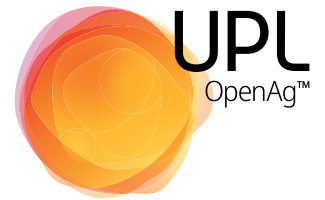


UPL Limited

ANNUAL REPORT 2022-23



Reimagining Sustainability

Expanding value horizons



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Notice of AGM

Reimagining Sustainability

Expanding value horizons

UPL, a visionary leader in the agriculture solutions space, is reimagining sustainability in the global agriculture sector and spearheading a transformative journey. By embracing this ethos, we seek to expand our value horizon across three key pillars: growing shareholder value, increasing farmer

incomes, and fostering sustainable agriculture. Through innovative approaches and strategic partnerships, we aim to strike a harmonious balance between profitability and environmental stewardship. By intertwining economic prosperity with social responsibility, we are paving the way for a brighter future, where agriculture thrives, farmers prosper, and shareholder value reaches new heights. This holistic approach sets a powerful precedent for industry-wide change, demonstrating that sustainable practices can drive long-term success for all stakeholders involved.

Our three focus areas:

Realigning businesses to unlock shareholder value
Read page 26

Creating value for farmers through innovative solutions
Read page 30

Making the food systems more sustainable
Read page 36

FY 2023 at a glance

Resilient performance

₹53,576 crore

Revenue
+16% y-o-y

₹11,178 crore

EBITDA
+10% y-o-y

1.53X

Net debt to EBITDA
(18)% y-o-y

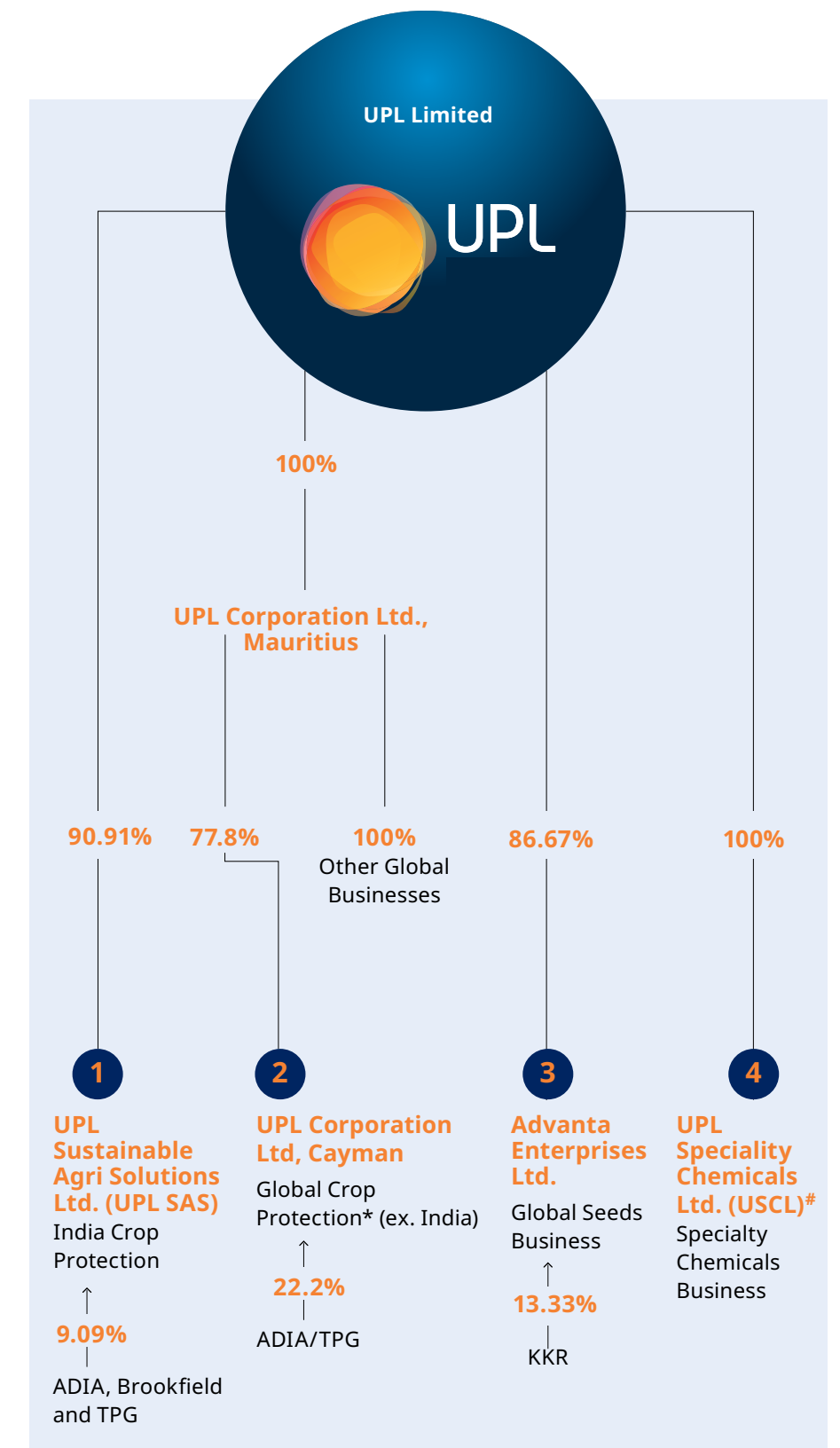
15.3%

RoCE
(30)bps y-o-y

Created platforms to drive the next phase of growth

During the year, we have realigned our businesses to create pure-play platforms to deliver accelerated growth. These pureplay platforms are International Crop Protection, India Crop Protection, Global Seeds, and Specialty Chemicals. Further, we brought onboard marquee investors in the Global Seeds Platform and the India Crop Protection platform. Ergo, the realignment unlocks value for UPL shareholders by facilitating 'fair value recognition' of the 'distinct pure-play platforms.'

- 'A wholly-owned subsidiary of the Abu Dhabi Investment Authority (ADIA), Brookfield and TPG' invested ₹ 1,580 crore (~US\$ 200 million) for 9.09% stake in UPL Sustainable Agri Solutions Ltd. (UPL SAS) – the India Crop Protection Platform at an equity valuation of ~₹ 17,380 crore (~US\$ 2.2 billion)
- KKR invested US\$ 300 million (~₹ 2,460 crore) for 13.33% stake in Advanta Enterprises Ltd. – the Global Seeds Platform at an equity valuation of ~US\$ 2.25 billion (~₹ 18,450 crore)
- A wholly-owned subsidiary of the Abu Dhabi Investment Authority (ADIA) & TPG holds 22.2% stake in UPL Corporation Ltd, Cayman, which is the Global Crop Protection Platform (ex-India) i.e., International Crop Protection Platform
- Specialty Chemicals Business (incl. AI manufacturing) is proposed to be transferred to a wholly-owned subsidiary of UPL Ltd. at a consideration of ₹ 3,572 crore. The new entity is called as UPL Specialty Chemicals Ltd. (USCL)



*International Crop Protection Platform

#Shareholders of UPL Ltd. have approved the proposed transfer of Specialty Chemicals business (incl. AI manufacturing) to USCL at the shareholder meeting on July 20, 2023. The transaction is expected to be completed in the current FY.

FY 2023 at a glance

Sound financials

REVENUES (₹ crore)

↑ 16% ↑ 14%

FY 2019	31,616
FY 2020	35,756
FY 2021	38,694
FY 2022	46,240
FY 2023	53,576

EBITDA (₹ crore)

↑ 10% ↑ 15%

FY 2019	6,312
FY 2020	7,452
FY 2021	8,559
FY 2022	10,165
FY 2023	11,178

CASH FROM OPERATIONS (₹ crore)

↑ 19% ↑ 35%

FY 2019	2,356
FY 2020	8,739
FY 2021	7,212
FY 2022	6,496
FY 2023	7,751

EBITDA MARGIN (%)

↓ 112bps ↑ 90bps

FY 2019	20.0
FY 2020	20.8
FY 2021	22.1
FY 2022	22.0
FY 2023	20.9

PROFIT AFTER TAX (₹ crore)

↓ 4% ↑ 19%

FY 2019	2,026
FY 2020	2,798
FY 2021	3,692
FY 2022	4,627
FY 2023	4,427

EPS (in ₹/per share)

↓ 0.2 % ↑ 24%

FY 2019	19.52
FY 2020	23.24
FY 2021	36.40
FY 2022	45.87
FY 2023	45.79

Environment

20%

Power from renewable sources at two of our largest manufacturing plants in FY 2023

61 MW

Renewable Energy Capacity installation with 33 MW for wind energy and 28 MW for solar energy

28%

Revenue from differentiated and sustainable products (% of crop protection revenues)

10%

Reduction in per tonne water consumption FY 2023 vs. FY 2022

1%

Reduction in per tonne CO₂ emissions FY 2023 vs. FY 2022

20%

Reduction in per tonne waste generation in FY 2023 vs. FY 2022

Strong balance sheet

NET WORTH (₹ crore)

↑ 24% ↑ 16%

FY 2019	14,715
FY 2020	19,282
FY 2021	20,887
FY 2022	21,675
FY 2023	26,858

FIXED ASSETS (₹ crore)

↑ 6% ↑ 5%

FY 2019	17,376
FY 2020	18,512
FY 2021	18,499
FY 2022	19,538
FY 2023	20,727

NET DEBT TO EBITDA (X)

↓ 18%

FY 2019	4.2
FY 2020	3.0
FY 2021	2.2
FY 2022	1.9
FY 2023	1.5

RETURN ON CAPITAL EMPLOYED (%)

↓ (30)bps

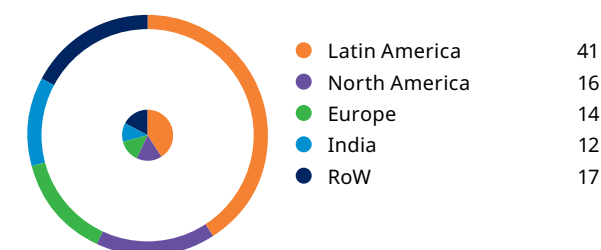
FY 2019	7.6
FY 2020	11.2
FY 2021	13.9
FY 2022	15.6
FY 2023	15.3

Notes: EBITDA and EBITDA margin for FY 2020 before adjustment of purchase price allocation impact of Arysta acquisition.

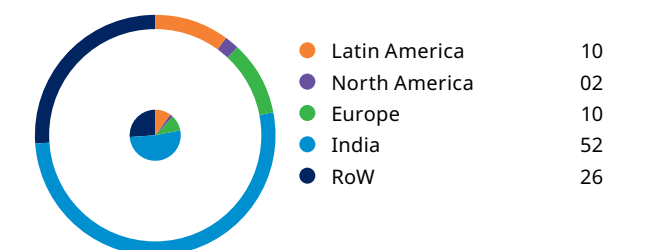
Profit after Tax refers to Profit after tax before minority interest, exceptional items and share of profit of associates

Net worth for FY 2022 and FY 2023 does not include the amount pertaining to perpetual bonds

REVENUE MIX BY REGION (%)



EMPLOYEE COUNT BY REGION*



Social

₹30.8 crore

CSR spend#

For UPL Ltd. Standalone

1.5 million

CSR beneficiaries

13,000+

Employees*

* For UPL Group

↑ y-o-y growth
↑ 5-year CAGR

Corporate profile

Pioneering sustainable agriculture

We are a leading company in the agri-solutions sector, offering an integrated portfolio of agriculture solutions encompassing everything from seeds and conventional crop protection products to BioSolutions and post-harvest products, as well as physical and digital services. Being present across the agri-value chain, we strive to promote the development of sustainable food systems through our range of solutions which helps farmers improve their yields, strengthens their resilience to climate change, and increases their profitability by reducing production costs.

We provide a comprehensive range of solutions for various row and speciality crops across the globe, covering the entire crop lifecycle. Our product portfolio includes patented and post-patent agricultural solutions such as crop protection, BioSolutions and seed treatment. Our offerings also include post-harvest products and agronomic services for farmers. With our diverse portfolio, we aim to create value for farmers throughout the lifecycle of their crops.

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.

OUR PURPOSE: OpenAg

OpenAg is an agriculture network that strives to revolutionise agriculture with the vision of sustainable growth for all, operating under the guiding principle of "No limits, no borders". The very basis of the network is Collaboration and it aims to drive change in agriculture by creating a sustainable growth network which transcends boundaries and unlocks opportunities for all stakeholders.

1. UPL at a glance

2. 3. 4. 5. 6. 7. 8.

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.



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.



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.



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.



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.



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 that we love to do.

Our offerings

Providing diverse solutions

UPL's strategic shift towards establishing four pure-play platforms, executed during the year, marks a significant transformation that will streamline operations and unleash the potential of each platform, having varied growth prospects, profitability, and capital intensity. This strategy will enable the generation of value for all our stakeholders. This new approach is designed to optimise our market presence across various segments, continuously elevate the quality of our products and services and enable us to respond swiftly to market dynamics and seize emerging opportunities across all segments of the crop value chain.

Crop protection

As a leading player in the crop protection industry, our primary objective is to enhance crop adaptability and contribute to global food security. We prioritise the customisation of cutting-edge formulation technology to meet the specific needs of our customers. Our extensive portfolio of products covers all the stages of the crop lifecycle providing comprehensive solutions. By closely understanding farmers' challenges, we develop tailored solutions that effectively address farmer pain points, resulting in more impactful outcomes. Our commitment to excellence drives us to continually innovate and deliver solutions that empower farmers and promote sustainable agriculture.

As part of our strategic realignment, we have restructured our Crop Protection business into two distinct entities: International Crop Protection (UPL Corporation, Cayman) and India Crop Protection (UPL SAS). This strategic division allows us to streamline our operations and effectively address each region's unique challenges and opportunities. By adopting this approach, we aim to enhance our focus on specific market dynamics and tailor our solutions to the needs of our customers in different regions. This division enables us to optimise our resources, leverage local expertise, and drive growth in a targeted and efficient manner.

UPL Corp., Cayman

In our international crop protection platform, we aim to offer cutting-edge crop protection solutions, including biosolutions to address the evolving needs of farmers across 130+ countries. We also foster collaborations with other global agrochemical companies and companies across the agri value chain as a part of our OpenAg approach. By leveraging partnerships and collaborations, we enhance our ability to develop and deliver advanced technologies and solutions that promote crop health and productivity.

Offerings

- Herbicides
- Fungicides
- Insecticides and acaricides
- Seed treatment

UPL SAS

We established UPL Sustainable Agri Solutions Limited (UPL SAS) with a vision of revolutionising Indian agriculture and empowering farmers to build economic resilience. We undertook this strategic initiative to drive sustainable agricultural practices and provide innovative solutions tailored to the unique challenges and opportunities of the Indian farming community. Through developing and deploying cutting-edge agricultural solutions, we seek to support farmers in optimising their yields, reducing environmental impact, and achieving long-term economic viability.

- Adjuvants
- Biosolutions (Natural Plant Protection)
- ProNutiva

Advanta Enterprises

Through Advanta, we deliver innovative and top-notch seeds that foster sustainable crop production and profitability for farmers. We leverage our biotech and research stations to develop highly tolerant, climate smart and high-yielding seed varieties. Our key competitive advantages stem from our superior germplasm and expertise in technology and bioscience. This winning combination has propelled us to a prominent position in the market, offering a wide range of best-in-class seeds. We remain committed to providing farmers with the necessary resources to thrive and succeed in their agriculture endeavours.



Key brands

Field corn



Grain and forage sorghum



Vegetables and fresh corn



Sunflower and canola



Key technology brands



World's first imidazoline-tolerant technology for sorghum



Offers high level of tolerance to aphid pressure in sugarcane



Helps overcome early-stage growth challenges driving superior yields in corn and sorghum



Technology transfer ground centres

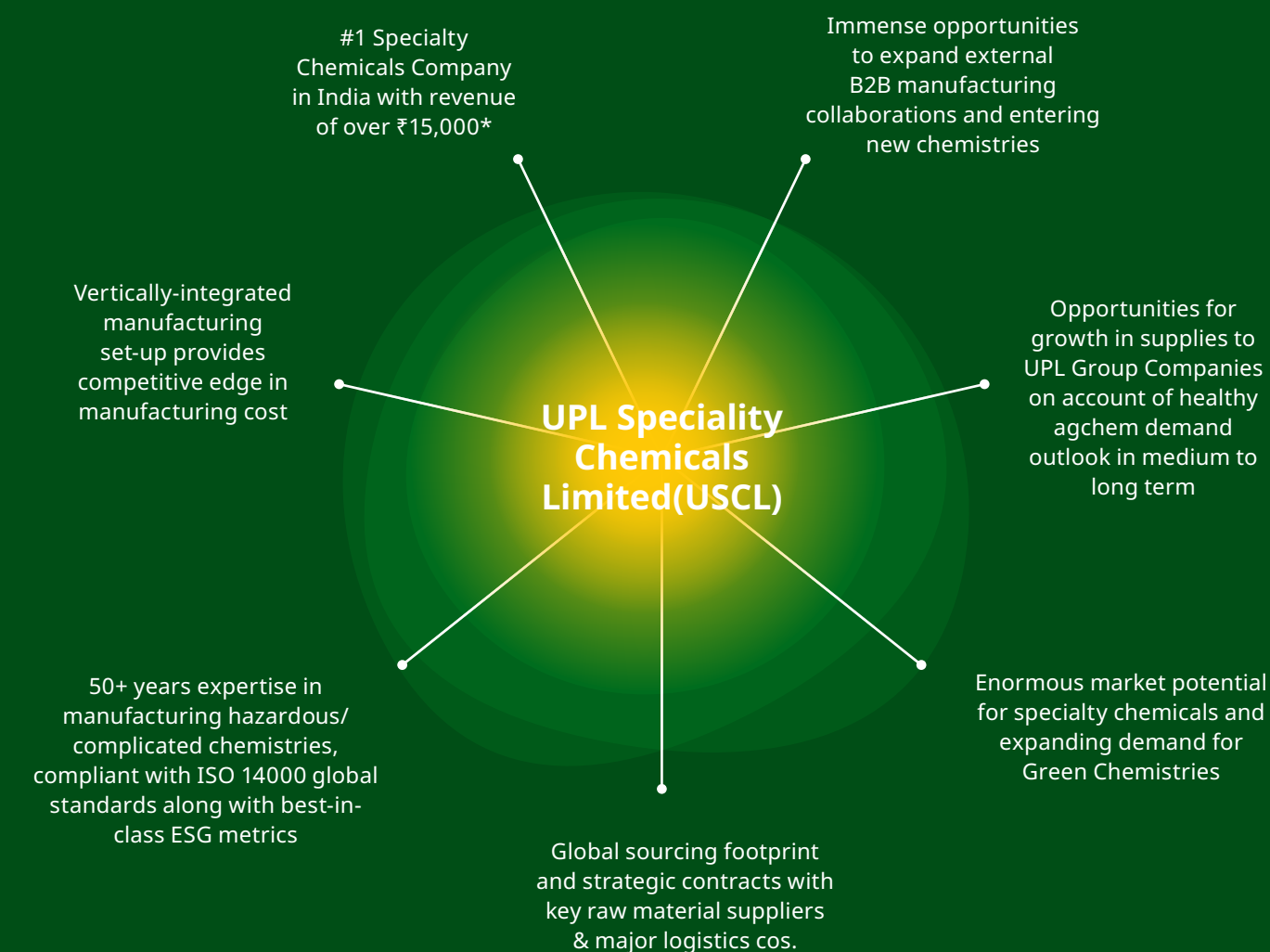
Our offerings

UPL Speciality Chemicals Ltd¹

The platform will be housed under 'UPL Speciality Chemicals Ltd.' (USCL). The platform supplies high-quality agchem active ingredients and specialty chemicals to the UPL Group companies (UPL Corporation and UPL SAS) and 600+ other external B2B clients.

Our major chemistries:

- Grignard reaction
- Nitration
- Phosphorus and sulphur derivatives
- Chlorination
- Hydrogenation
- Phosgenation
- Cyanation



*Frost & Sullivan

¹ Shareholders of UPL Ltd. have approved the proposed transfer of Specialty Chemical business (including AI manufacturing) to USCL at the shareholder meeting on 20th July, 2023. The transaction is expected to be completed in the current FY

Supply agrochemical active ingredients to UPL Group companies (UPL Corporation and UPL SAS)

With over fifty years of expertise in manufacturing complex chemicals through vertically integrated operations, including 12 technical plants, the specialty chemicals platform is well-positioned **to support the growth and diversification of the UPL Group over the forthcoming years.**

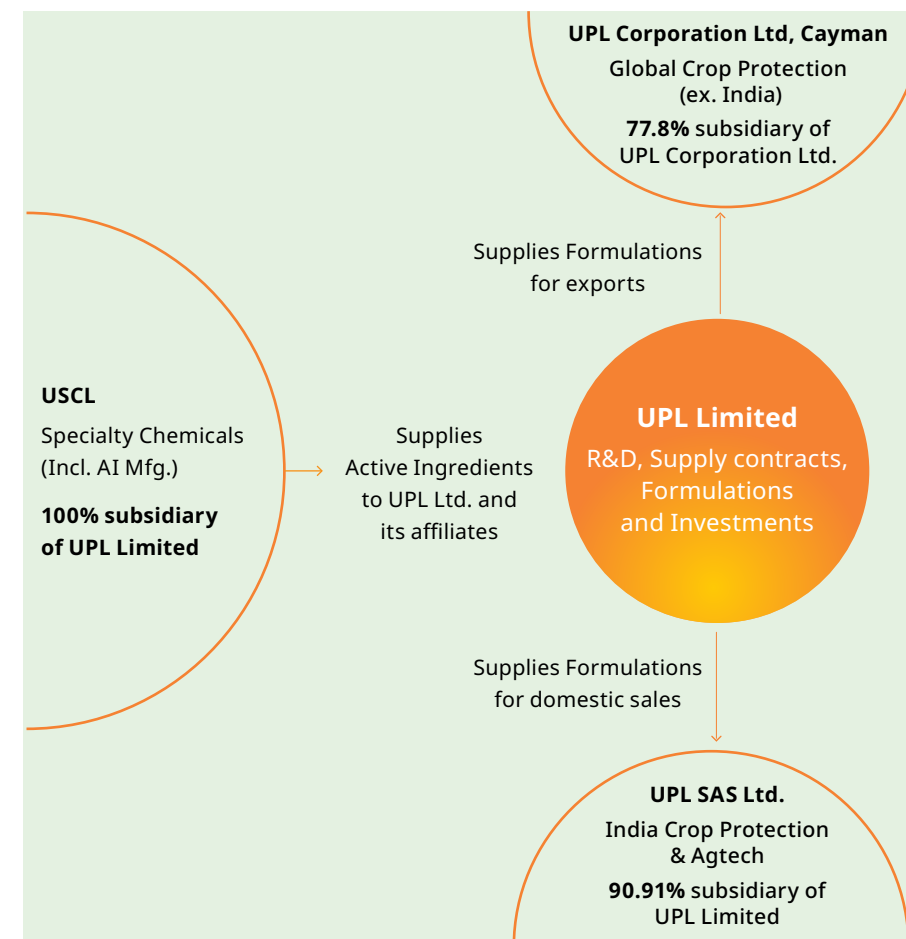
Supplying specialty chemicals to 600+ external B2B clients across sectors

By leveraging our extensive experience, expertise, state-of-the-art manufacturing facilities, and stringent quality standards, we aim to consistently deliver superior specialty chemicals that **meet the evolving needs of our customers across high-growth sectors like agrochemicals, pharmaceuticals, and paints, among others, both in India and in the export markets.**

Other key offerings

Post Harvest - Decco

With a steadfast focus on innovation, this business segment strives to develop smarter and safer technologies that safeguard the food's freshness, flavour, and nutritional value, all while minimising wastage across the entire food system. By continuously pushing the boundaries of research and development, we aim to deliver cutting-edge solutions that optimise food preservation, reduce spoilage, and enhance overall sustainability. Our unwavering commitment to advancing food technology enables us to tackle the pressing challenges of food waste, ensure efficient utilisation of precious resources and provide consumers with high-quality, nutritious food for extended periods. Decco's main categories of solutions:



Decco FullCover

An innovative electrostatic application system that permits the application of very low volumes of fruit coatings.

DeccoNaturCover

A formula that contains a base of natural extracts that protects fruit against dehydration and maintains its natural appearance for a long time.

DeccoArcAqua

A patented technology for the release of ozone in water-based solutions.

Soil and water technologies

Recognising the pivotal role of soil health in crop development, UPL has developed Zeba. This is an innovative, patented, granular technology that effectively manages soil and water, fostering comprehensive enhancements in various soil health aspects. With UPL Zeba, growers can directly enhance water efficiency and enrich soil nutrition, empowering them to achieve optimal crop growth. Moreover, UPL Zeba is environmentally friendly and leaves no residues throughout its diverse applications, ensuring a sustainable and residue-free approach to soil management. This cutting-edge solution revolutionises soil health management, providing growers with a reliable tool for optimising agricultural practices.

Some Key Use-Cases for Zeba

- Nursery production
- Plant module planting out support
- In furrow
- Trees and forestry
- As coating materials for seeds

Global visibility

Creating value across the globe

Our global presence extends to over 138 countries, and we strive to deliver value to an even wider audience through an expanded product range. With a customer-centric approach, we prioritise building a portfolio that creates value for growers in all our market segments.



UPL Group Revenue

Region	Revenues (₹ crore)	Products	Plant(s)*
India	6,539	173	17
North America	8,735	187	1
Latin America	21,975	526	9
Europe	7,324	434	9
Rest of the world	9,002	858	7

Products and plants are in numbers

Products where Net Sales > US\$ 0.01 million

* Plants include Decco's fruit coating plant in Europe and recently acquired Kudos Chemie Speciality Chemicals plant in India

- Field station
- Manufacturing facility
- New Agtech
- Chemistry



Business model

Leveraging resources for sustainable value optimisation

Our resources

Financial capital

We strategically allocate financial resources to efficiently operate our business, ensuring effective management of financial risks and optimising the cost of capital.

- Net worth: **₹26,858 crore¹**
- Net debt: **₹16,902 crore**

Intellectual capital

Our unique expertise and deep market understanding enable us to cultivate ground-breaking solutions and reinforce our dominant position in the market.

- R&D facilities: **30**
- R&D spend: **~3% of revenues**
- Patents granted: **1,884**
- Registrations: **14,236**
- R&D professionals: **1,000+**

Manufactured capital

We effectively leverage the manufacturing capabilities of USCL, our other partners and our in-house formulation capabilities to optimise the production of high-quality products. Our commitment to manufacturing excellence revolves around upholding rigorous quality, safety, and dependability standards.

- Manufacturing units: **43²**
- Capex: **₹2,360 crore**

Social and relationship capital

– We must nurture strong partnerships with our key stakeholders across the business value chain and within our communities to operate profitably and sustainably.

- Suppliers: **3,000+**
- Trade body membership: **20+**
- CSR Spends: **₹30.8 crore**

Human capital

Our employees' expertise, knowledge, motivation, and conduct instrumental in executing and enhancing our business aspirations.

- Employees: **13,000+**
- Women in the workforce: **15%**

Natural capital

We strive to maximise the efficient utilisation of natural resources, minimise waste generation, and reduce our environmental impact.

- Renewable and non-renewable
- Water
- Land
- Fuel

Our value creation model

Our Pillars

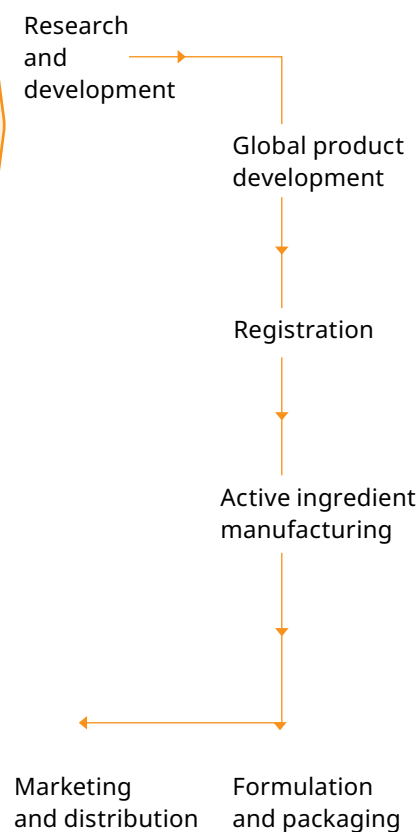
Vision

To be an icon for technology, growth, and innovation.

Mission

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

Core process competence



Values



Always human



Nothing's impossible



Win win win



One team, one focus

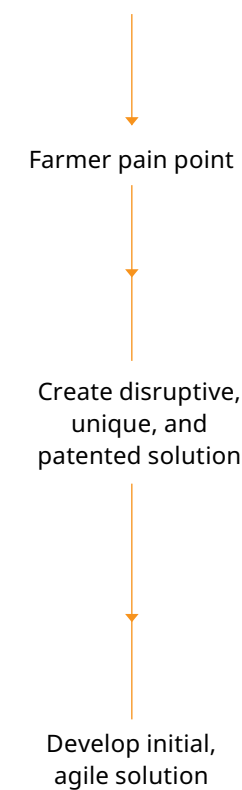


Agile



Keep it simple, make it fun

OpenAg Innovation Pull Model: Driven by farmers' challenges



Ecosystem

- Input suppliers
- Distributors
- Farmers
- Food wholesalers/traders
- Food manufacturers
- Food retailers
- Consumers
- Industry associations
- Media
- Cooperatives
- Government
- Restaurant
- Agriculture chemical distributors
- Non-government organisations

Outcomes

Financial

- 16% growth in Revenue
- 10% growth in EBITDA
- ₹ 10/share dividend

Intellectual

- 1,884 New patents across the globe
- 14% Innovation rate

Environment

- 60% Plants are zero liquid discharge
- 1% Reduction in per tonne CO₂ emissions
- 10% Reduction in per tonne water consumption
- 20% Reduction in per tonne waste generation

People

- Lost Time Injury Frequency Rate (LTIFR): 0.36
- Higher people productivity
- Better talent management and retention

Social

- 1.5 million CSR beneficiaries
- 80% Global spend covered through our procurement sustainability assessment programme

Chairman Emeritus' message

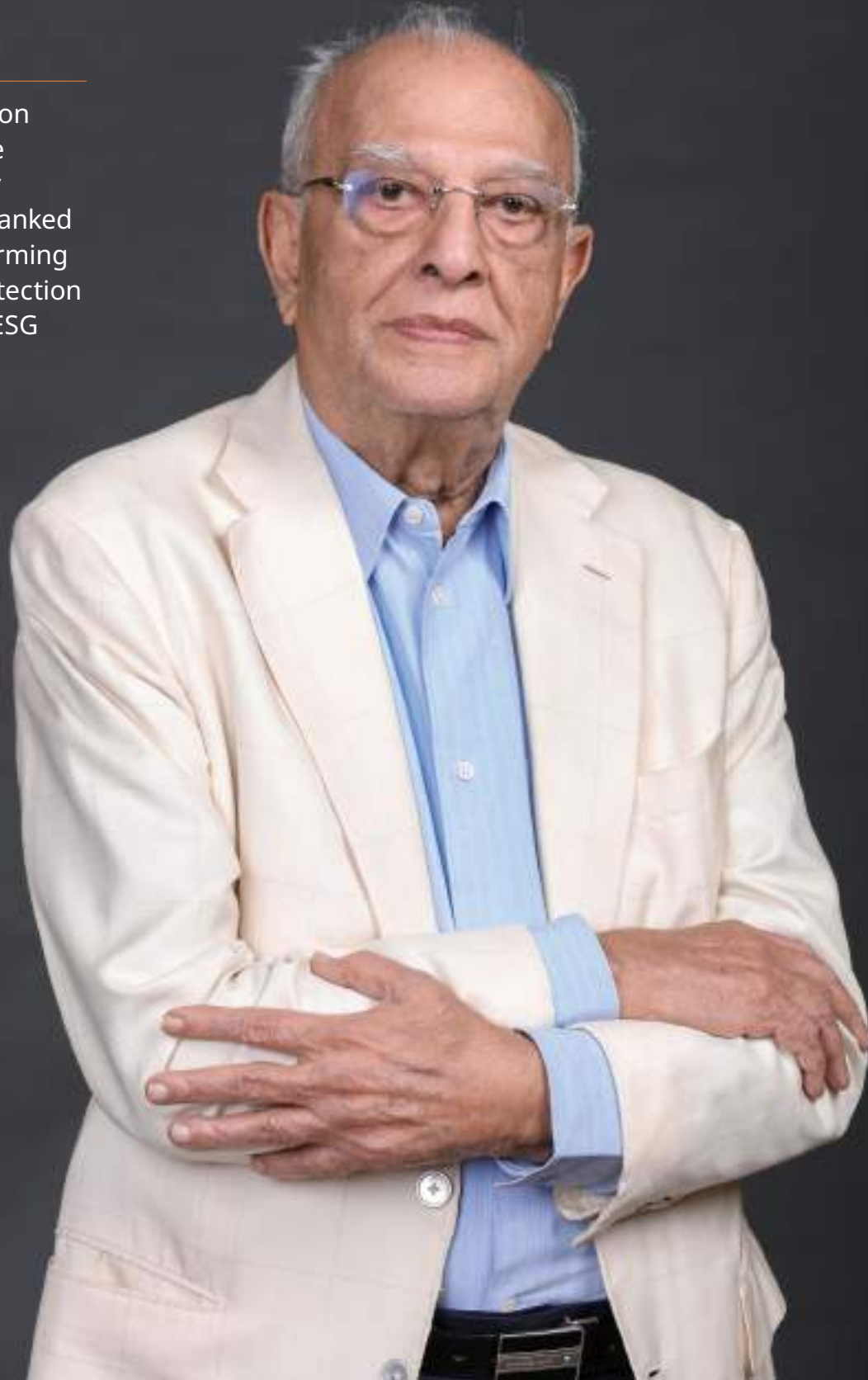
Creating a balance between plates and the planet



Our continuous efforts on the ESG front have once again been validated by Sustainalytics, as they ranked us as the highest-performing top-tier global crop protection company in their 2022 ESG Risk Ratings.

R.D. Shroff

Chairman Emeritus



Dear stakeholders,

It is with great pleasure and a sense of accomplishment that I address you as the Chairman Emeritus of UPL. Since I embarked on the journey at UPL, the Company has achieved significant successes. I have made the decision to step down from my roles as Chairman and Managing Director of the Company to now focus on community development and furthering the progress of India's agriculture and chemical industry. This marks a new chapter in which I will dedicate my energy to these important endeavours.

The year in review was eventful. While we started experiencing a more open operating environment, the world was impacted by several challenges, including broad-based inflation and the war between Russia and Ukraine, which slowed down the pace of global recovery. Furthermore, supply chain disruptions, the fallout of the COVID-19 pandemic, geopolitical conflicts, and the rising impacts of climate change have led to all-time high food prices, pushing a significant number of people toward food insecurity. Society increasingly relies on the sustainability of the agriculture sector, which serves as the backbone of our food system. The sector must transition to more sustainable practices to feed a global population of 8 billion and produce 50% more food by 2050.

With a strong commitment to driving farmer incomes and combatting climate change, we, at UPL, are determined to transform the agriculture sector from conventional to a more sustainable one. Our focus lies in building farmer resilience through sustainable agriculture systems and reducing the environmental impact of farming. By developing farmer-centric solutions, we align our efforts

with the goal of a greener future, boosting grower economics and overall ensuring a sustainable and environmentally friendly approach to agriculture. Through our emphasis on research, technology, and farmer education, we aim to foster a resilient agricultural system. Collaborating with stakeholders, UPL is making significant contributions to ensure a more secure and sustainable food future for the world's growing population.

Creating holistic value

Our commitment towards creating value extends beyond financials, as we prioritize empowering and developing communities through our multi-pronged CSR initiatives, across the countries of our presence. Collaborating with NGOs worldwide, we expand our reach and amplify our impact. Through targeted interventions in areas such as quality education, entrepreneurship, and skill development, we have made a substantial positive difference in people's lives.

UPL's Ethos and Governance

We prioritise and uphold the highest standards of corporate governance. Our strong core values form the foundation of our identity and drive our mission to create a more sustainable future. Our exponential growth is a testament to the guidance and dedication of our experienced and diligent Board and leadership team.

In May 2022, an unfortunate incident occurred at our Ankleshwar unit, resulting in the loss of two precious lives. This tragic event deeply saddens me. As an organisation, we remain resolute in our commitment to Zero Harm, and we are dedicated to transforming the safety culture within our Company. Harnessing the

power of artificial intelligence, we strive to bolster people's safety and prevent such incidents in the future. Additionally, we have engaged an external consultant to accompany us on this transformative safety journey.

Caring for the environment

At UPL, environmental sustainability is at the core of everything we do. Through research, innovation, and responsible manufacturing practices, we strive to reduce greenhouse gas emissions, conserve water resources, protect biodiversity, and promote soil health. By integrating sustainable practices into our operations and empowering farmers with eco-friendly solutions, we play a bigger role in fostering a more sustainable and resilient agricultural sector while preserving our planet for future generations.

Creating a brighter future

Our continuous efforts on the ESG front have once again been validated by Sustainalytics, as they ranked us as the highest-performing top-tier global crop protection company in their 2022 ESG Risk Ratings. We will continue to work alongside our farmers, partner organisations, and other stakeholders to reimagine sustainability in every aspect of our operations.

I take this moment to express my heartfelt appreciation to every stakeholder for their unwavering and invaluable support. I extend my deepest gratitude to each member of the UPL family, whose unwavering commitment has played a crucial role in propelling the Company towards the pinnacle of success and ensuring the realisation of our collective aspirations.

R.D. Shroff

Chairman Emeritus