointment, remuneration and terms of appointment of auditors
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors, etc.

### Nomination and remuneration committee

Major roles of the committee include:

1. Formulate criteria for determining qualifications, positive attributes and independence of a director
2. Identify qualified people to become directors, and who may be appointed in the senior management in accordance with the criteria laid down in the policy
3. Evaluate every director's performance
4. Recommend the appointment and removal of directors and senior management to the board

### Stakeholder relationship committee

Major roles of the committee include:

1. Resolving the grievances of the security holders of the listed entity including complaints related to

transfer/ transmission of shares, non-receipt of the annual report and declared dividends, issue of new/ duplicate certificates, holding general meetings, etc.

2. Review of measures taken for the effective exercise of voting rights by the shareholders
3. Review of adherence to the service standards adopted by the listed entity with respect to various services being rendered by the registrar and share transfer agent
4. Review of various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company

### Corporate Social Responsibility (CSR) committee

Major roles of the committee include:

1. Formulate and recommend a CSR policy to the board that shall indicate the activities to be undertaken by Polyplex in areas or subjects, specified in schedule VII
2. Recommend the amount to the board to be spent on various CSR activities in a year
3. Recommend pursuing of CSR activities to the board either by Polyplex itself or indirectly through an NGO
4. Monitor the CSR policy of the Polyplex from time to time

### Finance committee

1. The functions of the finance committee are to decide, inter alia, financial matters of the Company viz. short-term loans, working capital facilities, deployment of surplus funds and other incidental matters

### Risk management committee

1. The functions of the risk management committee include the formulation of a risk management plan and monitoring and reviewing the same to report to the board periodically, conducting risk assessments and lay down risk mitigation and minimization procedures timely

**Table 3: Polyplex committees of the board meetings**

Committees of the board	Number of meetings held in 2018-19	Number of meetings held in 2019-20
Audit committee	04	05
Nomination and remuneration Committee	04	04
Stakeholder relationship committee	02	01
Corporate social responsibility committee	01	02
Finance committee	02	01

## Risk management

Managing risks is an ongoing process of understanding, analysing and creating resilience within and across all the operational units. Our integrated risk management approach enables us to effectively map and manage both non-financial and financial risks. To improve the efficiency of the risk management efforts, we use a combination of centrally issued policies and locally sensitized procedures. Our Enterprise Risk Management (ERM) is an integrated framework to periodically review organizational risks. Features of the control system include:

- Organization planning system to ensure drawing up of challenging goals and formulation of detailed plans for achieving these goals
- The risk assessment system accounts for all likely threats to the achievement of the plans and draws up contingency plans to mitigate all kinds of risks
- Internal review mechanism that tracks the progress of the plan and ensures that timely remedial actions are taken, to minimize deviations from the plan

### Key risks and mitigation measures

#### Risk 01: Competition and business cycle risk

*Risk 01 Mitigation measures*

- Polyplex has revisited and redefined the methodology for determining the proportion of High Value-Added (HVA) film in the sales portfolio. HVA film sales usually are higher-margin sales, arising out of differentiated product characteristics or application and/or a differentiated customer. HVA film helps the Polyplex de-risk earnings.
- Over the past four years, the share of HVA in the total film sales turnover has increased from 24% in FY 2016-17 to 33% in FY 2019-20. If the impact of the Indonesian start-up (product basket is mostly 100% essentials) is excluded, the share of HVA film for the FY 2019-20 would be 34%

#### Risk 02: Price volatility risk

*Risk 02 Mitigation measures*

- Polyplex monitors global and local input price trends carefully and determines its procurement plans accordingly. Moreover, unpredictable price movements of raw materials affect all the industry participants, thereby not leading Polyplex in a materially advantageous or disadvantageous position vis-à-vis its competitors.
- Polyplex's geographical and product diversification helps in sustaining pricing/margins much better than other participants. The prices of downstream products like silicone-coating, extrusion coating, holography and other specialities/HVA films are less susceptible to changes in raw material prices, and thus, reduce Polyplex's vulnerability in the face of volatile resin costs.

**Risk 03: Trade defence risk***Risk 03 Mitigation measures*

- Polyplex undertakes required steps to insulate itself against risks arising out of any such anti-dumping actions and other trade barriers imposed by importing countries.
- A well-diversified manufacturing presence and an end-to-end product portfolio help mitigate fallouts emanating from such actions. As a local producer in many countries, we are also evaluating actions for protection against unfairly traded or subsidized imports from other countries.

**Risk 04: Liquidity and solvency risk***Risk 04 Mitigation measures*

- Free cash flows along with large unutilized credit lines available at Polyplex's disposal are expected to be quite adequate to manage various ongoing expansions and to deal with any unforeseen contingencies.

**Risk 05: Exchange rate and interest rate risk***Risk 05 Mitigation measures*

- The forex risk is managed on a standalone basis, as cash flows are not freely transferable between group entities.
- In order to have a more balanced loan portfolio and taking into account the cost-benefit analysis, Polyplex continuously evaluates shifting some of its floating rate debt to a fixed rate.

**Risk 06: Credit risk***Risk 06 Mitigation measures*

- A strong internal credit risk management framework and credit insurance policy have enabled Polyplex to manage credit risks prudently.
- In the current pandemic situation, the risk of default is high and delays in payments are expected but with a strong credit risk management system and strong relationship with customers. Polyplex believes that it should be able to mitigate the risk.

**Risk 07: Project implementation risk***Risk 07 Mitigation measures*

- The risks are mitigated by forming a dedicated project management team, corporate management oversight, management commitment and suitable protection clauses in contractual arrangements and appropriate insurance products.

- Polyplex remains confident of successful implementation of new projects on time and within budgeted costs except for unforeseen circumstances.

**Risk 08: Geographic risk***Risk 08: Mitigation measures*

- The installed capacity of base films as well as downstream units is quite evenly spread out among the five manufacturing locations such as India, Thailand, Turkey, Indonesia and the US. Some political and economic problems have been faced in Thailand and Turkey from time to time, but there has not been any significant effect on business activities. The Turkey operations are well placed to sustain any impact in the short term arising from its location in a free trade zone, high export orientation, domestic sales being invoiced in Euro and other mitigating steps undertaken. However, no adverse long-term impact is envisaged.

**Risk 09: Regulatory risk***Risk 09: Mitigation measures*

- Polyplex strictly conforms to the relevant USFDA and EC directives for food packaging applications.

**Risk 10: Environmental and sustainability risk***Risk 10: Mitigation measures*

- The Industry is working on multiple fronts to provide sustainable solutions such as higher rPET content in packaging, single substrate packaging solutions, higher bio content or bio-sourced solutions. Several alternative usages of plastic waste are being pursued like conversion to fuel oil, incineration, road construction, etc.

**Internal Control Systems (ICS)**

Polyplex's promising corporate governance policies and frameworks are a part of our internal control systems. Internal control systems are actively supervised by the audit committee and ICS exists at Polyplex to:

- Ensure statutory compliance framework and its effectiveness
- Evaluate and manage risks, based on the predefined risk control matrix as per Internal Financial Control (IFC) guidelines
- Review of business plans and goals
- Safeguard Polyplex assets against unauthorized usage

- Prevention and detection of fraud and error
- Compliance of policies and delegation of authority
- Validate IT security controls
- Timely preparation of reliable financial statements/information

Quarterly, the internal auditor reports are reviewed and analysed by the audit committee and the board. The Enterprise Resource Planning (ERP) enables timely financial reporting of Polyplex, utilizing the in-built IT controls on all major business processes. By integrating internal audits, management reviews, audit committee interventions and enforcing firm-wide policies; Polyplex runs its operations finely at multiple geographies. The list of such policies is provided below.

**CSR policy**

- This policy outlines the CSR agenda of the Polyplex.
- We aim to achieve responsible growth by laying down this policy and encouraging its employees to take small everyday actions that add up to make a big difference.
- The policy can be accessed at: [https://www.nseprimeir.com/z\\_Polyplex/pdf-files/PCLCSRPolicy.pdf](https://www.nseprimeir.com/z_Polyplex/pdf-files/PCLCSRPolicy.pdf)

**Nomination and remuneration policy**

- This policy is formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 of the Listing Agreement.
- The policy can be accessed at: [https://www.nseprimeir.com/z\\_Polyplex/pdf-files/PCLNRCPolicy.pdf](https://www.nseprimeir.com/z_Polyplex/pdf-files/PCLNRCPolicy.pdf)

**Policy on related party transactions**

- The objective of this policy is to define and lay down procedures to deal with the identification, approval and disclosure of transactions with related parties so that such transactions are in the best interests of the company, in conformity with the requirements of the Companies Act, 2013 and Rules made thereunder, applicable Accounting Standards, listing agreement with respect to corporate governance.
- The policy can be accessed at: [https://www.nseprimeir.com/z\\_Polyplex/pdf-files/PCLRelatedPartyTransactionsPolicy.pdf](https://www.nseprimeir.com/z_Polyplex/pdf-files/PCLRelatedPartyTransactionsPolicy.pdf)

**Policy for determining 'material subsidiaries**

- The board of directors has, in pursuance of the listing agreement and other applicable provisions, adopted the following policy for laying down a criterion for determining "Material Subsidiaries" and their governance.
- This policy is intended to augment and work in conjunction with regulatory provisions and other company policies.
- The policy can be accessed at: [https://www.nseprimeir.com/z\\_Polyplex/pdf-files/PCLPOLICYFORDETERMININGMATERIALSUBSIDIARIES.pdf](https://www.nseprimeir.com/z_Polyplex/pdf-files/PCLPOLICYFORDETERMININGMATERIALSUBSIDIARIES.pdf)

**Code of conduct for board members and senior management**

- Code of corporate disclosure practices is to disseminate price sensitive information to stock exchanges on a continuous and immediate basis; to improve investor access to the public announcements by supplementing information released to stock exchanges; to make timely and adequate disclosure of shareholdings or ownership by major shareholders and changes therein, as provided under any regulations under the SEBI Act and the listing agreement
- The policy can be accessed at: [https://www.nseprimeir.com/z\\_Polyplex/pdf-files/CodeofConductforBoardMembersandSeniorManagement.pdf](https://www.nseprimeir.com/z_Polyplex/pdf-files/CodeofConductforBoardMembersandSeniorManagement.pdf)

**Familiarisation Programme for independent directors**

- The objectives of this programme are to provide insights about the company to enable the independent directors to understand the company, its operations, business, industry and environment in which it functions and the regulatory environment applicable to it; to update the directors on a continuing basis of any significant changes therein, to make well-informed and timely decisions.
- The policy can be accessed at: [https://www.nseprimeir.com/z\\_Polyplex/pdf-files/Familiarisation\\_Programme.pdf](https://www.nseprimeir.com/z_Polyplex/pdf-files/Familiarisation_Programme.pdf)

### Code of practices and procedures for fair disclosure of unpublished price sensitive information

- This code of practices and procedures for fair disclosure of unpublished price sensitive information has been approved by the board of directors pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015.
- The objective of the code is to disseminate price sensitive information to stock exchanges on a continuous and immediate basis to improve investor access to the public announcements by supplementing information released to stock exchanges; and to make timely and adequate disclosure of shareholdings/ ownership by major shareholders and changes therein, as provided under any regulations under the SEBI Act and the listing agreements.
- The policy can be accessed at: [https://www.nseprimeir.com/z\\_Polyplex/pdf-files/Code\\_of\\_Practices2015.pdf](https://www.nseprimeir.com/z_Polyplex/pdf-files/Code_of_Practices2015.pdf)

### Code of internal procedures and conduct for regulating, monitoring and reporting of trading by insiders

- The objective of this code is to lay down rules of guidance for "insider and designated persons and connected persons" on the policy, pre-clearance /disclosure procedures to be followed before trading in the securities of the company.
- This has been approved by the board of directors pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015.
- The policy can be accessed at: [https://www.nseprimeir.com/z\\_Polyplex/pdf-files/CODE\\_OF\\_INTERNAL\\_PROCEDURES\\_AND\\_CONDUCT\\_FOR\\_REGULATING.pdf](https://www.nseprimeir.com/z_Polyplex/pdf-files/CODE_OF_INTERNAL_PROCEDURES_AND_CONDUCT_FOR_REGULATING.pdf)

### Policy for preservation and archival of documents

- The purpose of this policy is to ensure that all the necessary documents and records of the company are adequately protected and preserved as per the statutory requirements and to ensure that the records of the company, which are no longer needed or are of no value, are archived or discarded after following the due process for discarding the same.
- This policy is also to aid employees of the company in understanding their obligations in retaining and preserving the documents and records, which are required to be maintained as per the applicable statutory and regulatory requirements.
- The policy can be accessed at: [https://www.nseprimeir.com/z\\_Polyplex/pdf-files/PCL\\_Policy\\_for\\_Preservation\\_of\\_Documents.pdf](https://www.nseprimeir.com/z_Polyplex/pdf-files/PCL_Policy_for_Preservation_of_Documents.pdf)

### Dividend distribution policy

- The objective of dividend distribution policy is to lay down guiding principles for declaration of dividend while striking a balance between profits earned and dividend pay-out, expectations of shareholders and adhering to legal provisions contained in the Companies Act, 2013 ("the Act") and Rules framed thereunder, as amended from time to time.
- The policy can be accessed at: [https://www.nseprimeir.com/z\\_Polyplex/pdf-files/Dividend\\_Distribution\\_Policy\\_25072017.pdf](https://www.nseprimeir.com/z_Polyplex/pdf-files/Dividend_Distribution_Policy_25072017.pdf)





## Section 2

### Issues that matter

As a part of our ever-evolving commitment to strengthen our strategic priorities, we engage with our stakeholders periodically and understand what is material to them and our business. This enables us to redefine our goals, foster enduring relationships with them and build a sustainable company.





# Stakeholder engagement and materiality

At Polyplex, we acknowledge our responsibility to meet stakeholder expectations to position our business better and enhance the value we create. With better engagement with them and understanding their concerns and interests through the materiality assessment process, we balance both financial and non-financial expectations. Materiality assessment is crucial in determining what the key aspects are that could have a significant impact on our stakeholders as well as on our company. During this reporting period, we have revisited our business priority areas by conducting a materiality assessment.

Over the years, we have created firm-level practices to facilitate open and constructive dialogues with our stakeholders. It reinforces our understanding of relevant matters and helps us identify those attributes of stakeholders that make them important to our business and necessitate meaningful engagement. It is an opportunity for us to serve our stakeholders in the best way possible and an opportunity to redefine our strategies to deliver the maximum value.

Effective engagement can build trust between a company and its stakeholders. We believe in partnering and collaborating with our stakeholders periodically. This is because, we believe that despite our global reach and commitment, without our people, we will not be able to achieve the milestones set by us. By partnering with our stakeholders, we involve them in the decision making, product and process improvement and create an enabling environment to do better together

**At Polyplex group, we develop partnerships, impactful collaborations and unpack possibilities to create, preserve and enhance value for all of our stakeholders.**

Inclusivity is the key to our stakeholder engagement. From the communities we operate to the shareholders, who believe in our business goals, we have developed structured engagement plans, ensuring that no one is left out from our journey of becoming a circular economy leader. Our engagement approach takes into account that each of our stakeholder's interests, expectations and concerns are distinctive.

## Our stakeholders

We have identified and prioritized our internal and external stakeholders based on their relative importance to and impact on our business and vice versa. Stakeholder engagement is a multi-stage process of identifying and prioritizing stakeholders, identifying the means and modes of the engagement and managing the stakeholder expectations periodically. Polyplex stakeholder list is provided below:

- Employees
- Customers/ brand owners
- Investors
- Service providers/ human resource providers
- Government/ regulators
- Suppliers/ business partners
- Insurers
- Equipment providers
- Communities

## Stakeholder engagement framework

Our sustainability initiative brings together stakeholders from across our value chain to identify and address the most critical environmental challenges of the packaging industry. Systematic channels of interaction with our stakeholders are embedded within our business processes, and they include one-on-one and annual general meetings, training, group discussions, surveys, supplier and customer meetings, and grievance redressal methods.

Stakeholder concerns are assessed and taken into account at a strategic level. It is our goal to strengthen our stakeholder engagement mechanism and expand stakeholder participation continuously. Meeting our stakeholders' expectations is incredibly valuable, and the stakeholder engagement framework represents how we connect with them and address their main concerns. During this reporting year, no critical concerns were identified.



The table below details various stakeholder groups that have had direct or indirect contact with Polyplex as well as their ways of involvement and key concerns.

**Table 4: Polyplex stakeholder engagement plan**

Stakeholder group	Modes of engagement	Key concerns
Customers/Brand owners	<ul style="list-style-type: none"> <li>➤ Meetings/emails/telecommunication, product stewardship, post-consumer waste</li> <li>➤ Supplier meets</li> <li>➤ Industry forums</li> </ul>	<ul style="list-style-type: none"> <li>➤ Intellectual property protection</li> <li>➤ Customer data protection and privacy</li> <li>➤ Digital dashboards and real-time monitoring</li> <li>➤ Product and service</li> <li>➤ Product life cycle impact</li> <li>➤ Quality</li> <li>➤ Business ethics</li> <li>➤ Packaging material, disposal/recycling</li> <li>➤ Post-consumer waste</li> </ul>
Investors	<ul style="list-style-type: none"> <li>➤ Financial results/ investor calls</li> <li>➤ Meetings</li> <li>➤ Analyst reports</li> </ul>	<ul style="list-style-type: none"> <li>➤ Business growth/ profitability</li> <li>➤ Newer opportunities</li> <li>➤ Risk management</li> <li>➤ Governance</li> </ul>
Government and regulators	<ul style="list-style-type: none"> <li>➤ Engagement on a need basis</li> <li>➤ Industry-level consultations</li> <li>➤ Participation in forums</li> </ul>	<ul style="list-style-type: none"> <li>➤ Compliance</li> <li>➤ Sustainable practices</li> <li>➤ Inclusive growth</li> </ul>
Employees	<ul style="list-style-type: none"> <li>➤ JWC Meetings, safety committee</li> <li>➤ Meetings</li> <li>➤ Employee surveys</li> <li>➤ Team building workshops</li> <li>➤ Capacity building and training</li> <li>➤ Annual appraisals</li> <li>➤ Employee newsletters</li> <li>➤ Rewards and recognitions</li> <li>➤ Volunteering opportunities</li> </ul>	<ul style="list-style-type: none"> <li>➤ Workplace safety, Employee welfare, IR issues</li> <li>➤ Professional growth</li> <li>➤ Employee benefits and other facilities,</li> <li>➤ Diversity at the workplace</li> <li>➤ Leadership connect sessions</li> <li>➤ Professional growth</li> <li>➤ Equal opportunities</li> <li>➤ Wages and benefits</li> <li>➤ Work-life balance</li> </ul>
Business partners/suppliers and service providers	<ul style="list-style-type: none"> <li>➤ Contract agreements</li> <li>➤ Direct interactions</li> <li>➤ Supplier meets</li> <li>➤ Industry associations</li> </ul>	<ul style="list-style-type: none"> <li>➤ Payment processing cycles Business ethics and transparency</li> <li>➤ Sustainability performance</li> <li>➤ Regulatory compliances</li> </ul>
Communities and NGO's	<ul style="list-style-type: none"> <li>➤ Direct engagement</li> <li>➤ Dedicated CSR team</li> <li>➤ CSR projects and initiatives</li> <li>➤ Visits and camps</li> <li>➤ Needs assessments</li> </ul>	<ul style="list-style-type: none"> <li>➤ Community development (education, healthcare, sanitation, water)</li> <li>➤ Livelihood creation</li> <li>➤ Other social benefits</li> <li>➤ Local sourcing of labour</li> <li>➤ Managing conflict</li> <li>➤ Social licence to operate</li> </ul>

We acknowledge the diversity of our stakeholders, be it our suppliers and external manufacturers, the customers or the shareholders, or our employees. We ensure that we engage with each of these crucial stakeholder groups at a periodic frequency as part of our reporting process and overall strategic planning.

Customers and suppliers are a part of the extended workforce involved in the core delivery of our products globally. As enabling functions of our business, customers and suppliers remain integral to our operations.



## Engaging with our customers

We have a significant international presence, with active sales in all major regional markets/countries and a diverse client base of around 1,900 clients with low customer concentration. In FY 2019-20, the top 10 customers accounted for 28% of our sales.

Polyplex is focusing on product innovation to meet the expanding client needs as well as cost-effectiveness from brand owners, looking to improve product performance, boost sales, and cut expenses. We work cooperatively and proactively with our customers to stay competitive. We provide innovative packaging substrate solutions that address the needs of our intermediaries, customers, and their consumers.

Consumers have become increasingly discerning, seeking more and more convenient features in packaging styles. "Reclosability," "Easy to tear," and "Save for later" have all become common package terms. What sets us apart is our commitment to exploring new methods to improve and better serve

our customers through innovative solutions that are illustrated below:

- We have installed 4 stretch wrapping machines for the ease of packing the finished goods and enhancing customer satisfaction
- We have adopted a 'lean innovation model' to create enduring value for customers
- Our innovation centre has introduced value-added products in several areas through a well-defined customer engagement process to align with the customer requirements
- Our 'Easy and Straight' tear PET film has facilitated customer convenience through the easy opening of pouches
- "Twist N Wrap" is one such innovation that can be found on the shelves of India's biggest chocolate brands. The "Twist N Wrap" concept is considered the most unique and vital feature, and our ingenuity has enabled it to reach consumers.

Polyplex has a robust system for customer grievance resolution and ensures continuous monitoring and

closure of the same within the specified timelines. Only about four per cent of the complaints received during the year were pending with most of these complaints received in March 2020.

We believe that feedback is a continuous process and to sustain in this evolving dynamic environment, continuous improvement is necessary. We periodically measure the satisfaction level among our customers and understand their expectations in order to gauge competitiveness in the industry. We request feedback from the customers once a year via direct mail questionnaires, which is also part of the ISO 9000 standard. Our marketing division takes note of client needs and relays them to the production/technical team to boost customer satisfaction.

### Supplier engagement

We are committed deeply to all the aspects of our business operations, including actors in our supply chain, who are critical to our operations. Our supply chain partners support us in realising our aspirations to deliver the best quality services to our customers. Our strong Supply Chain Management (SCM) empowers our procurement process and provides oversight of the environmental, social and economic impact created in our value chain. In addition, Polyplex group companies strive to procure/source raw materials local to their operations.

We have built company-wide regulations like the supplier code of conduct, which reflects our core values and outlines the moral conduct we expect from our supply chain partners. These policies are our way of doing things the right way, and they lay forth the

groundwork for our suppliers' ethical, transparent, and responsible behaviour.

Our code of conduct is a commitment to enhancing trust-based business relationships that create shared value. By strictly observing and complying with our code of conduct, addressing concerns periodically, our supply chain partners are contributing to our commitment towards fostering a culture of honesty, integrity and accountability.

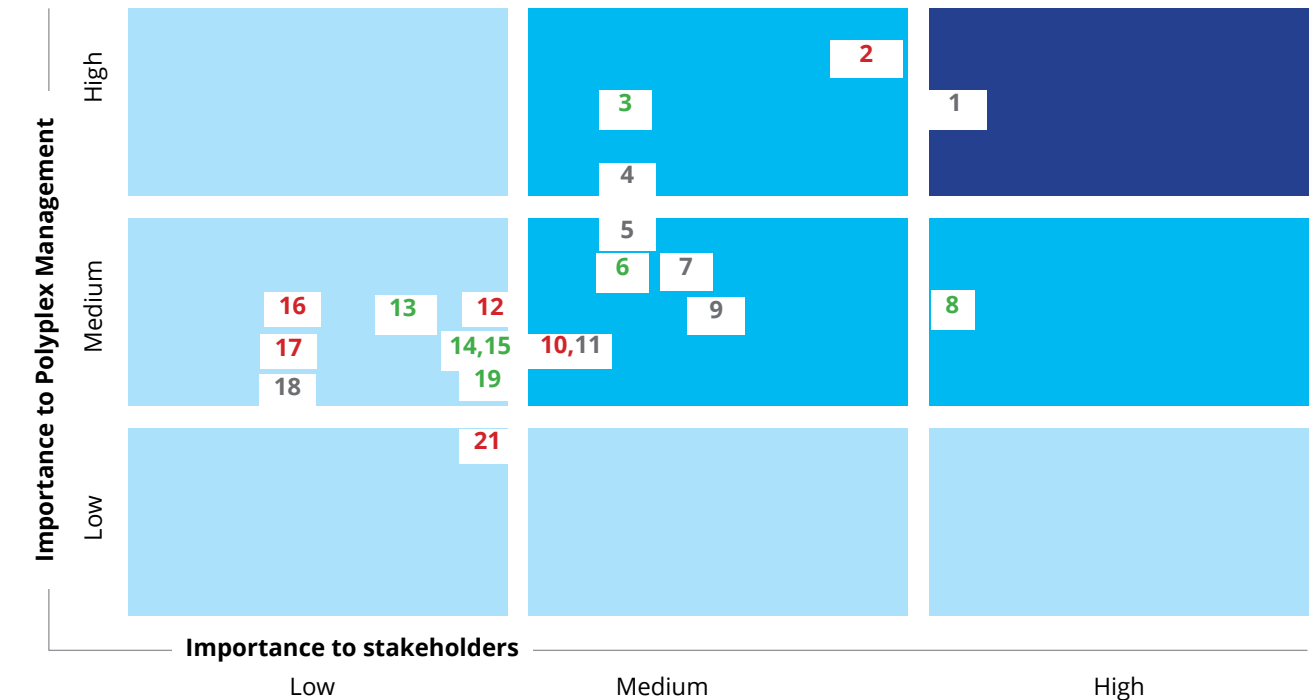
### Materiality assessment

One of the most important actions in developing a sustainability strategy is materiality assessment. It aids in the identification of "material issues", the development of sustainability activities, and the communication of those activities to stakeholders. The materiality assessment has enabled us to identify, review and analyse the potential Environmental, Social and Governance (ESG) issues that could impact Polyplex's operations and its stakeholders. We aspire to integrate the outcome of the materiality analysis into Polyplex's overall corporate strategy to amplify Polyplex's sustainability aspirations.

A universal list of material issues was compiled with the reference to the study of primary and secondary sources to understand the priority areas for Polyplex. We identified the material issues with potential impact on Polyplex from this universal list and prioritized them based on stakeholder responses. Post that, we have analysed the responses received on the specific questionnaires shared to draw the Materiality Matrix.

Figure 3: Materiality matrix

### Materiality matrix



Legend	High	Medium	Low
	Environmental	Social	Governance

### Polyplex materiality topics:

- 1. R&D and technological innovation
- 2. Customer experience and satisfaction
- 3. Waste management and circular economy
- 4. Business growth and profitability
- 5. Ethics, integrity and compliance
- 6. Energy efficiency
- 7. Product liability
- 8. Occupational health and safety
- 9. Responsible supply Chain/procurement
- 10. Safeguarding human rights
- 11. Corporate governance
- 12. Employee engagement and wellbeing
- 13. Resource management
- 14. Biodiversity and environmental protection
- 15. Data privacy and cybersecurity
- 16. Community engagement and CSR
- 17. Talent development
- 18. Digital transformation
- 19. Disaster and risk management
- 20. Climate risk and mitigation
- 21. Diversity and inclusion

## Section 3

### Delivering value

Polyplex is solely focused on balancing growth with earnings sustainability. With our unique operating model, strategic positioning and well-rounded strengths, we have built a business platform that is difficult to replicate. Our entrenched and enduring values demonstrate our commitment to identify opportunities, thereby continuously improving performance, and fostering a culture of excellence and growth – all of which contribute to the sustainable creation of value for all the stakeholders.



# Our economic performance and strategic leadership

## The global scenario

For the next few years, global thin PET film demand is predicted to expand at a rate of roughly 5%-6%, with India's demand predicted to expand at a rate of 8%-10%. Companies with consistent quality products, a diverse product range, multinational clients, and stronger supply chains will have a better chance of engaging in market growth and producing margins that are higher than the industry average.

To maintain our worldwide leading position, Polyplex is solely focused on balancing growth with earnings sustainability. With our unique operating model, strategic positioning and well-rounded strengths, we have built a business platform that is hard to emulate. Our enduring values illustrate our commitment to identifying opportunities, consistently improving performance, and cultivating an excellence and growth culture, all of which contribute to the long-term development of value for all stakeholders.

We have the sixth-largest global capacity for PET film, owing to a globalised asset and resource base. We have an industry-leading capacity utilisation record, due to our higher productivity/lower operational losses, an expanding product portfolio, tremendous customer connections, and a business model that combines on-shore and near-shore operations.

We have funded all of the investment using a precise balance of internal accruals and loans, enabling us to build a low-cost, high-quality asset base that allows us to stay viable in a competitive business through all market cycles. Our integrated and worldwide asset base, technical focus, vertical integration, broad product base, wide customer profile, and strong financial strength enable us to lead the worldwide PET film business and build a profitable and sustainable platform for the future.

Our long-term strategy of regional and product diversification, portfolio expansion, particularly on the value-added and specialised side, as well as ongoing operational effectiveness initiatives, helped us maintain earnings stability throughout the year. Despite higher sales volume, the reported sales and other revenue were flat at INR 45.49 billion due to a drop in selling prices caused by lower raw material prices. In the reporting period, the operational EBITDA (profit before interest, tax, depreciation and exceptional items) was higher by 18% at INR 9.44 billion

PET film greenfield project - A successful start-up of the Indonesia, which is a major milestone, will have a positive influence on future earnings while also strengthening our global leadership in the flexible packaging category. In the next 1-3 years, other continuing smaller investments aimed at boosting our competitive edge by expanding our share of specialty products and improving our productivity will give additional boost to our operations.

The Biaxially oriented polypropylene (BOPP) line, which is being built next to the PET film plant in Indonesia, will help diversify the product offering, achieve economies of scale, and alleviate challenges posed by sustainability concerns in our main business of PET films. The flexible packaging segment, which accounts for the majority of our sales, has seen an increase in demand, while the industrial end-use segment has experienced a decrease, both of which are expected to normalise in the medium term.

We have always been committed to developing environmentally friendly and sustainable solutions as part of its ongoing and effective participation in global initiatives centred on sustainability and the "circular" economy.

## Financial impact of climate change

We recognize our responsibility to address the challenges of global climate change. We are committed to measuring and reporting our GHG emissions, energy and water consumption and waste generation in our operations around the world. We are meeting our responsibility by developing innovative new processes, and by identifying and managing risks and opportunities to our raw materials inputs, operations, employees, suppliers, customers and products.

By identifying and implementing energy-efficient state-of-the-art machines, our innovation and operations team is pioneering efforts to transition to renewable raw materials, low-emission direct energy, and improved water utilisation for our conversion processes.

We have identified physical and regulatory risks in our operations. Changes in weather patterns, exacerbated by climate change, pose physical risks to supply chain distribution. To mitigate these physical risks, we have replaced the oil base heating system with a rice husk heating system to reduce GHG emissions.

**Table 5: Consolidated financial performance**

Year	2018-19	2019-20
Revenue (in INR lakh)	4,73,343	4,54,850
EBITDA margin (%)	19	19

**Table 6: Snapshot of economic performance**

Year	2018-19	2019-20
Economic value generated (in USD)	6,59,001	6,38,603
Economic value distributed (in USD)	6,28,707	5,86,610
Economic value retained (in USD)	30,294	51,993

## Strategic initiatives

Polyplex uses a distinct approach to respond proactively to business and environmental changes in order to achieve long-term benefits. The following are the major components of this strategy:

### Geographical diversification

- In FY 2019-20, we have commissioned new offline coating lines in India and Thailand to meet market demand and broaden the product portfolio. We are planning for another offline coater that is under implementation in Turkey
- Our diversification has enabled it to position itself as a full-service packaging substrate provider. Investments in Thailand’s CPP line, thick PET film line, and blown PP lines, as well as India’s BOPP line, were all steps in the right direction

### Product-based

- We have successfully commissioned a laminating machine to facilitate transfer metallized paper business in FY 2019-20, which will further enhance its product offering
- We have installed six holography film production lines in India for flexible packaging and carton lamination. BOPP holography for book cover lamination, WPP bags for rice and grain packaging, textile bags, and other new developments are being pursued
- To take advantage of synergies, broaden the portfolio, and create a scalable foundation for future growth, we have increased its investments in specialised downstream products

### Sustainability based

- In order to increase the sales of speciality film and reduce wastage, we have exercised modifications and planned more upgrades in the existing manufacturing lines in India, Thailand and Turkey
- We are also venturing into a new state of the art recycling facility for post-consumer waste, for these applications to meet the ultimate demand of some consumer product companies
- We have developed and optimized the “chemical recycling” process for manufacturing Sarafil rPET polyester film with post-consumer recycled content of up to 90%
- We have recently added capacity to a facility in Thailand for recycling in-house and sourced plastic waste
- We have promoted the use of bio-based renewable raw materials and energy sources for the manufacture of polyester films
- We have developed a variety of biodegradable films (PET, Blown PP/ PE, CPP) that meet anaerobic biodegradation criteria in accelerated landfill or high solids anaerobic conditions

## Strong financial profile

- A liquid and strong Balance Sheet enhances flexibility to address growth opportunities
- Favourable taxation regime

## Research and development

- Collaborative research with government laboratories and educational institutions to spur innovation and the development of new sustainable products
- By leveraging in-house R&D resources and experience, better technical services and new products are achieved

- To improve efficiency and synergy, systems have been built and enhanced to improve cross-learning and sharing best practices/benchmarking across the businesses
- We have adopted the 3R (reduce, reuse and recycle) concept while coming up with new-age packaging substrate solutions.
- We have a high barrier PE, which is successfully being used in shampoo and detergent packaging, where it essentially converts a 3-layer structure to 2 layers



## Tax strategy

Polyplex recognizes that it has a responsibility to pay appropriate tax in each of the jurisdictions in which it operates. We deal with tax authorities with honesty, integrity, respect, and fairness and establish positive, professional, and transparent interactions with all the parties.

We are committed to prompt disclosure and transparency in all tax matters with respective tax authorities. We strive to operate in an efficient and legally compliant manner that aids in the organization’s long-term development. It has been confirmed that there are no fines and non-compliance across the units except OSHA and tax return fines related to Polyplex USA. The details of the fines are provided.

- Fines and Penalties - US\$ 8,150 (OSHA)
- Fines and Penalties - US\$ 890 (Tax return)



## Section 4

### Planet for future

As an international packaging company with far-reaching product footprints, we endeavour to incorporate a dynamic product design strategy that embraces the dual principles of sustainability and circular economy.

# Environmental Stewardship

We believe in continuous improvement and reporting of our environmental performance. This is possible only through our commitment to reducing environmental impacts including waste management, water management, energy management, biodiversity and emissions.

Being in the market as the global polyester film manufacturer, we have committed to improving our environmental and social impacts for a sustainable future. In order to achieve that we continuously ensure that we optimize our energy utilization, improve our waste management through reuse, recycle and reduce, thereby contributing to lowering our emissions. As we move forward in our sustainable journey with a low carbon footprint and to implement a circular economy in our operations, we work in line with the global framework such as the Paris Agreement, net-zero, science-based targets, etc. We ensure that our employees are also aware of this regard through effective communication and training.

As already mentioned, Polyplex strongly believes in the circular economy. This is accomplished through reducing environmental impact by recycling the majority of the waste generated during the manufacturing process, recycling material grades, and employing energy-efficient technology, not to mention its effective transportation plan. All these contribute to the reduction of our carbon footprint. We are always creating new strategies to improve our operations and reduce our GHG emissions. We take steps to decrease our environmental impacts by establishing a framework to receive complaints about environmental concerns, and as a result, address the issues. For the record purpose, there have been no significant fines and non-monetary penalties for non-compliance with any environmental laws and regulations in the last couple of years.

Five manufacturing plants of Polyplex across the globe have attained ISO 14001 environmental management system certification. We believe that this certification would help us in analysing and reducing environmental issues. The certifications have given a framework that facilitates reviewing the company's environmental performance and identifying the sites outperforming others. The objective of Polyplex is to mitigate its carbon footprint by reducing the consumption of energy per ton of production and reducing its virgin raw material per ton of production .

## Materials Management

Polyplex is working to make better use of resources and diversify its supply chain by using recycled materials. We want to address the risks of resource depletion spurred on by increased demand as well as the environmental consequences of raw material mining and plastic use. Our recycling activities are based on the concept that a natural resource can be recycled once it has been processed with better quality and minimum environmental impact.

We seek raw materials that minimize the environmental impacts of our products and reduce our reliance on virgin resources. We choose the raw materials that go into our packaging based on their ability to protect the product and their capacity to minimize the environmental footprint of our packaging. We are releasing several products revamps that utilize less material, more recycled content, and bio-based materials while maintaining the product's structure and performance qualities.

**Table 7: Raw materials consumption trend of all the locations**

Packing Material Consumption (MT)	2018-19	2019-20
PCL	5555.4	5194.5
PTL	10366.0	12136.0
PE	5991.7	7317.8
PU	7044.8	7546.4

Associate Material Consumption (MT)	2018-19	2019-20
PCL	54.3	56.2
PTL	217.0	237.0
PE	50.6	64.7
PU	2.7	3.2

Raw material consumption (in MT)		
Year	2018-19	2019-20
PCL	113,322.2	112,917.5
PTL	1,59,733	1,63,310
PE	67,170	72,054
PU	46,491	36,648
<b>Total raw material consumption (in MT)</b>	<b>386,715.77</b>	<b>384,929.92</b>

Despite the hike in raw material prices, the impact has been passed on to the customer as a result of the improved demand-supply scenario. We have devised several projects aimed at lowering raw material use and reusing post-consumer and process waste as raw material.

Through our R&D initiatives, we have promoted the use of bio-based renewable raw materials and energy sources for the manufacture of polyester films. The PET film greenfield project in Indonesia with the backward integration into resin in place now, we expect a significant improvement in the operations both from the profitability perspective as well as consistency of raw material input.





## Energy Management

We believe an organization-wide energy management approach will help us enhance our financial health and aid in preserving the environment for future generations. The team has put in place several energy management best practices that help us meet our GHG emissions reductions goals. Through our operational excellence initiatives, we identify and implement energy conservation projects across our manufacturing facilities. Both of our plants in India, Thailand and Europe have attained ISO 50001, energy management system certification.

In order to achieve our key goal of optimising energy efficiency throughout our facilities, we reduced our energy usage in FY2018-20 by focusing on and investing in more energy-efficient production as detailed below.

- ➔ Replaced the husk heater conventional air compressor with VSD driven to reduce power wastage during the unloaded condition
- ➔ Revamping of hot oil line insulation with the new one to avoid the loss of heat energy
- ➔ Conventional flood lighting fixtures have been replaced with LED

**Table 8: Energy Consumption**

Total Energy Consumption (GJ)		
Unit/Year	2018-19	2019-20
PCL	15,15,365	18,34,710
PTL	8,09,457	8,30,085
PE	7,20,820	7,43,734
PU	2,81,672	2,77,110
<b>Total</b>	<b>3,327,315</b>	<b>36,85,640</b>

### Case study:

Fuel savings by using fireside in rice husk: A detailed husk heater trial has been undertaken to evaluate the combustion efficiency of rice husk fired thermic fluid heater to assess the performance of combustion catalyst. The combustion efficiency of the husk heater increased up to 16% with the combustion catalyst and we saved approximately 10.58% of fuel.

The Rice Husk Fired Thermo pack Heater performs significantly better when the catalyst is used regularly. Aside from the fuel savings, there are also intangible benefits such as reduction in the quantity of ash, reduction in the deposition in the flue gas path, and greater heat transfer, which means a reduction in the rice husk consumption.

- ➔ Chiller efficiency improvement by upgrading the cooling tower
- ➔ Replacement of blowers with energy-efficient design blowers
- ➔ Optimization of conveying blower flow by installing VFD
- ➔ In order to save energy, we have increased feed quantity from 8 kg to 12 kg in the feed mill of the plant, which has substantially reduced grinding time of chemicals from 18 hours to 14 hours, achieving power saving of 1,340 KW per month

We have also taken a number of steps to reduce energy consumption including:

- ➔ The use of energy-efficient air compressors
- ➔ Optimising cooling tower efficiency
- ➔ Optimising chiller operations
- ➔ Improving grid energy power factor
- ➔ Insulating the non-insulated main extruder barrel of the BOPP plant
- ➔ Using non-traditional lighting fixtures and low-wattage LED fixtures
- ➔ Using LED lighting in the offices in Turkey, the facility saved 149,523 KWh in FY2018-20.

## Emissions

We are making continuous efforts in bringing down its greenhouse gas emissions in our operations. There is no considerable increase in scope 1 and scope 2 emissions during the reporting period. The GHG emissions intensity from Polymer resin production has reduced significantly over the past few years and so have the GHG emissions intensities for PET film production and metallized film production. There was no significant spill during the last three years and no usage of ozone-depleting substances across Polyplex.

**Table 9: GHG Intensity**

Total GHG Emissions (in MT of CO2e)		
Unit/Year	2018-19	2019-20
PCL	88,153.0	80,326.3
PTL	69,797.9	71,924.4
PE	40,854.6	42,202.2
PU	23,577.2	23,520.8
<b>Total</b>	<b>2,22,382.7</b>	<b>2,17,973.7</b>

GHG Intensity (in MT of CO2e)		
Unit/Year	2018-19	2019-20
PCL	0.81	0.73
PTL	0.61	0.60
PE	0.55	0.54
PU	0.66	0.62
<b>Total</b>	<b>0.66</b>	<b>0.63</b>

**Table 10: Air Emission**

Air Emission (2018-19) (Ton/year)				
Unit/Year	PCL	PTL	PE	PU
SPM	42.46	10.75	N/A	17.3
NOx	22.68	29.38	N/A	9.4
SOx	8.83	-	N/A	0.03
CO	0.1	10.68	N/A	-

### Case study:

PTL also conducted a life cycle assessment study that aims to understand the GHG emissions associated with Post Consumer Recycled PET film (PCR PET) & Virgin PET films both branded as 'Sarafil rPET' & 'Sarafil PET' respectively. The methodology used to calculate GHG emissions is based on the GHG Protocol Product Life Cycle-Accounting and Reporting Standard.

With the aim to develop products with minimal environmental impact, PTL has delved into an analysis of the carbon footprint of PET and rPET films. The Cradle to Gate approach has been adopted for the product footprint analysis. This covers the following stages of the production process:

1. Raw Material Manufacturing
2. Raw Material Transport from Vendor to PTL Site
3. Raw Material Storage and Handling
4. Polymer Chips and Film Manufacturing.
5. Film Storage at PTL Site

It was observed that the emissions of GHG for the production of 1 MT Sarafil rPET film are observed to be considerably lower than the emissions associated with the production of Sarafil PET film.

Air Emission (2019-20) (Ton/Year)				
Unit/Year	PCL	PTL	PE	PU
SPM	44.57	15.63	4.46	18.8
NOx	25.82	25.10	86.86	8.3
SOx	17.56	-	-	0.03
CO	0.12	17.71	85.85	-

## Water Management

Our commitment to sustainable development includes reducing water use and managing it more responsibly in our operations, particularly in water-stressed areas. As a responsible corporation, conserving this precious source is a part of our sustainability mandate.

The source of water differs for each plant and is influenced by a variety of circumstances. Groundwater is used in the industrial units in Khatima and Bazpur, India, as well as in Turkey; while municipal water is used at the factory in Thailand and the office in the United States.

At the Khatima and Bazpur plants in India, we have achieved zero water discharge. There is no discharge of untreated water at any of these locations. The treated water is mostly used for landscaping and horticultural reasons at our India business.

Our other two plants in Thailand and Turkey are located in industrial zones with similar Effluent Treatment Plants (ETPs). The former one has access to a common utility centre, which purifies water. Similarly, the Turkey facility is in the trade free zone.

Recognizing the importance of water as a resource, Polyplex has pledged to continue to focus on water management outside of its operations. One essential component is wastewater discharge, which, if left untreated, can have a substantial impact on soil quality and local biodiversity. We have ETPs at all of our operational sites for the treatment of wastewater discharge.

## Water treatment system in cooling tower

In India operations, we started using raw water instead of soft water in the cooling tower for optimum utilization of water. Even though maintaining the cooling tower water specifications was a challenge, we have succeeded in the operations.

**Table 11: Trend of water consumption across the group**

Total water consumption for Polyplex group (in thousand KL)		
Year	2018-19	2019-20
Water consumption	1,548	1,562

\*PE plant is collecting water from the third party suppliers.

## Waste Management

Polyplex recognises the importance of environmental stewardship and strives to reduce waste through the usage of the 3 R's (Reuse, Reduce and Recycle). We minimize manufacturing waste through source reduction, reuse and recycling, and responsibly disposing of hazardous waste. In case of environmental impact, we reduce it by using polyester waste created during the base film production system as well as recycled material grades.

Waste from direct materials, packaging materials and plant operations are the three categories of waste generated by our operations (hazardous and non-hazardous). Because PET in both film and resins is often recyclable, the polyester film manufacturing process has a minor environmental impact. We have the required EIA approval for its Polyester resin line, and we provide periodical reports to the competent authorities as required by the Environmental Clearance (EC).

**Table 12: Hazardous and Non-hazardous waste generation during the last two years**

Waste from direct materials	Non-hazardous waste like polyester chip lumps, polyester film lumps, waste trimmings, contaminated films, and waste aluminium coated film.	We recycle and reuse 99% of our simple PET film waste and the remaining is sold to third-party contractors.
Waste from packaging materials	Waste like wooden pallets, plastics, PVC cups, and paper cores as packaging material for both incoming material, as well as finished goods.	We are trying to minimize the packaging waste, most of which is sold to third parties.
Waste from plant operations	Waste like sludge from ETP and tank bottom, oil and lubricants, scrap metal, batteries, chemical waste, and used drums.	Most of the waste is non-hazardous and sold to third parties. Hazardous waste is disposed of by authorized vendors.

Hazardous waste generated (in MT)		
Unit/Year	2018-19	2019-20
PCL	193	254
PTL	310.23	503.6
PE	459	531
PU	0.37	0.194
Total	962.6	1288.79

Non Hazardous waste generated (in MT)		
Unit/Year	2018-19	2019-20
PCL	1,259	1,406
PTL	15,383.47	8,489.91
PE	528.6	777.7
PU	1,270.86	1,288.64
Total	18,442	11,962

## Case Study on recycling of plastic waste

Polyplex, through its subsidiary in Thailand, EcoBlue Limited, which started operations in 2013, provides sustainable solutions for film-based process waste as well as post-consumer plastic waste for varied applications. Over the years, EcoBlue has been working with different post-consumer and industrial wastes (both PET and Polyolefin based) to develop and produce high quality recycled materials that can replace virgin resin in high-end applications like Filament Yarn, Bottles, PET Film etc. We are now venturing into a new state of the art recycling facility for post-consumer waste, for these applications to meet the ultimate demand of some consumer product companies. This project demonstrates the company's commitment to sustainability. With this project, EcoBlue would be positioned amongst the leading recycling companies in the region.

## Biodiversity

Polyplex supports the conservation of sensitive areas. We review the location of the operations every year and we ensure that the operations are not conducted in sensitive areas. For the FY2018-20, no manufacturing plants were located in or near any high biodiversity zones.

**Table 13: Environmental Expenditure**

Environmental protection expenditure (in USD)		
Unit/Year	2018-19	2019-20
PCL	1,31,258.08	1,50,405.08
PTL	92,760	90,674
PE	49,019.25	55,838.43
PU	1,57,349	1,61,073
Total	3,80,182	4,02,139





## Section 5

### Empowering People

Our employees are our biggest assets and we provide an enabling environment for them to grow along with us. We strive to attract and retain the best individuals by providing development and capacity building opportunities to promote their long-term career prospects.

# Our People

A high-quality and motivated workforce is critical for attaining our strategic goals. As we continue to grow as an organization, it will be crucial for us to enhance and leverage the capabilities of our people. Polyplex focuses on creating a conducive work environment for its employees and helps them deliver winning performance.

The coronavirus (covid-19) pandemic has caused us to think differently and shift to a new work environment that we had never imagined. We have switched to a remote work model and have developed a robust health control mechanism for handling all emergencies.

We are steering our efforts towards becoming a valuable 'learning organization', which prioritizes skilling, reskilling and upskilling its employees. As a part of our human resources (HR) planning, we assess and determine skill sets needed for our employees quarterly based on our corporate and locational strategies. The group head (human resources) is the highest authority for all human resources-related issues supported by the HR staff at each of our locations. One of our facilities uses the human resource information system (HRIS) that aids the digital management of all HR operations. HRIS has been used to integrate operations across India, Thailand, Turkey, and Indonesia.

We value our employees and see all of our relationships as long-term commitments.

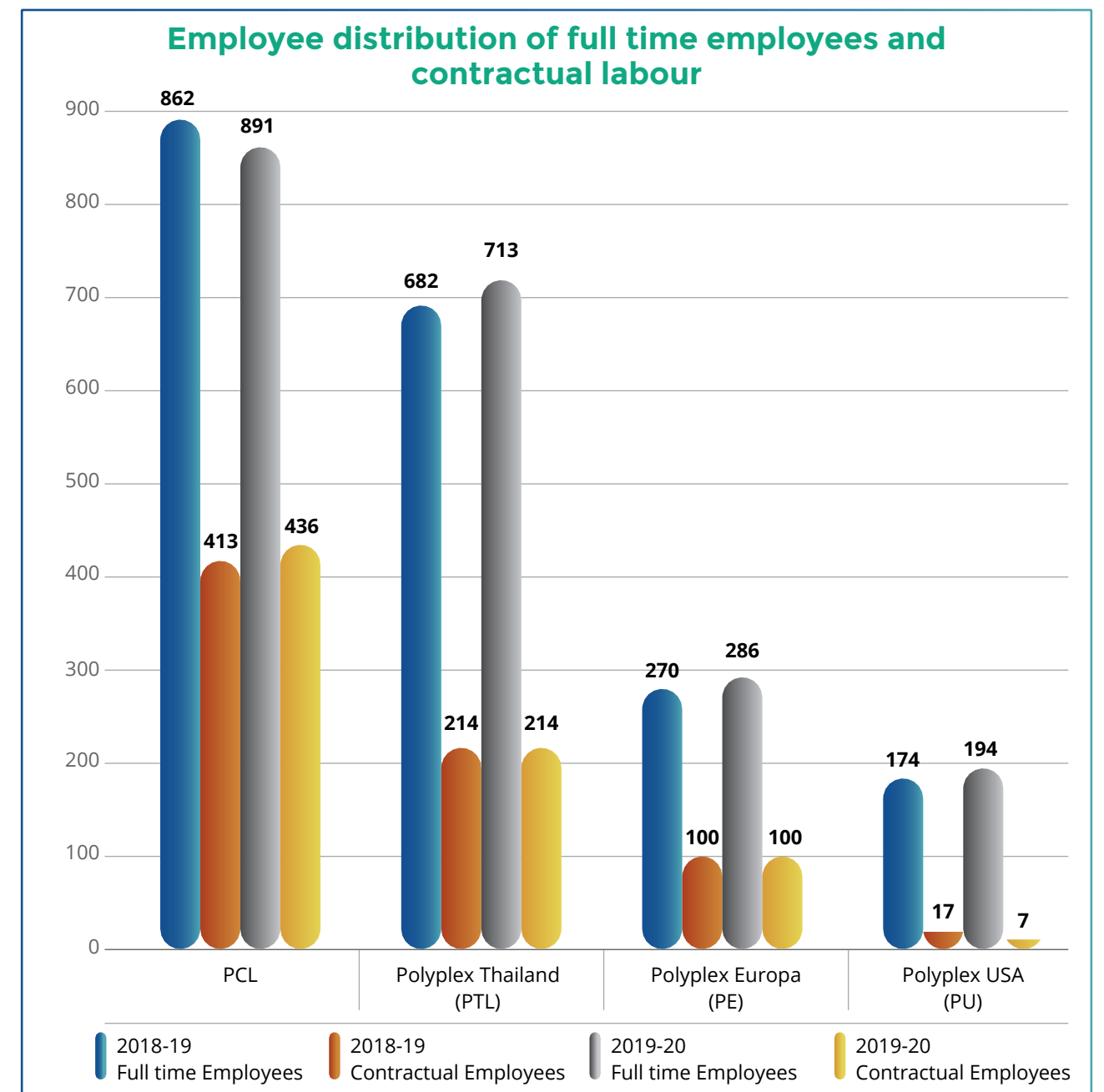


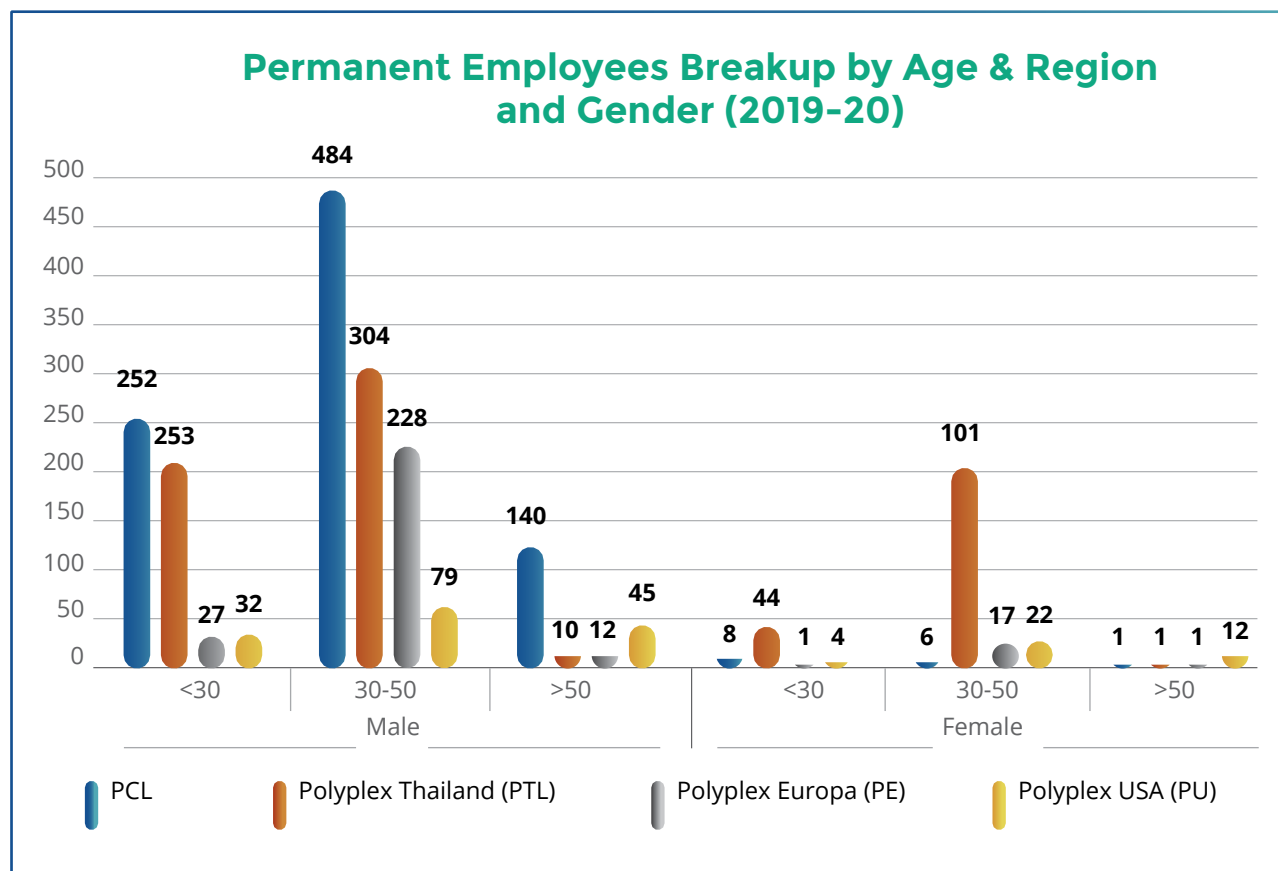
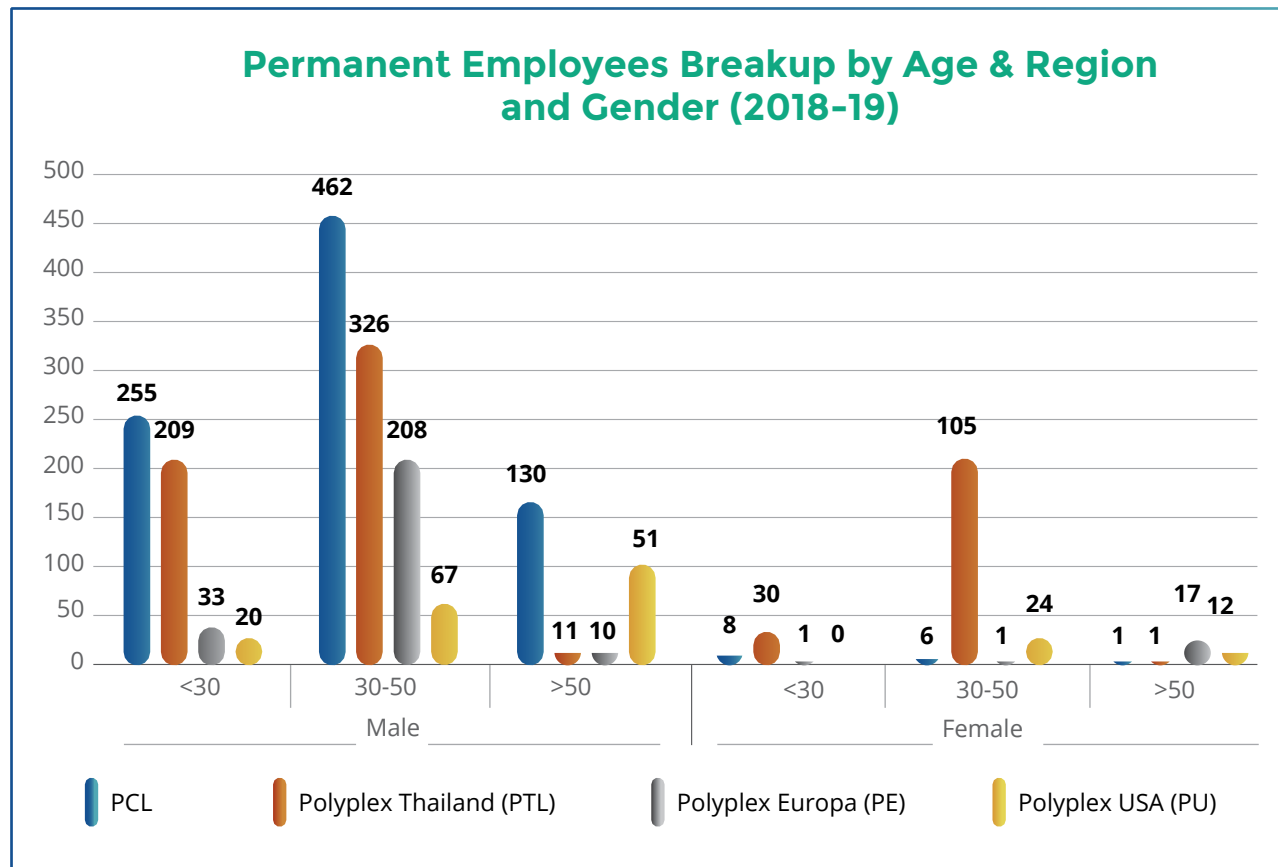
# Approach towards Employees

We believe that a diverse workforce brings considerable value to the organisation, and we respect diversity and inclusion, fostering an environment of empowerment for all. Our transparent and sound recruitment policies let us hire candidates from diverse backgrounds so that we provide equal opportunities to everyone regardless of their gender, caste or their physical abilities.

We continue to hire students from a variety of prestigious universities across the country. Over the last five years, we have helped young engineers and management professionals in obtaining middle-level leadership positions. Key executives are provided direct exposure through planned role changes as part of these programmes, allowing for faster and more comprehensive growth.

We have a total of 2,841 employees, which include 1,919 permanent employees and 757 contract employees at the various manufacturing sites as of 31 March 2020. The breakup of our employee count and diversity is provided below:





## Upholding Human Rights

Polyplex is committed to operating in a manner consistent with the United Nations (UN) universal declaration of human rights, the 10 UN Global Compact (UNGC) principles and the applicable international labour organization (ILO) core conventions on labour standards. We are an equal opportunity employer with zero tolerance towards any form of discrimination based on religion, origin, gender, or status, and we have strict procedures in place to deal with such situations.

We take care that none of our transactions infringes on any human rights. We ascertain that the dignity and rights of employees, customers, vendors, and all other stakeholders are valued. Human rights training and the establishment of approved norms of behaviour while working with our stakeholders are critical. There were no reported incidences of human rights violations.

## Freedom of association and collective bargaining

We strongly uphold freedom of association and collective bargaining rights. The right to freedom of association is proclaimed in the universal declaration of human rights. We have "Joint welfare committees" at all locations to ensure that the short term, medium-term and long-term requirements of all workers are resolved on time. Around 7% of our employees are covered by collective bargaining agreements.

## Child and Forced labour

We strictly adhere to our zero-tolerance policy for child and forced labour. All the security personnel have been trained to ensure that no underage worker enters the plant premises and our contractors are also given strict instructions on not employing underage workers.

**33 % of PCL - Khatima 's total permanent workforce is unionized**

**At all our facilities, there have been no reports of child or forced labour.**



## Employee retention

Maintaining institutional knowledge, excellent morale, and business success; all require long-term employee relationships. Hence improving the employee experience and encouraging good performance is imperative. We reward our employees for completing 5,10,15, 20, 25,30, 35 years with the organization, which encourages them to contribute to our long-term success. During the reporting year, we have taken a few steps to recognize the contributions of long-serving personnel. Employees' immediate family members are granted the opportunity to work. Further employees at the operating level are provided opportunities to advance and play a larger role in the plants.

Polyplex believes in having well-established employee engagement schemes/programs that are tailored to the needs of the local environment, culture, and social customs.



We have designed more than fifty policies and schemes to reinforce the core values and beliefs of the company that are to be followed during our day-to-day operations.

Figure 4: Employee engagement scheme programs at Polyplex



With the firm view that operations should be managed by a strong management team, we have devised a leadership retention programme to incorporate many future leaders. In the last five years, there has been no attrition at the executive level. In order to foster the bond between our employees and their families, we also organize a variety of activities for them and their families. We have designed many employee benefits including short term, long term and post-employment benefits for our people. Defined benefit plans are those that provide retirement benefits in the form of a gratuity. The net obligation of the company in respect of defined benefit plans is derived by estimating the number of future benefits that employees have earned in the current and past periods, discounting that amount, and deducting the fair value of any plan assets.



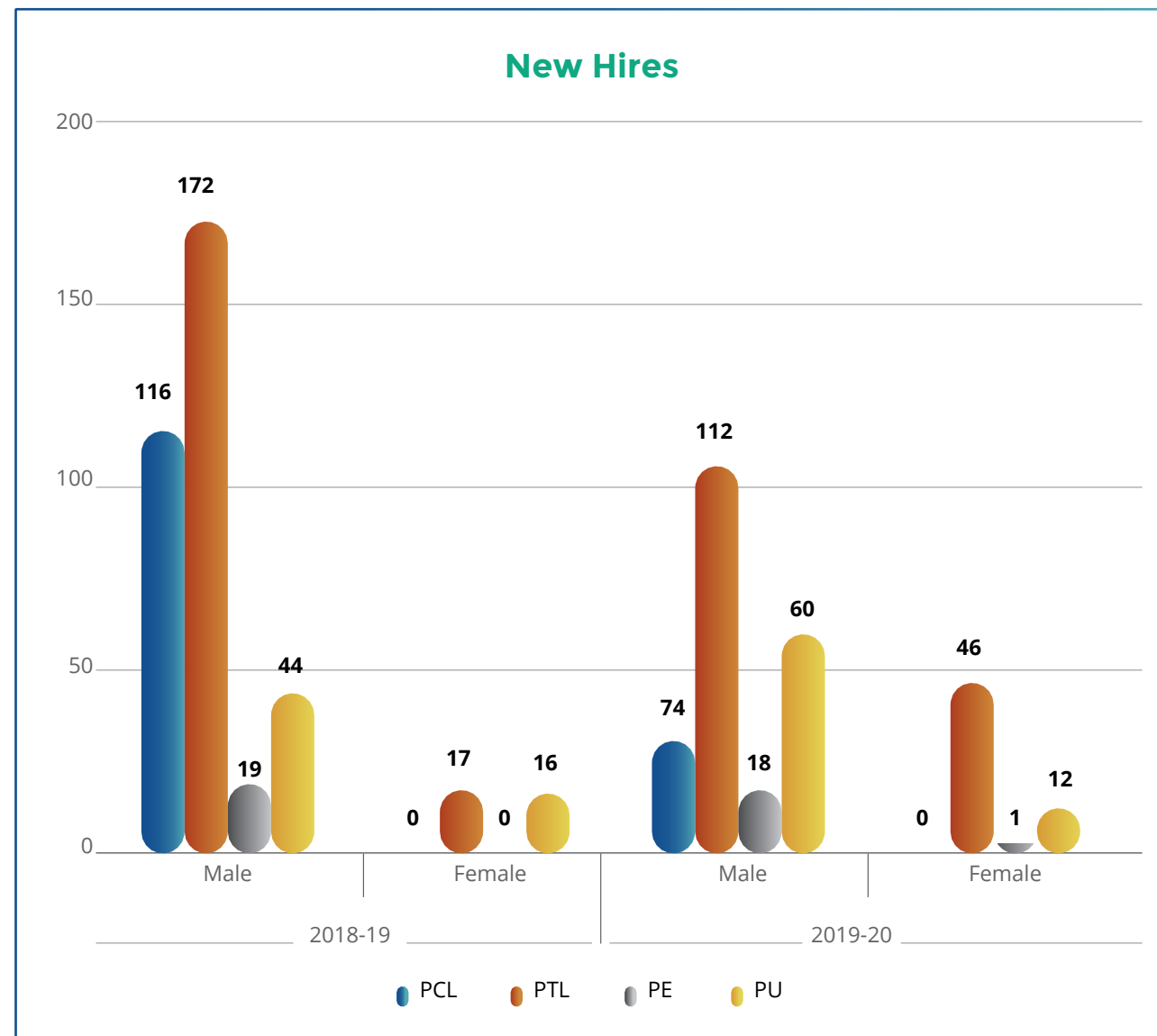
## Training and Skill Development

We endeavour to provide on the job training to our employees for their skill and self-development and the company's progress and growth.

### Management of training and Skill Development

Committed and technically competent personnel not just form the foundation of any successful organization but also shape its character and drive performance. We place a strong value on competency building through training, job rotation, recognizing and encouraging performance to equip personnel for the changing demands of the business. Our people development cell (PDC) evaluates training requirements that are driven by varied business needs and relevance.

We offer several training modules for employee development and skill-building to meet various facets of technical competence, quality assurance, team building, and enhancement of leadership skills, time management skills, safety awareness, basic firefighting. By implementing well-organized training programmes regularly, we ensure that our employees' efficiency, knowledge, and abilities are improved at all levels



## Performance and Career Development

Polyplex provides its employees with opportunities to improve their performance, recognize their work, and reward their accomplishments. We have multiple channels to interact with and engage our employees at all levels. Our open-door policy allows the employees to discuss their problems and aspirations with their supervisors. We organize mentoring programs at different units with the curriculum divided into three

training sessions: perceiving the manager, handling team differences, and leadership skills which help participants strengthen their management skills.

We have a performance management system in place that tracks performance outcomes and ensures that people, teams, and departments are aligned with the company's strategic goals.



# Safety beyond the workplace

**Workplace safety is of utmost priority and we are committed to providing a safe and healthy work environment for our employees.**

Polyplex believes that a safe and healthy work environment is a prerequisite for ensuring employee well-being. To guarantee safety for all, it is imperative for safety parameters to be introduced in the planning phase and integrated across the value chain. All our sites adhere to OHSAS 18001:2007 and we have a robust mechanism for emergency response and disaster management aligned to the global standards in the industry.

Our safety representatives at all manufacturing units conduct safety audits and provide training regularly to the employees. The periodical safety reviews help us to understand whether all standard operating procedures (SOPs) are followed, systems are in place, any deviation identified and corrective actions are taken on time. We also collaborate with external safety experts to conduct comprehensive safety audits, HAZOP analysis, thermography analysis, testing of pressure vessels and Lifting tools, etc.

All our stakeholders, including our employees and contractors, are accountable for identifying, assessing, and mitigating risks. Throughout the year, we have taken several initiatives to establish an incident-free workplace through regular safety training, health check-ups and awareness sessions.

## Safety, Health and Environment Policy

We are consistently making efforts to enhance health and safety standards by improving working conditions, raising awareness through involvement, participation and continuous training of the workforce. Our approach to safety is encapsulated in our safety, health and environment (SHE) policy that validates our commitment to protecting the health and safety of all employees, contractors, customers and the communities in which it operates.

**Figure 5: HSE Policy for PCL**

We are committed to develop and maintain and a safe, healthy and clean environment to protect natural resources, human resources, plant, machinery and environment by:

**Continual improvement in the work practices and processes for prevention of pollution, injury and ill health and risk minimization through various objectives.**

**Compliance with applicable Safety, Health and Environmental Statutory requirements and needs of the interested parties.**

**Conservation of natural resources and waste reduction through involvement of personnel from all functions and levels in the organization.**

All the locations, in which we operate, have separate policies such that they are aligned with the needs and regulations of the location. The policy is communicated to all our employees and displayed at various locations across the plant.

## Health and Safety Committee

An effective safety culture requires proactive commitment, accountability, and continuous reinforcement from all levels of management. The culture is driven by the top management and executed at every level through the health and safety committee. All employees, contract labour, other staff and security are involved in building the safety culture across our location.

Our health and safety committee oversees the overall implementation of our safety policies and reviews its performance. The apex committee has four zonal committees in India and plant level committees in Thailand, Turkey and the USA, which support the management in dealing with all matters concerning

health and safety. Every month, the committee meets to discuss the results of the safety audit, risk assessment, emergency and disaster management plans, and status of implementation. The committee is responsible to prepare a work plan on occupational safety and out of work safety to prevent and reduce accidents, dangers, sickness, or annoyance resulting from work, for presenting to the employer. It also provides recommendations to the employer on the means of improvement and corrective measures that should be taken. Further, they conduct surveys at least once a month on the operational performance of occupational safety and examine the statistics of dangers occurring in the workplace.

## Our Safety approach

Safety is an important tool to augment our productivity and reduce losses. We encourage people to spend more time in teams reflecting on and improving their understanding of the safety risks that may arise in the workplace.

Several initiatives have been undertaken to sensitize employees regarding the occupational hazards at the workplace, precautions and emergency responses for countering any accident, etc. Some of the initiatives undertaken by Polyplex to spread the safety message beyond its boundaries are given as under:



## Health and safety training

The nature of our business and the risks involved require engaging with employees on safety management processes and imparting training on health, safety, security, emergency preparedness and crisis management regularly. We instil pride in taking care of not just our company employees as well as to contract workmen and security personnel in various locations, which are trained through experts and in-house safety personnel. Training conducted covered topics such as fire safety, electrical safety, first aid, gas cylinder/ammonia handling and awareness about safety signs.

### Polyplex Thailand, TPM & Systems and the EHS department conducted in-house training to support external audits and also promoting training to develop the skill of internal auditors. The training courses consisting of FSSC V.5, C-TAPAT and SMATA



Our safety specialists determine the safety needs as per the local compliance requirement, process as well as activities based on hazard identification and risk assessment for individual processes. During FY 2018-19 and FY 2019-20, the PCL unit promoted a non-smoking policy at the workplace, PTL formed first aid teams including people from different departments and PE organized blood donation camps.

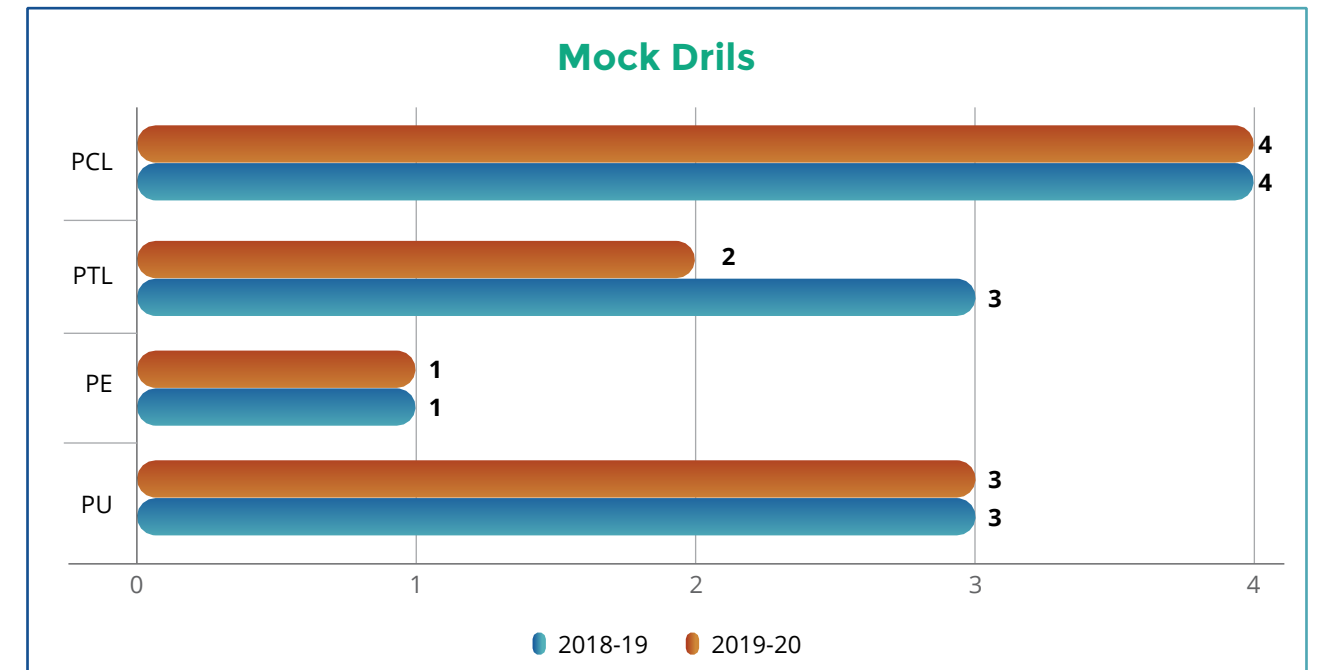
## Preparing for emergencies

Polyplex ensures that we have the necessary resources to deal with leaks, fires and explosions and any other emergency that may lead to the risk of life and property. We ensure regular checks of response procedures and capabilities so we can respond rapidly to an incident.

Our emergency preparedness plan for every site includes fundamental plant information, emergency equipment on hand, key personnel and their tasks. It also includes a telephone directory of hospitals as well as a list of critical staff phone numbers, skilled first

aiders, and firefighters. Our preparedness action plan includes the following activities:

- Employees are provided with on the job training with appropriate safety equipment to ensure that they understand the processes to follow in the event of an emergency.
- To handle emergencies, adequate fire protection and fire-fighting facilities are provided
- We regularly conduct mock drills across all our sites as provided below -





## Employee wellbeing

Employee wellbeing is crucial for running a successful business. We are constantly reinventing our workplace procedures to improve the employee's overall well-being and provide them with the best working environment. Although we are trying to maintain business continuity; considering the covid-19 scenario, we put the foremost importance on keeping our employees and their family safe. The steps towards employee wellbeing are not only limited to physical health but also towards the mental health of an employee, considering their happiness as well as job satisfaction.

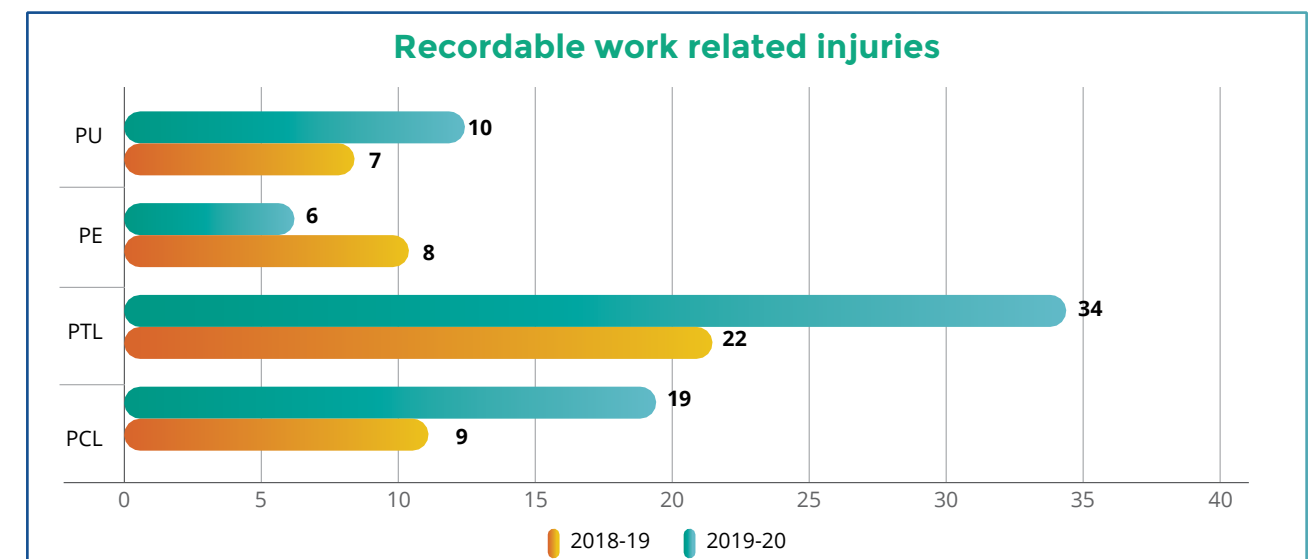
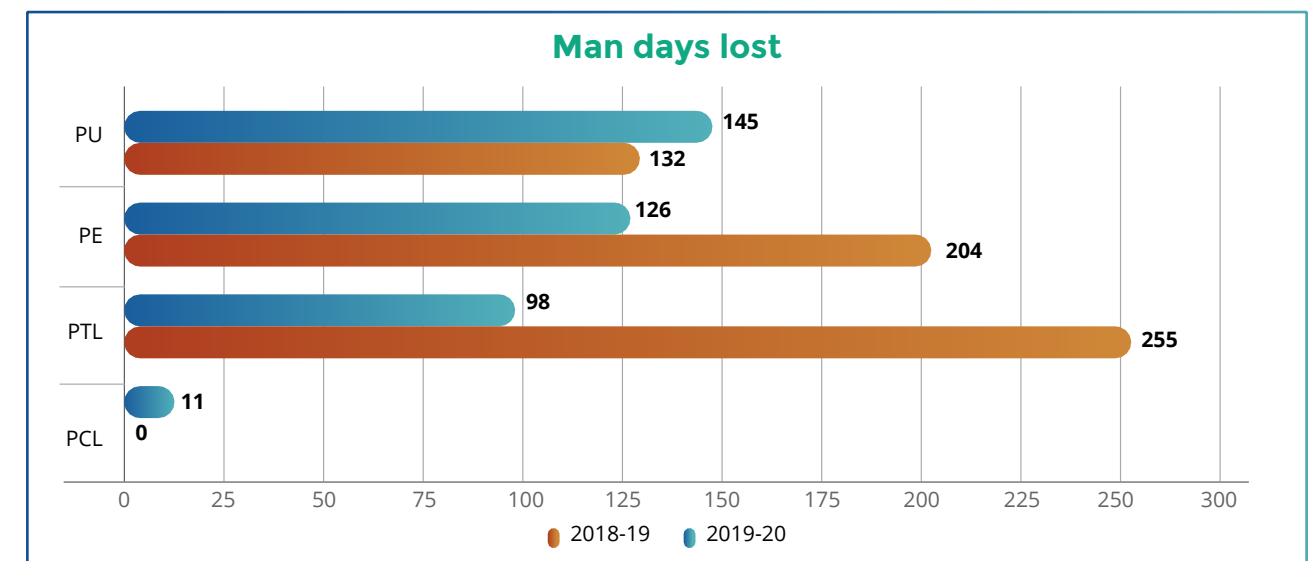
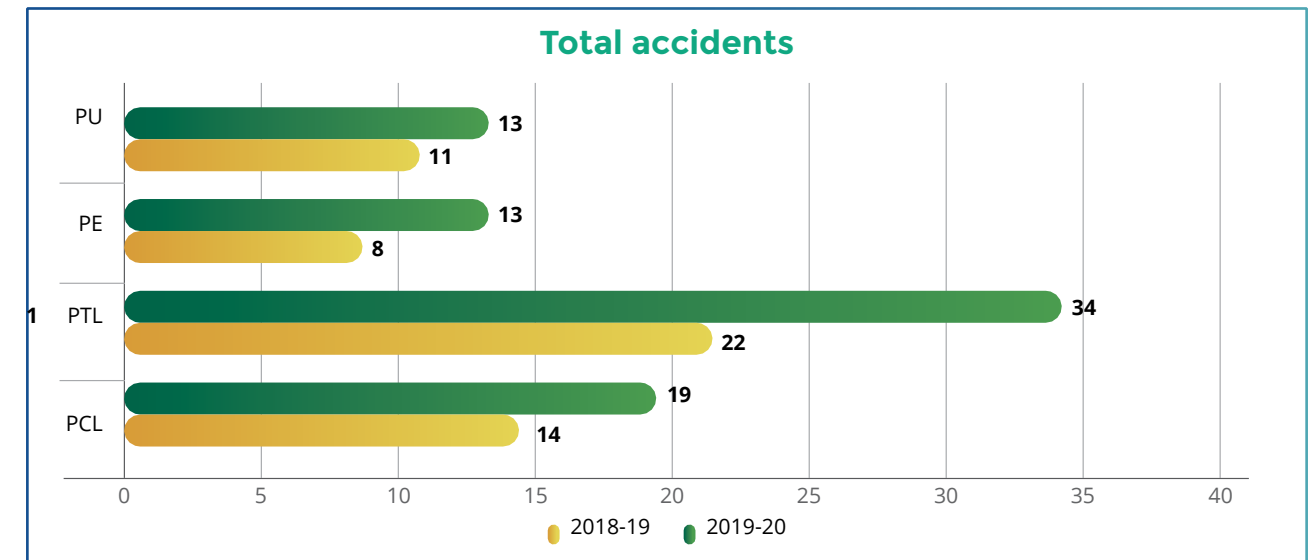
We hold regular medical camps, awareness sessions, and medical support services keeping the employee

wellbeing in mind. Employees' health is monitored through medical surveillance. All our sites have first-aid kits and personnel trained to limit the risk of injury. Employees undergo a preventive health screening prior to joining the organization and are required to attend numerous health and safety awareness workshops that are periodically organized to ensure improvement in lifestyle-related habits. These awareness programs include smoking cessation programs, dietary advice, offering healthy food in the canteen, stress-reducing programs, provision of a gym, or fitness programs. Occupational health check-ups are also conducted on permanent employees once a year to measure their well-being.



## Occupational Health and Safety performance

During the reporting year period, there were zero cases of near-miss work-related injuries. The number of man-days lost has substantially reduced, compared to the previous year. There had been no high consequence work-related injury or fatality during the last three years.



## Section 6

### Building resilience

We believe in our three key CSR themes - Environmental protection, healthcare and education. They are essential in establishing and nurturing a clean environment, boosting community quality of life, and contributing to sustainable living.

## Our Community initiatives

**A unifying characteristic that is displayed at each of our facilities, regardless of the city, state, province, country, or continent, is our employees' commitment to work with their local community to have a positive impact.**

### Contributing to the Community

Polyplex has been committed to addressing developmental challenges across all its operations through thoughtfully curated programs in the thematic areas of environmental protection, healthcare, and education. We believe that our three key CSR themes are essential in establishing and nurturing a clean environment, boosting community quality of life, and contributing to sustainable living. For these objectives, we have established a CSR committee in accordance with the requirements of the Companies Act 2013, with a dedicated focus on attaining the intended objectives. This committee is dedicated to delivering a positive difference in social, economic, and environmental aspects.

All our CSR activities are aligned with the UN's Sustainable Development Goals (SDGs) and have been undertaking various initiatives to help the communities in areas adjoining to its plants and improve the quality of life of its employees. At the Khatima plant, we have been running a school for the past three decades with over 1,750 students, providing equal educational opportunities to children from all sections of the society and conducting periodic analyses to monitor the quality of education, supplementary needs, and so on.

We are deeply committed to our local communities through long-term social initiatives such as blood donation drives at all of its facilities around the world, donations, free eye check-ups and inoculation camps in collaboration with local hospitals, public water cooler installation, and active support for flood relief efforts in India and Thailand. Plantation drives have also been held in and around our factories and housing colonies.

**“Our Turkey and Thailand teams have been awarded the Silver and Bronze award in EcoVadis CSR ratings 2020.”**

### In times of the pandemic

The Covid-19 pandemic not only caused the untimely loss of lives but also directly impacted people's livelihoods. Everything became topsy-turvy in the face of this extraordinary humanitarian crisis, forcing people to seek support from a variety of sources. It is a critical time for all of us, and it is significantly more difficult for the marginalised; therefore, assistance is required on many levels and at a wide scale.

As the number of cases rises, everyone is gearing up for a prolonged battle. Centre for Social Change (CSC) and Global Foundation have been working together to provide food and rations, sanitation aids, and help protect livelihoods of vulnerable communities by involving migrant women in the best possible way, keeping life and livelihood security in consideration. A couple of initiatives are:

- Mask making and distribution
- Providing ration service
- Recognizing corona warriors

### Overview of Polyplex's CSR initiatives

Polyplex is playing a key role in bridging the access gap at the base-of-pyramid to create availability and accessibility to healthcare services. Over the years, we have also partnered with several government programs to expand our outreach, thereby directly helping over a million people.

During the reporting period, we have made monetary contributions to NGOs, hospitals and government relief funds. Along with this, we have donated sanitisers, medical equipment, and protective gear for healthcare workers. Besides, we have collaborated with various non-governmental organisations in giving essential food supplies to the populations surrounding our facilities. We continue to contribute to the Rekhta Foundation, a non-profit organisation, dedicated to the promotion and dissemination of Urdu literature. We have arranged for an increased number of hospital beds and other required medical devices in public hospitals at our plant locations in Khatima and Bazpur.



We have adopted two local schools in Bazpur and Khatima and provided them with the necessary facilities under a Public-Private Partnership (PPP) model. We have provided a variety of sports, furniture and fittings and educational sponsorships as well as full scholarships to the children of deceased employees. Further, Polyplex fosters inter-religious harmony by supporting local religious activities and festivals in an even-handed manner.

**Figure 7: Polyplex provided study tables at a Primary School, Bazpur**



**Figure 8: Distribution of grocery items to the local community in Khatima and Bazpur**



**PTL initiatives:**

During the reporting period, PTL funded a blood donation camp, Children's day activities, social welfare, and a tree-planting programme. Our team organized a love and happiness sharing effort to aid HIV-infected and orphaned children at Wat Phrabat Nampu, also known as the AIDS temple, by making donations. We also continued other initiatives such as:

- To support the supplying and purchasing of medicines for the care of older people, we organised a project of charity for elderly people at the elderly club, Map Yang Phon, Plugdeang, Rayong
- To encourage our employees to participate in the preservation of natural resources, we carried out a tree planting and save the sea project at Thai Island and Sea Natural History Museum and Samae San Island (Koh Samae San), Sattahip, Chon Buri



## PE initiatives:

In the upcoming year, we will be donating obsolete computers in good working condition to local schools as well as outdated furniture that was no longer in use to local charity organisations. Employees will be also encouraged to donate blood at blood donation camps.



## PU initiatives:

During the reporting period, we sponsored the American Cancer Society (ACS) for their automatic favourable recognition through "Relay for Life," a noble cause that aids with cancer treatment and prevention. We continued our "Barrels of Love" programme with the Salvation Army to provide non-perishable foods for church cooperation and to conduct backpackers feeding programmes in city schools. We have also donated toys, clothing, and shoes to youngsters throughout the Christmas season.

Table 14: CSR Expenditure

Unit/Year	Total CSR Expenditure (in USD)	
	2018-19	2019-20
PCL	1,17,557.75	1,61,618.64
PTL	5,536	6,697
PE	4,440.5	10,213.15
PU	7,000	8,838.47
Total	1,34,534.2	1,87,367.3



## Independent Assurance Statement

'Polyplex Corporation Limited' (hereafter 'PCL') engaged TUV India Private Limited (TUVI) to conduct the independent non-financial assurance of Sustainability Report (hereinafter 'the Report'), which includes a "Limited" level of assurance of PCL Sustainability information for the applied reporting period, 01<sup>st</sup> April 2018 to 31<sup>st</sup> March 2020. The verification was conducted via the MS Teams Application.

### Management's Responsibility

PCL developed the Report's content. PCL management is responsible for identifying material topics and carrying out the collection, analysis, and disclosure of the information presented in the Report (web-based and print), including website maintenance, integrity, and for ensuring its quality and accuracy in accordance with the applied criteria stated in the GRI Standards: Core option, such that it's free of intended or unintended material misstatements.

### Scope and Boundary

The scope of work includes the assurance of the following non-financial performance / KPI disclosed in the Report. In particular, the assurance engagement included the following:

- Review of the disclosures submitted by PCL;
- Review of the quality of information;
- Review of evidence (on a sample basis) for identified non-financial indicators

TUVI has verified the below KPI's disclosed in the Report

Governance	102-18, 102-20, 103-01 to 103-3
GRI 302: Energy	302-1
GRI 303: Water and effluents	303-3 to 303-5
GRI 305: Emissions	305-1 to 305-2
GRI 306: Waste	306-3 to 306-5
GRI 401: Employment	401-1 to 401-3
GRI 402: Labor/Management Relations	402-1
GRI 403: Occupational health and safety	403-1 to 403-3
GRI 404: Training and Education	404-1 to 404-3
GRI 413: Local Communities	413-1

The remote verification was conducted at PCL Corporate Team, during December 2021 and January 2022. The assurance activities were carried out together with a desk review as per reporting boundary. The reporting boundaries include the 02 manufacturing sites located at Khatima and Bazpur, Uttarakhand, India. The Overseas location includes 01 site at Rayong, Thailand, 01 manufacturing site located at Corlu, Turkey, and 01 manufacturing site at USA Decatur are explained in the Report.

### Limitations

TUVI did not perform any assurance procedures on the prospective information, such as targets, expectations, and ambitions, disclosed in the Report. Consequently, TUVI draws no conclusion on the prospective information. During the assurance process, TUVI did not come across any limitation to the agreed scope of the assurance engagement. TUVI expressly disclaims any liability or co-responsibility for any decision a person or entity would make based on this Assurance Statement.

### Our Responsibility

TUVI's responsibility in relation to this engagement was to perform a limited level of assurance and to express a conclusion based on the work performed. This engagement did not include an assessment of the adequacy or the effectiveness of PCL's strategy, management of sustainability-related issues or the

sufficiency of the Report against principles of GRI Standards: Core option, and ISAE 3000 (revised), other than those mentioned in the scope of the assurance. TUVI's responsibility regarding this verification is in accordance with the agreed scope of work which includes non-financial quantitative and qualitative information disclosed by PCL. This assurance engagement assumes that the data and information provided to us by PCL are complete and true.

### Verification Methodology

During the assurance engagement, TUVI adopted a risk-based approach, focusing on verification efforts with respect to disclosures. TUVI has verified the disclosures and assessed the robustness of the underlying data management system, information flows, and controls. In doing so:

- TUVI examined and reviewed the documents, data, and other information made available by PCL for non-financial KPI's (non-financial disclosures);
- TUVI conducted interviews with key representatives, including data owners and decision-makers from different functions of PCL;
- TUVI performed sample-based reviews of the mechanisms for implementing the sustainability-related policies and data management (qualitative and quantitative);
- TUVI reviewed the level of adherence to principles of GRI standards: Core option.

### Opportunities for Improvement

The following are the opportunities for improvement reported to PCL. However, they are generally consistent with PCL management's objectives and programs.

- *PCL can publish SD Report on annual periodic interval, so that ready reference will be available to all stakeholders to make informed decisions;*
- *PCL can establish and conduct an internal audit of sustainability disclosure data. Periodic validation and verification of data can be performed by the internal team;*
- *The monitoring related to disclosures of emissions (305-7), and waste (306-3 to 306-5) needs to be improved;*
- *PCL needs to undertake the ex-post effectiveness of CSR activities by application of Tools, technical guidance, and standards including but not limited to Social return on investments (SROI), the SROI network, ISO 26000: social responsibility, Global impact investing network (GIIN) as applicable*

### Our Conclusion

In our opinion, based on the scope of this assurance engagement, the "disclosures on sustainability performance" and reference information provide a fair representation of the material topics, related strategies, and meets the general content and quality requirements of the GRI Standards: Core option.

**Disclosures:** TUVI is of the opinion that the reported disclosures generally meet the GRI Standards reporting requirements in accordance with the "Core option". PCL refers to general disclosure to Report contextual information about PCL, while the 'Management Approach' is discussed to Report the management approach for each material topic.

**Universal Standard:** PCL followed GRI 101: Reporting Principles for defining report content and quality, GRI 102: General Disclosures were followed when reporting information about an Organization's profile, strategy, ethics and integrity, governance, stakeholder engagement practices, and reporting process. Furthermore, GRI 103 was selected for Management's Approach on reporting information about how an organization manages a material topic. TUVI is of the opinion that this report has been prepared in accordance with the GRI Standards: 'Core option'.

**Topic Specific Standard:** 200 series (Economic topics), 300 series (Environmental topics), and 400 series (Social topics); These Topic-specific Standards were used to Report information on the organization's impacts related to environmental and social topics. TUVI is of the opinion that the reported material topics and Topic-specific Standards that PCL used to prepare its Report are appropriately identified and addressed.

**Limited Assurance Conclusion:** Based on the procedures we have performed; nothing has come to our attention that causes us to believe that the information subject to the limited assurance engagement

was not prepared in all material respects. TUVI found the sustainability information to be reliable in all material respects, with regards to the reporting criteria ("Core option") of the GRI Standards.

In the context of Assurance, the following contemporary principles have been observed:

**Evaluation of the adherence to other contemporary Principles**

**Inclusivity:** Stakeholder identification and engagement is carried out by PCL on a periodic basis to bring out key stakeholder concerns as material topics of significant stakeholders. In our view, the Report meets the requirements.

**Materiality:** The materiality assessment process has been carried out, based on the requirements of the GRI Standards, considering topics that are internal and external to the PCL range of businesses. The Report fairly brings out the aspects and topics and its respective boundaries of the diverse operations of PCL. In our view, the Report meets the requirements.

**Responsiveness:** TUVI believes that the responses to the material aspects are fairly articulated in the report, i.e. disclosures on PCL policies and management systems including governance. In our view, the Report meets the requirements.

**Impact:** PCL communicates its sustainability performance through regular, transparent internal and external reporting throughout the year, aligned with GRI, and its policy framework encompassing the Environmental, Social, Ethical and other policies. PCL reports on sustainability performance to the Top Management, who oversees and monitors the implementation and performance of objectives, as well as progress against goals and targets for addressing sustainability-related issues.

This assurance statement has been prepared in accordance with the terms of our engagement. In accordance to the ISAE 3000 (revised) requirements

**Independence:**

TUVI follows IESBA (International Ethics Standards Board for Accountants) Code which, adopts a threats and safeguards approach to independence. It is confirmed that the assurance team is selected to avoid situations of self-interest, self-review, advocacy, and familiarity. The assessment team was safeguarded from any type of intimidation.

**Quality control:**

The assurance team complies with the code of ethics for professional accountants issued by the IESBA, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour. In accordance with International Standard on Quality Control, TUVI maintains a Core system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

**Our Assurance Team and Independence**

TUVI is an independent, neutral third-party providing sustainability services with qualified environmental and social specialists. TUVI states its independence and impartiality and confirms that there is "no conflict of interest" with regard to this assurance engagement. In the reporting year, TUVI did not work with PCL on any engagement that could compromise the independence or impartiality of our findings, conclusions, and recommendations. TUVI was not involved in the preparation of any content or data included in the Report, with the exception of this assurance statement. TUVI maintains complete impartiality towards any individuals interviewed during the assurance engagement.

For and on behalf of TUV India Private Limited



Manojkumar Borekar  
Project Manager and Reviewer  
Head – Sustainability Assurance Service



Date: 24-01-2022  
Place: Mumbai, India  
Project Reference No: 8119889616  
[www.tuv-nord.com/in](http://www.tuv-nord.com/in)

# GRI Content Index

## 102-55

The GRI content index is presented and the references for all disclosures included align with the appropriate sections in the body of the report.

GRI Standard	Disclosures	Report Section/Chapters	Page Number
GRI 101: Foundation 2016			
<b>Organizational Profile</b>			
	102-1	Name of the organization	About Polyplex 11
	102-2	Activities, brands, products & services	About Polyplex 11
	102-3	Location of headquarters	About Polyplex 11
	102-4	Location of operations	About Polyplex 11
	102-5	Ownership and legal form	About Polyplex 11
	102-6	Markets served	About Polyplex-Our global presence 11
	102-7	Scale of the organization	Approach towards employees 53
GRI 102: General Disclosures 2016	102-8	Information on employees and other workers	Our People 52
	102-9	Supply chain	Supplier engagement 35
	102-10	Significant changes to the organization and its supply chain	Supplier engagement 35
	102-11	Precautionary Principle or approach	Corporate governance 19
	102-12	External Initiatives	Stakeholder engagement and materiality 30
	102-13	Membership of associations	Engaging with our customers 16
<b>Strategy</b>			
	102-14	Statement from senior decision-maker	About the report 04
	102-15	Key impacts, risks, and opportunities	Corporate governance 19
<b>Ethics &amp; Integrity</b>			
	102-16	Values, principles, standards, and norms of behaviour	Corporate governance 19
	102-17	Mechanisms for advice and concerns about ethics	Corporate governance 19



GRI Standard	Disclosures	Report Section/Chapters	Page Number
<b>Governance</b>			
102-18	Governance structure	Corporate governance	19
102-19	Delegating authority	Our People	52
102-20	Executive-level responsibility for economic, environmental and social topics	Corporate governance	19
102-21	Consulting stakeholders on economic, environmental and social topics	Stakeholder engagement and materiality	30
102-22	Composition of the highest governance body and its committees	Corporate governance	19
102-23	Chair of the highest governance body	Corporate governance	19
102-24	Nominating and selecting the highest governance body	Corporate governance	19
102-25	Conflicts of interest	Leading responsibly	21
102-26	Role of highest governance body in setting purpose, values, and strategy	Corporate governance	19
102-27	Collective knowledge of the highest governance body	Corporate governance	19
102-28	Evaluating the highest governance body's performance	Corporate governance	19
102-29	Identifying and managing economic, environmental, and social impacts	Environmental stewardship	44
102-30	Effectiveness of risk management processes	Corporate governance	19
102-31	Review of economic, environmental, and social topics	Environmental stewardship	44
102-32	Highest governance body's role in sustainability reporting	Corporate governance	19
102-33	Communicating critical concerns	About the report	04
102-34	Nature and total number of critical concerns	Stakeholder engagement	31
102-35	Remuneration policies	Risk management	23
102-36	Process for determining remuneration	Corporate governance	19
102-37	Stakeholders Involvement in remuneration	Stakeholder engagement and materiality	30
102-38	Annual total compensation ratio	Leading responsibly	21
102-39	Percentage increase in annual total compensation ratio	Leading responsibly	21

GRI Standard	Disclosures	Report Section/Chapters	Page Number	
<b>Stakeholder Engagement</b>				
	102-40	List of stakeholder groups	Stakeholder engagement and materiality	31
	102-41	Collective bargaining agreements	Environmental stewardship	55
	102-42	Identifying and selecting stakeholders	Stakeholder engagement and materiality	31
	102-43	Approach to stakeholder engagement	Stakeholder engagement and materiality	31
	102-44	Key topics and concerns raised	Stakeholder engagement and materiality	32
<b>Reporting Practice</b>				
	102-45	Entities included in the consolidated financial statements	Scope and boundary	05
	102-46	Defining report content and topic boundaries	Scope and boundary	05
	102-47	List of material topics	Stakeholder engagement and materiality	31
	102-48	Restatements of information	Scope and boundary	05
	102-49	Changes in reporting	About the report	04
	102-50	Reporting period	About the report	04
	102-51	Date of most recent report	About the report	04
	102-52	Reporting cycle	About the report	04
	102-53	Contact point for questions regarding the report	About the report	04
	102-54	Claims of reporting in accordance with the GRI Standards	About the report	04
	102-55	GRI content index	GRI Index	74
	102-56	External assurance	About the report	05
<b>Material Topics</b>				
	The material topics include R&D and technological innovation, Customer experience and satisfaction, Waste management and circular economy, Business growth and profitability, Ethics, integrity and compliance, Energy efficiency, Product liability, Occupational health and safety, Responsible supply Chain/procurement, Safeguarding human rights, Corporate governance, Employee engagement and wellbeing, Resource management, Biodiversity and environmental protection, Data privacy and cybersecurity, Community engagement and CSR, Talent development, Digital transformation, Disaster and risk management, Climate risk and mitigation, Diversity and inclusion			
<b>Management Approach</b>				
	This reference to GRI 103: Management Approach 2016 and Disclosures 103-1, 103-2 & 103-3 applies to all material topics covered by the topic specific GRI Standards listed below			
GRI103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	Our approach to materiality, Materiality assessment	04, 34
	103-2	The management approach and its components	Corporate governance	18
	103-3	Evaluation of the management approach	Corporate governance	18
Topic- Specific Disclosures				

GRI Standard	Disclosures	Report Section/Chapters	Page Number	
<b>Economic</b>				
<b>Economic Performance</b>				
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Stakeholder engagement and materiality	31
	201-2	Financial implications and other risks and opportunities due to climate change	Our economic performance and strategic leadership	38
	201-3	Defined benefit plan obligations and other retirement plans	Our people- Employee retention	56
	201-4	Financial assistance received from government	Our economic performance and strategic leadership	38
<b>Market Presence</b>				
GRI 202: Market Presence 2016	202-1	Ratios of standard entry-level wage by gender compared to local minimum wage	Leading responsibly; Corporate governance	21
	202-2	Proportion of senior management hired from the local community	Leading responsibly; Corporate governance	21
<b>Indirect Economic Impact</b>				
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	The global scenario	38
	203-2	Significant indirect economic impacts	Stakeholder engagement and materiality	31
<b>Procurement Practices</b>				
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	Supplier engagement	34
<b>Anti-corruption</b>				
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	Leading responsibly	21
	205-2	Communication and training about anti-corruption policies and procedures	Leading responsibly	21
	205-3	Confirmed incidents of corruption and actions taken	Leading responsibly	21
<b>Anti-competitive Behavior</b>				
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Leading responsibly	21
<b>Environmental Topics</b>				
<b>Materials</b>				
GRI 301: Materials 2016	301-1	Materials used by weight or volume	Environmental stewardship	45
<b>Energy</b>				
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Environmental stewardship	46
	302-4	Reduction of energy consumption	Environmental stewardship	46

GRI Standard	Disclosures	Report Section/Chapters	Page Number	
<b>Water</b>				
GRI 303: Water 2018	303-1	Water withdrawal by source	Environmental stewardship	48
<b>Biodiversity</b>				
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Environmental stewardship	49
	304-2	Significant impacts of activities, products, and services on biodiversity	Environmental stewardship	49
<b>Emissions</b>				
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Environmental stewardship	47
	305-2	Energy indirect (Scope 2) GHG emissions	Environmental stewardship	47
	305-6	Emissions of ozone- depleting substances (ODS)	Environmental stewardship	47
	305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Environmental stewardship	47
<b>Effluents and Waste</b>				
GRI 306: Waste and effluents 2016	306-2	Waste by type and disposal method	Environmental stewardship	48
	306-4	Transport of hazardous waste	Environmental stewardship	48
<b>Environmental Compliance</b>				
GRI 307: Environmental Compliance 2016	307-1	Non-compliance with environmental laws and regulations	Environmental stewardship	31
<b>Supplier Environmental Assessment</b>				
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	Stakeholder engagement and materiality	34
	308-2	Negative environmental impacts in the supply chain and actions taken	Our economic performance and strategic leadership	38
<b>Social Topics</b>				
<b>Employment</b>				
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Our people	52
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Our people	52
	401-3	Parental leave	Paternity leave is provided as per company policy and country-specific rules if any.	

GRI Standard	Disclosures	Report Section/Chapters	Page Number
<b>Occupational Health and Safety</b>			
GRI 403: Occupational Health and Safety 2018	403-1	Workers representation in formal joint management-worker health and safety committees	Safety beyond workplace 60
	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Safety beyond workplace 60
	403-3	Workers with high incidence or high risk of diseases related to their occupation	Safety beyond workplace 60
	403-4	Health and safety topics covered in formal agreements with trade unions	Safety beyond workplace 60
<b>Training and Education</b>			
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Our people 52
	404-2	Programs for upgrading employee skills and transition assistance programs	Our people 52
	404-3	Percentage of employees receiving regular performance and career development reviews	Our people 52
<b>Diversity and Equal Opportunity</b>			
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Our People 53
	405-2	Ratio of basic salary and remuneration of women to men	Corporate governance 21
<b>Non-Discrimination</b>			
GRI 406: Non-Discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	Safety beyond workplace 60
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# Notes

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