

OpenAg™

Reimagining
Sustainability



UPL Limited
Annual Report
2020-21

OpenAg™ Reimagining Sustainability

How companies respond to challenges is what defines them.

At UPL, **Realising Sustainability** has long been our dream and over the past decade we have been working to deliver this.

We have made it our mission to **reimagine sustainability in everything we do** – it is the basis for every project we start, every process we design and every business we launch.

Agriculture is facing many challenges and because of our focus in this area, we are confident UPL will be at the heart of the solution.

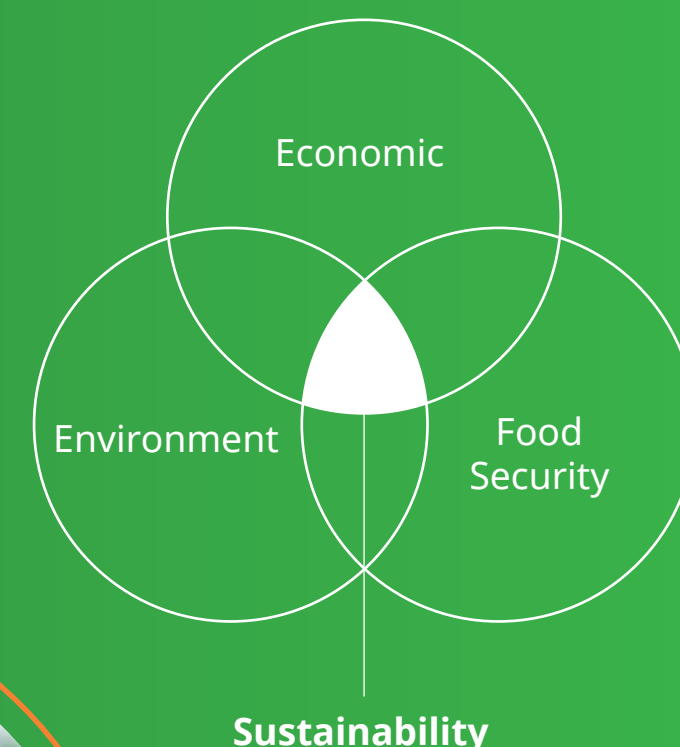
With a rapidly expanding portfolio of differentiated and sustainable products, our deep research and development pipeline of innovative projects, together with our cutting-edge digital capabilities - we are in the strongest position to support farmers more sustainably, around the world.

Sustainability is a big concept and so it is vital to define our intent and impact clearly, and in ways that are measurable and **unique to UPL**.

Our 3 way focus to deliver sustainability to the world:

- ▶ By reducing environmental impacts
- ▶ By actively building and promoting economic resilience for farmers
- ▶ By increasing the food security, supply and safety of food value chains

Reimagining sustainability with an open network to create sustainable growth for all - no limits, no borders.



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Focused on creating a sustainable food system

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For environment, growers and the food value chain

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CORPORATE PORTRAIT

Fostering a sustainable ecosystem

UPL leads the agri-solutions space through differentiated products, biosolutions, and collaborations across the food value chain to create sustainable food systems. Our offerings enhance the resilience of farmers against climate risks and ensure maximum farm yield at affordable costs, thereby growing their incomes.

Our interventions span the entire lifecycle of a diverse crop base worldwide. Our wide product portfolio comprises patented and post-patent agricultural solutions, including crop protection, BioSolutions and seed treatment, for various row and specialty crops.

We aim to transform agriculture through OpenAg, an agriculture network that feeds sustainable growth for all. No limits, no borders. This transformation has been accelerated through our early adoption of digitisation.

Our philosophy

Our vision is to be an icon for growth, technology and innovation.

Our mission is to Change the game – to make every single food product more sustainable.



Values



ALWAYS HUMAN

We are all about connecting with people, in a human way – showing respect, demonstrating trust, celebrating diversity. For us, technology is an enabler, not the endgame. We see the value in human connectivity and how it creates new opportunities for everyone. With this, comes our promise to protect people's safety in every way we can.



AGILE

No one is faster or more efficient. We thrive on targets and challenges that, while possibly daunting at first glance, only excite and energise us. Wherever we operate, speed and agility are in our DNA. The world needs our urgency.



ONE TEAM, ONE FOCUS

We are one team, for maximum impact. One team with shared goals. We all play for the team and no one plays against the team. We have a laser-like focus on what our customers need, anticipating their future needs and on how we can create innovative solutions and experiences for them.



WIN-WIN-WIN

We serve a cause bigger than ourselves – sustainability of global food systems. We win when we create sustainable solutions based on responsible choices, when everyone we serve and partner with grows too, and when together we achieve sustainable growth for society as a whole – the biggest win of all.



NOTHING'S IMPOSSIBLE

There isn't any limit to our ambition or our ability to grow. We are not afraid to run with new ideas, work with new partners, anticipate new needs, push ourselves beyond our comfort zones or simply ask 'Why not?'. We dare to change the game and create a new food economy for the world.



KEEP IT SIMPLE, MAKE IT FUN

Food systems are highly complex and present huge challenges. We cut through this by keeping it simple. People value simplicity, customers especially. And everyone likes fun, so let's have some, doing what we love to do.

UPL FACTSHEET

Demonstrating leadership



#5

Agro chemicals company in the world



#1

BioSolutions company



#1

Agrochemicals company in ESG by Sustainalytics^



13,932

Registrations as on March 31, 2021



138+

Country presence across 6 continents



80%+

Share of revenue from branded products



1,421

Patents granted



1,400

Product formulation#



40+

Successful acquisitions in the last twenty five years



10,000+

Employees\$



43

Manufacturing facilities

^Products where Net Sales > \$ 0.01 Mn

\$Includes Crop Protection and Advanta globally

#Based on Sustainalytics Report dated 25th September 2020

Financial

Despite the global headwinds emanating from the pandemic-induced disruptions, we delivered a strong performance across parameters, which demonstrates the resilience of our business model.

₹38,694 crore

Revenues

▲ 8% y-o-y
5 year CAGR: 21%

₹36.42

Earnings per share

57% y-o-y

₹8,559 crore

EBITDA¹

▲ 15% y-o-y
5 year CAGR: 26%

₹882 crore

Cumulative cost synergy achieved as on March 31, 2021

₹3,692 crore

Profit after Tax²

▲ 32% y-o-y,
5 year CAGR: 26%

₹3,140 crore

Net Debt Reduction in FY 2021

Social

We continue to support communities, increasingly in a pandemic scenario and help them achieve holistic transformation.

₹100 crore

CSR spend*

1mn

CSR beneficiaries

Environment

We are optimising resource consumption and adopting green energy at our manufacturing operations. We are providing sustainable agriculture solutions and also facilitating sustainable farming practices. These helps lower the carbon footprint leading to better environmental performance.

19%

Electric Power from renewable Sources at our two largest manufacturing plants in FY 2020-21

29%

Revenues from differentiated and sustainable products, FY 2021

5 mn acres

Mechanised spraying in India, as on March 31, 2021

60%

Zero Liquid Discharge Manufacturing Plants, as on March 31, 2021

50,000 m³

Rainwater harvested and reused, annually

11,000

Villages across 3 lakh hectares in India covered under ProNutiva program, as on March 31, 2021

*Including ₹75 crore contributed to PM CARES Fund

¹Consider FY 2020 EBITDA before adjustment of purchase price allocation on acquisition of Arysta. Increase based on reported numbers is 20%²Profit before exceptional items and minority interest

OFFERINGS

Solution driven innovations

At UPL, our thoughtfully designed product and solutions portfolio addresses the evolving needs of our customers across the crop lifecycle while protecting and enhancing yield. The portfolio comprises Seeds, BioSolutions, crop protection chemicals and pre- and post-harvest solutions. Our innovation interventions revolve around identifying the pain points of the farmers and offering a comprehensive solution platform to them.

SOLUTIONS



Seeds



Crop protection



Plant stress and stimulation



Post-harvest solutions



Aquatics



Soil health and water technologies



Seeds

Our Advanta division provides innovative high-quality seeds to ensure sustainable crop production and profitability for the farmers. With the help of one biotech and research stations, we develop disease resistant and high-yielding seed varieties. Our key differentiators include superior germplasm combined with technology and bioscience credibility helping us achieve ace position across several crop seeds.

Key attributes

- High-quality oil
- High yield
- Disease and pest resistant
- Drought and salinity tolerance

Key crops

Sorghum
(grains and forage)

Corn



Sunflower



Wheat



Soya



Oats



Canola



Rice



Vegetables



Pearl millets



Mustards



Alfalfa



Crop protection

We are among the foremost players of crop protection products with an aim to upgrade crop adaptability and ensure food security. We customise best-in-class formulation technology as per localised needs to offer products meeting our customer requirements. Our pervasive product portfolio addresses issues across the lifecycle of a crop. Our carefully created solutions are developed after identifying the key pain points of our farmers for a more effective outcome.

Key offerings

Soil and
Seed Health

Fungicides



Herbicides



ProNutra

Insecticides
and acaricides

Adjuvants





Plant stress and stimulation

Our extensive Plant Stress & Stimulation (PSS) pipeline is starting a new era in sustainable agriculture as a key part of integrated crop production intensification programs. Our PSS portfolio supports crop stimulation, nutrition as well as protection and when combined with conventional products, improves crop resilience to weather risks and biotic stress for improved yield, quality and consequent grower financial wellbeing in a sustainable way. The portfolio is effectively designed to open potential at each of the five crop life cycle stages for sustainable and intensified production.

Key offerings

- Growth Vitality Technology
- NUE/Fruit Set Technology
- Finishing Technology
- Anti-stress Technology



Post-harvest solutions

At UPL we strive to reduce post-harvest losses through our differentiated products and solutions. Our innovative solutions are aimed at reducing crop wastage and enhancing income of our farmers.

Key offerings

- Grain storage
- Fruit storage
- Potato storage
- Research and developments
- Innovation



Soil health and water technologies

UPL Zeba™ is a patented, granular, free flowing technology in of soil conditioner / amendment, intended for in-furrow application. It enables growers to directly increase the efficiency of water usage along with soil solution nutrition, for the benefit of plants, soil and the environment. Being degradable, Zeba leaves no residues across a wide range of applications.



Aquatics

Invasive aquatic plants and algae present a challenge to all water users, as well as resource managers. At UPL, we are committed to protecting our waterbodies; including lakes, ponds, reservoirs, streams, rivers and canals against their impacts. The product portfolio comprises solutions for aquatic plant and algae management. We have developed digital tools (UPL Aquatics app and Cascade-Teton) to help find our customers the right aquatic solutions.



SOLUTIONS

pronutiva®
Crop Protection + BioSolutions

ProNutiva® is an exclusive program that integrates natural biosolutions (bioprotection, biostimulants and bionutrition) with conventional crop protection products to meet or exceed the real-world needs of today's growers. The integration of biosolutions with conventional plant protection products answers the latest challenges in agriculture by:

- Supporting sustainable agricultural practices
- Improving grower economics
- Meeting evolving food chain requirements



Farmer engagement and services

The field of agriculture is rapidly evolving. Staying updated with the latest advancements is a challenge especially for the far flung or marginal farmers. UPL addresses this challenge by working on a local level continuously and ensuring that the latest in farming practices is easily accessible to them at appropriate times which includes mechanised spraying, soil testing, crop advisory, among others.



GLOBAL REACH

Deepening reach across markets

We provide complete agri-solutions across different geographies. We are focusing on the product chain for the farmers at all stages, from seeds to post-crop care, leading to a wider reach and range compared to our global peers. Through OpenAg, we address specific needs of the farmers in different parts of the world, thereby increasing the total addressable market.

North America

193 Products
1 Plant

Latin America

550 Products
9 Plants

Europe

498 Products
10 Plants

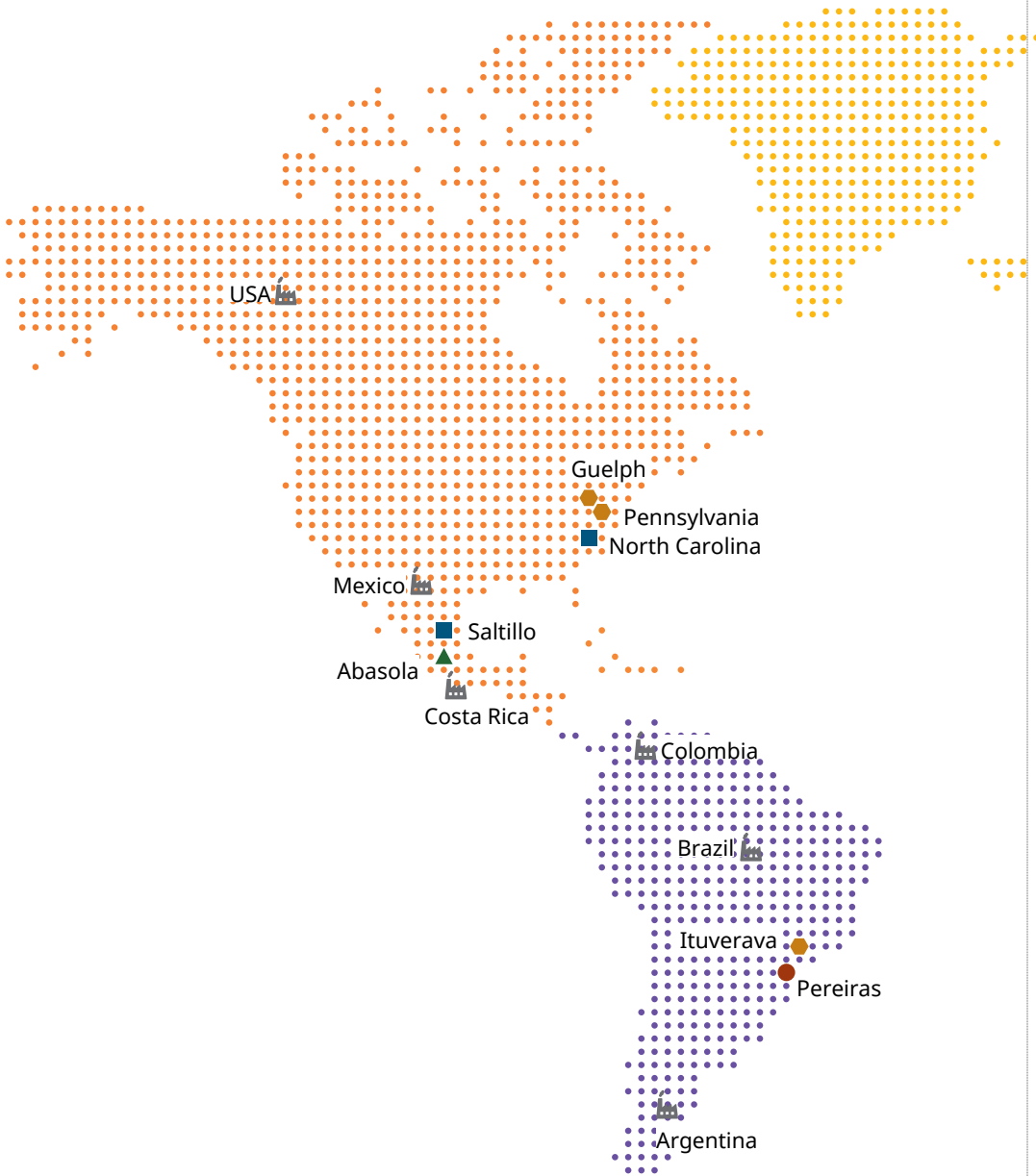
ROW

876 Products
8 Plants

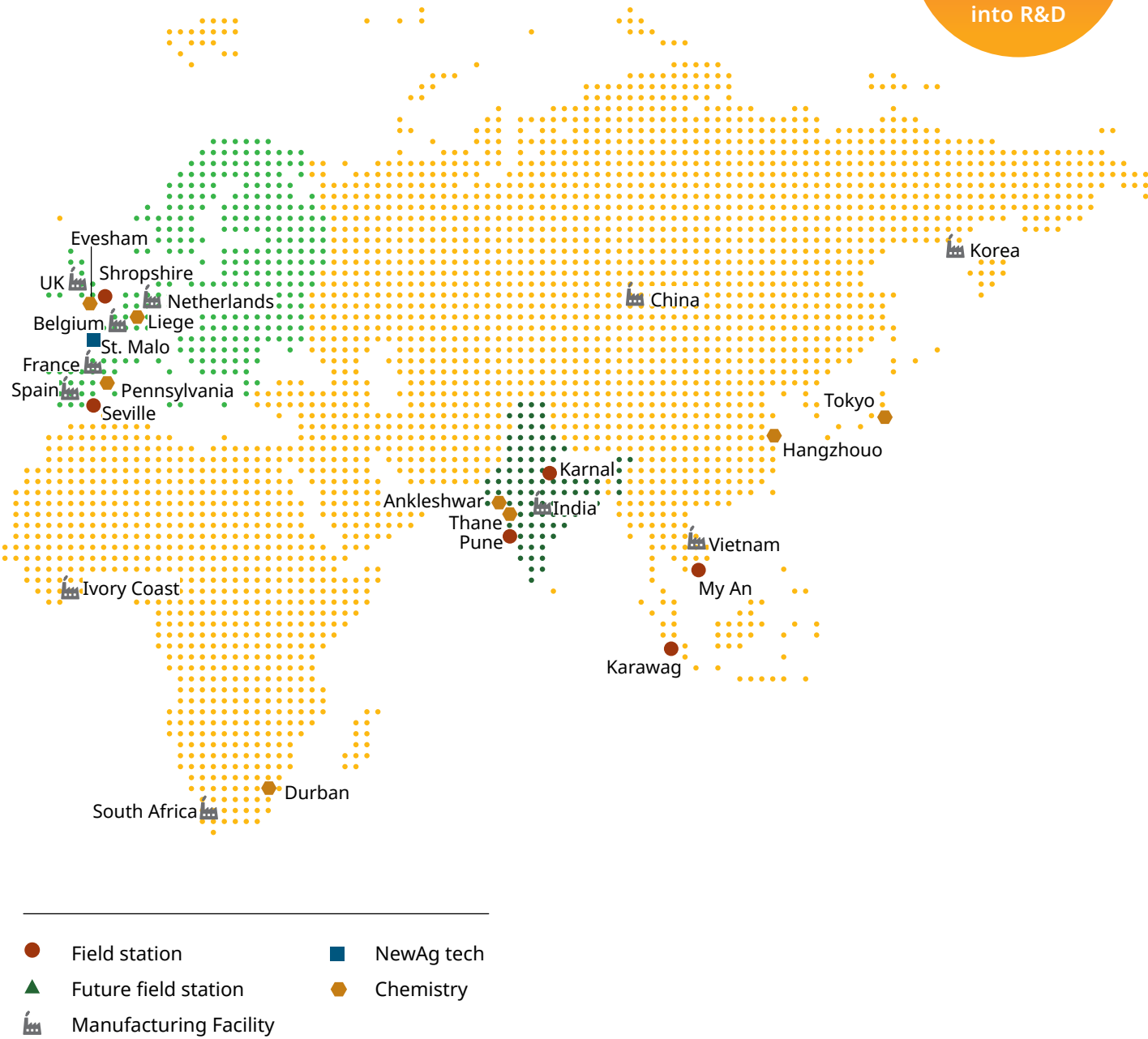
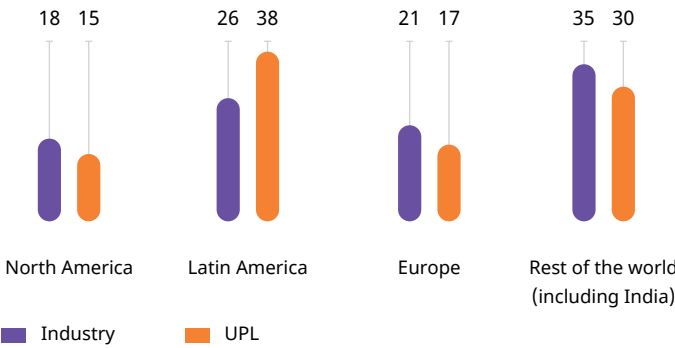
India

178 Products
15 Plants

Products where Net Sales > \$ 0.01 Mn



Sales mix by region (%)



- Field station
- Future field station
- Manufacturing Facility
- NewAg tech
- Chemistry

KEY PERFORMANCE INDICATORS

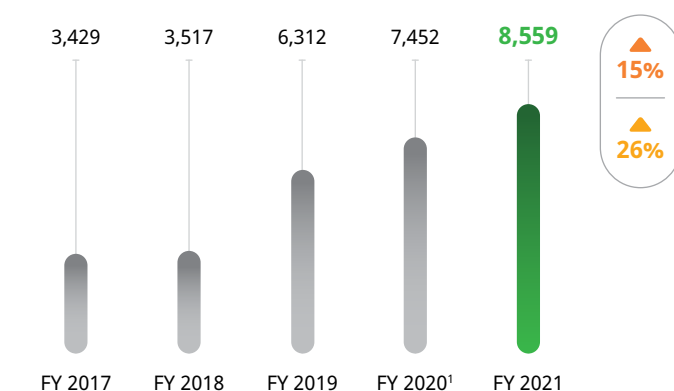
Setting benchmarks

Profit and Loss

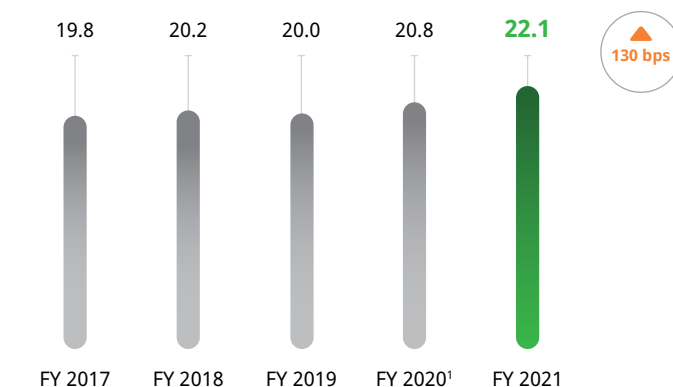
REVENUES (₹crore)



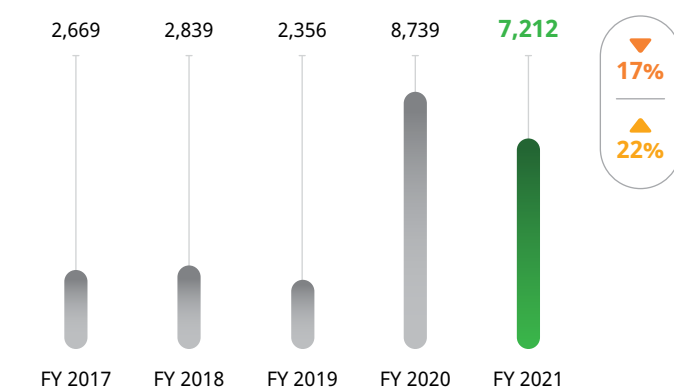
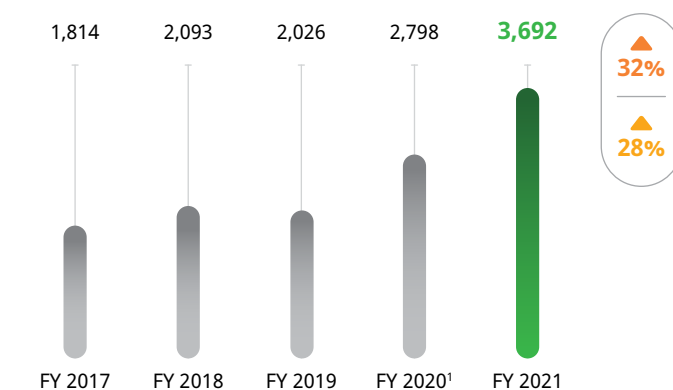
EBITDA (₹crore)



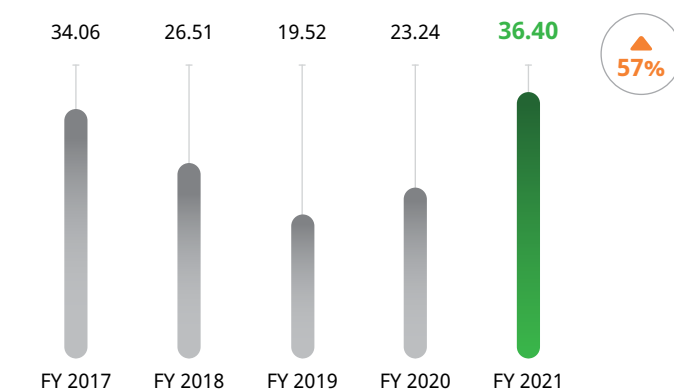
EBITDA MARGIN (%)



CASH FROM OPERATIONS (₹crore)

PROFIT AFTER TAX² (₹crore)

EPS (₹)



1.

2. Robust performance despite challenges

3.

4.

5.

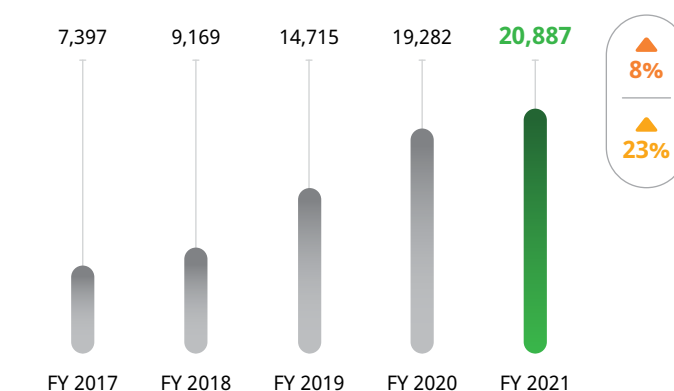
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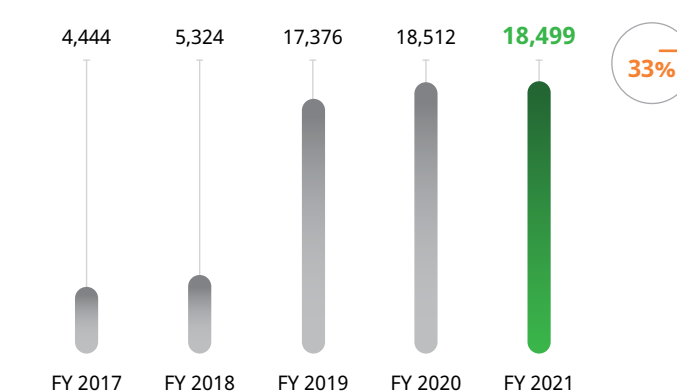
8.

Balance Sheet

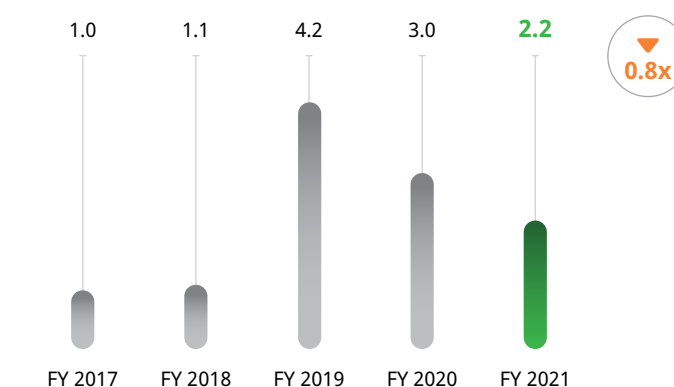
NET WORTH (₹crore)



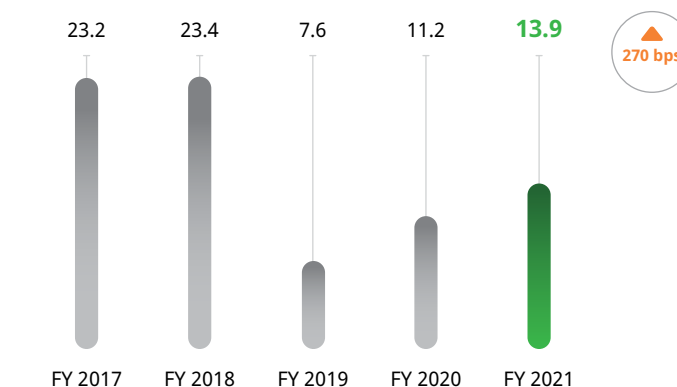
FIXED ASSETS (₹crore)



NET DEBT TO EBITDA (X)



RETURN ON CAPITAL EMPLOYED (%)



● Y-O-Y growth

● 5-year CAGR

¹EBITDA and EBITDA Margin for FY 2020 before adjustment of purchase price allocation impact of Arysta acquisition.²Profit before exceptional items and minority interest

CHAIRMAN'S MESSAGE

In pursuit of sustainability beyond limits



When we started our journey more than 50 years back, we believed that business prosperity was strongly correlated with inclusive development of communities.

Dear Shareholders,

The year gone by will go down in living memory as an extraordinary one, with the world being driven apart by the onset of the pandemic. It was also a year when the faith in our collective ability to stave off such a crisis that has few parallels in history, was vigorously reinforced – beyond borders, beyond limits.

On behalf of the UPL family, I take this opportunity to express our solidarity with the frontline workers for their commitment and dedication towards ensuring the well-being of all. In such an eventful year, being conferred with the Padma Bhushan, one of India's highest civilian awards, was indeed a moment of pride and a testament to the hard work and determination of everyone at UPL to build a more sustainable world.

Since inception, UPL has ventured into areas where others feared to tread. It would not have been possible without the strong research and innovation capabilities that we have built over the years. This has been backed by our strong resolve to deliver products and solutions to farmers globally which help protect their produce, ensure income and enhance the sustainability of the global food supply chain. In the process, we have built a resilient business model that has the strength to win against all odds, reflected in our industry-leading performance across growth and profitability parameters.

Weathering the storm

The pandemic created widespread disruptions across the globe, adversely impacting global trade and supply chain. Being an 'essential' products and solutions provider, we kept all our plants operational across the globe. With our deep backward integration created over the past years, we navigated the supply chain challenges with relative ease as a large part of our raw materials are manufactured in-house. That said, the health and well-being of our employees remained a top priority, and all our plants were operated under stringent Covid-safe protocols and guidelines.

Contributing to the community

When we started our journey more than 50 years back, we believed that business prosperity was strongly correlated with inclusive development of communities. This belief was further reinforced by the onset of the global pandemic. We reached out to the communities in distress through various focused interventions across the globe. When the nation faced a shortage of medical grade liquid oxygen during the much more intense second wave, we converted our nitrogen plants to produce medical grade oxygen and installed oxygen plants at eight hospitals in India.

World at an inflection point

The need to feed the world sustainably has never been more pronounced. Leaders across the globe are looking for sustainable solutions that rejuvenate the existing agricultural ecosystem plagued with the challenges of a burgeoning population, depleting arable land, and above all, climate change. Agriculture globally is in dire need of transformation, and today's painfully slow rate of technology innovation and on-farm deployment are hindering development. There has been an increasing adverse impact of climate change on the agriculture sector. Soil conditions across the world is deteriorating rapidly and several regions are facing acute water shortage.

In this emerging world order, UPL is reimagining sustainability, driven by our relentless pursuit of goals that are often deemed impossible to achieve by most. Over the past few years, we have invested in transforming ourselves from an agrochemical company to a provider of holistic and long-term solutions for the entire food value

Our ability to delve deeper into issues and understand farmer needs is enabling us to find solutions that are relevant for tomorrow and beyond.



In this emerging world order, UPL is reimagining sustainability, driven by our relentless pursuit of goals that are often deemed impossible to achieve by most.

chain. With our global network of R&D centres, we are deploying country-specific strategies to lower wastage of produce, raise farm productivity and profitability, and reduce the negative impact of agriculture on the environment.

Our OpenAg network is creating partnerships and innovative collaborations beyond borders and limits to transform agriculture. Our ability to delve deeper into issues and understand farmer needs is enabling us to find solutions that are relevant for tomorrow and beyond.

Well prepared, well positioned

We are proud of the UPL we have built. That spirit remains unchanged as we look into the future with renewed hope and optimism. With our strong knowledge in chemistry, presence across the value chain, multi-country and multi-crop presence, we are positioned attractively to continue outperforming our peers and add value to each stakeholder in the agricultural value chain.

Our Jhagadia plant witnessed an incident of fire last fiscal, leading to an unfortunate loss of invaluable human lives. This should not have had happened. We have diligently investigated the root cause and implemented measures to safeguard our people from any such incidents in the future, across locations.

To conclude, I express by my sincerest appreciation to our people for their active contribution in taking UPL to where it is today. Without their constant support, this journey would have been difficult. Together we will continue to make UPL stronger.

R.D. Shroff

Chairman and Managing Director