

Management Discussion & Analysis

01	Overview	018
02	Our 7 Pillars	
	■ I Extending leadership in our core categories and geographies	020
	■ II Accelerating innovation and renovation	046
	■ III Building a future ready sales system	068
	■ IV Making our supply chain best in class	072
	■ V Building an agile and high performance culture	076
	■ VI Beyond business – Good & Green	084
03	Other disclosures	086

Overview

Macroeconomic Environment

Over the last year, the government has made several efforts to revive the Indian economy. Demonetisation has led to a significant push towards digital financial transactions, as well as improving the tax net. Steps have been taken to further digitise and streamline the economy, with initiatives such as Aadhar linked subsidy schemes, UPI and Startup India, which have improved transparency and reduced red tape.

Some of our macroeconomic indicators dropped, like a decline in the GDP growth to 7.1 per cent in the fiscal year 2017, from 7.6 per cent in the fiscal year 2016. Inflation is largely under control. The passage of the Goods & Services Tax (GST) bill is a significant achievement and its implementation will have a positive impact on the economy.

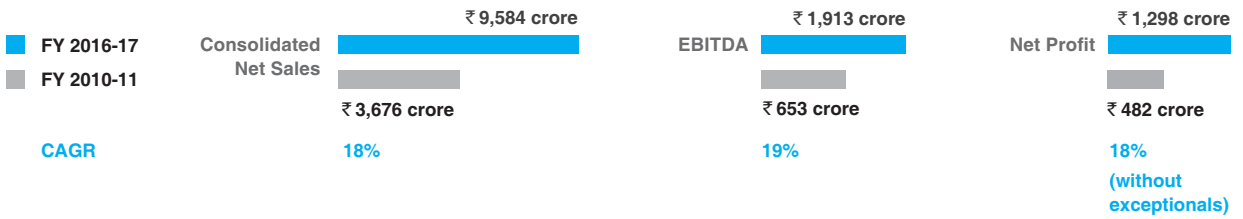
The macroeconomic environment in some of our international markets remained challenging. While Indonesia saw a relatively stable GDP growth at 5 per cent in fiscal year 2017, growth in our Sub-Saharan Africa markets was weak. South Africa's GDP remaining largely flat year-on-year; Nigeria's GDP declined. Moreover, we faced challenges of currency depreciation - particularly in Nigeria, Mozambique and Argentina - where currency depreciated by 35-60 per cent, along with double-digit inflation.

FMCG Sector

Though growth rates were below historical averages and long-term potential, we outperformed the markets in our core categories. We are seeing signs of recovery in consumer demand in the FMCG industry. While the progress has been subdued, we expect demand to pick up pace in fiscal year 2018. We are hopeful that a timely and successful implementation of the transformative GST will spur stronger growth for the sector. The fundamentals of the industry remain strong and there is still significant growth potential, given the low penetration and consumption rates for many FMCG categories.

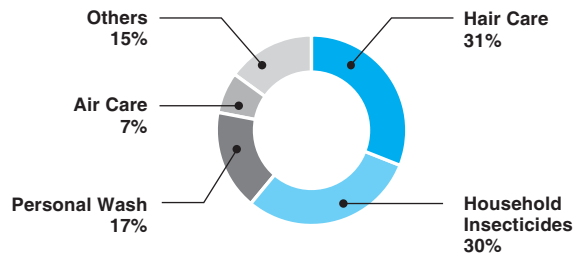
Our business has delivered strong and profitable growth, despite the macroeconomic challenges. We have consistently outperformed across quarters. We are driving a relentless focus on our strategy, and investing strategically in creating new growth vectors for the future, while continuing to drive our core to full potential, enhancing our go-to-market infrastructure and driving execution excellence.

GCPL has delivered a strong performance over the last 6 years

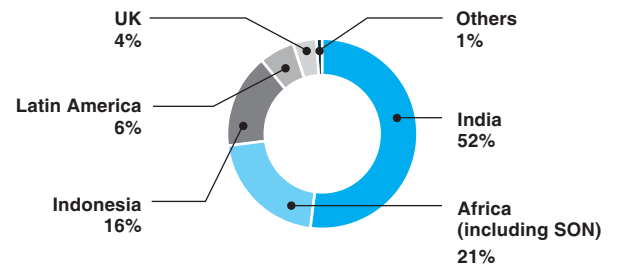


GCPL has a diverse and balanced portfolio

Category salience (FY 2016-17)

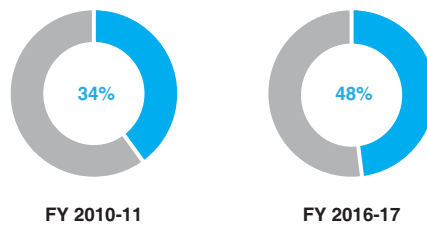


Geography salience (FY 2016-17)



GCPL has become more international

International sales as a percentage of consolidated sales



Extending leadership in our core categories and geographies





India

Source: Management estimates

Range of household care and personal care products - household insecticides, hair colour, liquid detergents, soaps and air fresheners

#1	household insecticides
#1	hair colour
#1	air fresheners
#2	soaps



(Top) Our marketing team at the GCPL Annual Conference 2017 in Abu Dhabi
(Bottom Left) Sunil Kataria, Business Head - India & SAARC, ideating with young managers at 'Connecting The Dots'
(Bottom Right) Our women's team wins at the Godrej Cricket Championship

Personal Care

Number 2 player in soaps



CINTHOL

- Built on the high-energy proposition of 'alive is awesome', it inspires you to step out of the stale and embrace the fresh, the new
- With premium international fragrances and innovative designs, it is undoubtedly one of the most refreshing grooming experiences across soaps, deodorants, talcs and shower gels
- Cinthol Deostick, 3x longer lasting than ordinary deodorant sprays and gentle on skin, wins 'Best Deodorant' at the *Amazon Beauty Awards 2016*
- Online campaign #ReadyforAwesome, launched during Olympics 2016, receives over 2.7 million views
- Ranks #47 overall in the *Economic Times – Brand Equity Most Trusted Brands Survey 2016*

Personal Care

Number 2 player in soaps



- Leading Grade 1 quality soap in India (simply put: more soap in each soap)
- Offers you 'Nature's way to beauty' with carefully chosen ingredients to make your skin naturally beautiful
- Builds on value-added soaps portfolio – launches Godrej No.1 Germ Protection soap

Our health and wellness platform



- Delightful, differentiated and efficacious range of products across the health, wellness and personal protection platforms
- Range comprises three hand washes, a hand sanitiser and a personal mosquito repellent spray – including India's first instant foam hand wash and alcohol-free sanitiser with 8-hour germ protection
- Naturally derived ingredients and unique design-led and recyclable packaging
- Wins 'Best Integrated Marketing Communications (Airlines & Airport Category)' at the *Asian Customer Engagement Forum 2016*

Hair Care

Leader in hair colour



- India's largest selling hair colour, used by over 40 million consumers
- Innovative solutions include crème hair colour in a sachet and powder hair colour with a unique gel technology, at unbelievably democratised prices
- Launches a multi-application pack of Godrej Expert Rich Crème, a value offering for frequent users
- Hosts successful integrated marketing campaigns, extensive engagement with salons, barber training, innovative approaches to media and communication



BBLUNT

Salons + Products + Expertise

- India's hottest salon, now in a bottle
- Range of shampoos, conditioners, men and women's styling, hair extensions and temporary hair colours
- Successfully launches BBLUNT Salon Secret crème hair colour
- Continues building the brand on digital, through multi-award winning campaigns like #dirtylittlesecret
- BBLUNT Back to Life Dry Shampoo wins 'The Best of Haircare and Hairstyling' at *Vogue Beauty Awards 2016*
- BBLUNT High Definition Curl Defining Leave-In Cream wins 'Best for Curly Hair' at the *Amazon Beauty Awards 2016*

Home Care

Leader in household insecticides



- Good knight, the highest penetrated brand in the category in India, reaches 78 million households
- Good knight Fast Card, India's first paper-based mosquito repellent, continues to scale up
- Good knight liquid vapouriser crosses ₹ 1,000 crore; achieves its highest ever market share
- Forays into the outdoor and personal repellent category with an innovative range of products: Fabric Roll-On, Cool Gel and Patches
- 'Subah bolo Good knight', an awareness building and habit changing campaign, wins at Effies 2017
- Ranks #1 in Household Care in the *Economic Times – Brand Equity Most Trusted Brands Survey 2016*



- Leading player in aerosols, focused on killing pests and offering great efficacy
- Innovating ways to make our products easy to use, safe and affordable to help every homemaker win the battle against pests
- Launches HIT Gel Stick, an effective and affordable perimeter roach solution
- HIT Flying Insect Killer integrated marketing campaigns wins *Silver Effies 2016*
- Ranks #8 in Household Care in the *Economic Times – Brand Equity Most Trusted Brands Survey 2016*

Home Care

Number 1 player in air care



- Delightful range of home, car and bathroom air fresheners
- aër pocket is a leading player in bathroom air fresheners, within 10 months of launch
- Innovative gel format and consumer engagement aids sales and distribution ramp up
- Hosts successful integrated marketing campaigns, extensive engagement through innovative media; special focus on e-commerce

Leader in liquid detergents



- Builds on its proposition of specialist care for woollens through insightful communication and campaigns
- As part of the 'Ezee Hugs' initiative this winter, our team donated woollens washed with Ezee, to over 75,000 underprivileged school-going children in Delhi and the NCR
- Ranks #9 in Fabric Care in the *Economic Times – Brand Equity Most Trusted Brands Survey 2016*

Source: Management estimates

Indonesia

#1 home insecticides, air fresheners and wet wipes

#3 hair colour

Range of household and personal care products - household insecticides, air fresheners, hair colour and wet wipes



(Top) Celebrating Serko Day, when Godrejites from across teams become salespersons for a day

(Bottom Left) Our Group Chairman, Adi Godrej, visits the Jakarta office for a town hall

(Bottom Right) Winners of Godrej Indonesia LOUD (Live Out Ur Dream), a programme which helps our team members realise their personal dreams



HIT, the leader in household insecticides



Stella, the number 1 player in air fresheners



Mitu, a leading range of wet wipes and baby toiletries



NYU ranks among the top 3 brands in hair colour in modern trade

Africa

Source: Management estimates

Range of products across hair extensions, hair care, hair colour, personal wash, home care and household insecticides

#1 ethnic hair colour (14 countries) and hair extensions (11 countries)

#2 hair extensions (Nigeria)

#2 Caucasian hair colour (South Africa)



(Top) Our Tanzania team volunteers at a local school on Godrej Global Volunteering Day
(Bottom Left) The inauguration of a Darling Hair Academy to train young hairstylists in Kenya
(Bottom Right) Our South Africa team treats contest winner mums to free makeovers on Mother's Day



Darling, the number 1 player in hair extensions across sub-Saharan Africa



MegaGrowth and TCB continue to scale up across 7 African countries



Valon helps build a presence in skin care in Eastern Africa



Inecto, a market leader in ethnic hair care



Renew, a leading player in the Caucasian hair colour market in South Africa

Source: Management estimates

Argentina

Range of products across hair colour, hair care and styling in mass and professional markets

#1 hair fixing sprays

#2 hair colour

#2 hair styling products



(Top) The opening of our new cafeteria at our Buenos Aires office
(Bottom Left) Volunteers at our Issue De Rosa campaign help raise awareness about breast cancer
(Bottom Right) Celebrating the launch of Presente, a community outreach programme



Issue, an iconic leading hair colour, offers a fun and stylish range of hair treatments



Roby, a market leader in hair styling

Chile

Source: Management estimates

#2 hair colour

#2 depilatory products

#3 colour cosmetics

Range of products across hair colour, depilatory products and colour cosmetics



(Top) Our Chile team at their Annual Conference

(Bottom Left) Volunteers play fun games with children with special needs on Godrej Global Volunteering Day

(Bottom Right) Our trade marketing team at one of their training sessions at a popular retail chain



Ilicit, the number one brand in hair colour



Millefiori, a leading range of depilatory products



Pamela Grant, a leading colour cosmetics and skin care player

Source: Management estimates

United Kingdom

Range of products across skin care, sanitisers, sun care and female deodorants

#1 stretch marks treatment

#2 hand sanitisers

#4 sun care



(Top) Our team at the annual company offsite

(Bottom Left) Volunteers partner with Samaritan's Purse at Christmas, to prepare shoebox gifts for children in need

(Bottom Right) Our leadership team at our office in London



Pro:Voke Touch of Silver, a unique range of salon inspired products, for cool, platinum, white and silver hair



Pro:Voke Liquid Blonde, a new proposition to boost colour for warm, caramel and honey blondes



Cuticura, a range of anti-bacterial products for the whole family



Soft & Gentle, a refreshing range of female deodorants and feminine hygiene products

Bangladesh, Sri Lanka & Nepal

Source: Management estimates

#1 household insecticides in Nepal

#1 hair colour in Sri Lanka

#2 powder hair colour in Bangladesh

Range of products across household insecticides, air fresheners and hair colour



(Top) The launch of Good knight, our leading Household Insecticide brand, at Colombo
(Bottom Left) Our Bangladesh team rings in the new year together
(Bottom Right) Team members from Nepal at their annual offsite



Good knight and HIT, leaders in household insecticides in Nepal



Expert and Abha, leading players in their respective hair care segments in Bangladesh and Sri Lanka



Cross-pollinating brands like Stella (from Indonesia), across SAARC

Middle East

Source: Management estimates

Leading player in the henna and powder hair colour segments

Strong market position in soaps

Range of household care, hair care and personal care products, including soaps, deodorant sprays, hair colour and air care



(Top) Our leadership team at an annual offsite

(Bottom Left) Our Group Chairman, Adi Godrej, visits the team at the Dubai office

(Bottom Right) Volunteers at a cleanliness drive on Godrej Global Volunteering Day



Godrej aer, one of the UAE's fastest growing air care brands



Cinthol, a leading player in soaps, among consumers from the Indian subcontinent



Godrej Expert, Nupur and Abha, leading players in powder hair colour

Accelerating innovation and renovation





BBLUNT
BORN AGAIN
CONDITIONER FOR
STRESSED HAIR



BBLUNT
INTENSE MOISTURE
CONDITIONER FOR
SERIOUSLY DRY HAIR

Towel dry
your hair

Ka-Pow!
Control your cool

Work the
styling into
your hands

Apply, style,
and shine

BBLUNT
TOTAL CONTROL
MAXIMUM HOLD
FIBRE PASTE



India

BBLUNT Salon Secret High Shine Crème Hair Colour



Scan me to learn about our new hair colour which has been inspired by 7 iconic Bollywood looks



- Unique 3-part hair colouring system with shine tonic for salon-like hair at home
- Wide range of ammonia free colours: Coffee, Mahogany, Blueberry, Honey, Chocolate, Wine and Black

hair colour that
makes the world go

**'you're
shining
baby'**

introductory offer

₹199



with
shine
tonic

India

Good knight Fabric Roll-On



Scan me to learn about our revolutionary 100% natural way to keep mosquitoes away



- Foray into out-of-home mosquito protection
- Innovative roll-on format, with easy 4-dot and non-staining application
- 100% natural and safe for children
- Provides protection for up to 8 hours

Good



**FABRIC
ROLL-ON**
PERSONAL REPELLENT

GO OUT AND PLAY...



...WITHOUT THE FEAR OF MOSQUITOES

With just 4 dots on clothes,
stay protected from mosquitoes for 8 hours outdoors.



APPLY 4 DOTS



Contains 100% natural active ingredients.

India

HIT Gel Stick



Scan me to learn how we eliminate roaches as they enter your home



- 3x more powerful, 7-day efficacy in single application
- Distinctive transparent gel
- Unique hassle-free bristle applicator
- Great value for money at ₹ 30



★★★
NEW

HIT GEL STICK

NO ENTRY FOR COCKROACHES



One application lasts 7 days



India

Godrej No. 1 Germ Protection Soap



Scan me to learn how we keep your skin protected and beautiful



- Extending our value added soaps portfolio
- Infused with the goodness of nature, offers the dual proposition of beautiful and germ protected skin
- Blend of neem, a natural germ fighter, and coconut milk for added nourishment to your skin



BE PROTECTED. BE BEAUTIFUL.

An exquisite blend of natural germ fighter, Neem, and the goodness of coconut milk that nourishes the skin.



With Neem and coconut milk

Indonesia

NYU Crème Hair Colour



Scan me to learn about our ammonia-free hair colour with a fruity fragrance



- Foray into hair colour in Indonesia, specifically designed for the Indonesian working woman
- Becomes the #3 brand in hair colour (modern trade) within a year of launch
- Ammonia-free, odourless formula ensures hair is damage-free
- Super fruit extracts give your hair a pleasant fragrance, vitamin oil makes it soft and shiny
- Available in 5 shades: Natural Black, Caramel, Copper Brown, Burgundy and Natural Brown

nyu

CRÈME HAIR COLOUR

Hair colour
with fruity
fragrance



Ammonia Free:
No more fear of damage

- No Ammonia
- Super Fruits Extracts
- Vitamin Oil

Indonesia

Stella pocket



Scan me to learn about our unique, gel-based bathroom air freshener



- Unique slim gel technology cross-pollinated from our India business
- Innovative format, clutter-breaking design
- Range of long-lasting fragrances

AIR FRESHENER
STELLA[®]
Naturals

“MY
NEW FRIEND,
FRESH
FRAGRANCE
LASTS
30
DAYS”



Stella Pocket Bathroom
Long lasting fresh fragrance



Africa

Yaki Braids Candy Crush Range



Scan me to learn more about our high quality fibre braids



- High quality fibre, market leading range of braids
- Summer collection of bold and bright colours
- Newly introduced ombre styles
- Experiment with multiple colours in the same style for a variety of looks
- Suitable for all braided styles – corn-rows, twists and box braids

NO.1 HAIR EXTENSION BRAND IN AFRICA®



YAKI BRAID

BOLD & BRIGHT SUMMER COLLECTION

Latin America Issue 3D Gloss



Scan me to learn about our revolutionary 3D hair colour technology



- Three-dimensional technology for deeper and more visible shine
- Provides radiant, intense and inalterable colour
- High reflection extracts enhance the colour and vitality of your hair

ISSUE

3D GLOSS

ISSUE'S PREMIUM HAIR COLOR BRAND

Hair color that provides a **radiant, intense and inalterable color**.
Three-dimensional technology for a deeper and more visible shine.
 Hair treatments with high reflection actives that **enhance the color and vitality of hair**.

[NEW IMAGE]



Latin America

Pamela Grant All Day Long Lasting Makeup



Scan me to learn about our all day makeup foundation



- Provides 24-hour colour and moisturisation
- Hypoallergenic
- Leaves skin blemish-free
- Available in 2 colour tones: Light and Medium

PAMELAGRANT

ME *By Me*



NEW

MAKE UP FOUNDATION ALL DAY LONG LASTING

24 HOURS

COLOR AND MOISTURIZING FOR 24 HOURS

ACHIEVE SKIN WITHOUT BLEMISHES
TEXTURE WITH MATTE NATURAL FINISH

2 COLOR TONES
**MEDIUM
LIGHT**



United Kingdom

Soft & Gentle

0% Aluminium Dry Deodorant



Scan me to learn about our 0% aluminium dry deodorant



- Offers 100% natural protection and all day freshness
- Spray format with 3 variants: Active, Floral and Care
- Horsetail extract and Sage Oil create a botanical complex, act as an astringent to help close pores and reduce bacteria flora on your skin


Soft & Gentle

DISCOVER A
NATURALLY
CONFIDENT YOU



www.softandgentle.com





Building a future ready sales system



Building a future ready sales system

Go-to-market

- Continuing focus on driving growth; optimised go-to-market strategy
- Augmenting overall reach; ~12% increase in direct coverage in the last year
- Driving availability of a wider portfolio across urban markets through Project Optimus

Technology

- Using best-in-class technology and advanced analytics for better decision-making
- Building cutting-edge sales force capabilities through technology-enabled learning

Partners

- Enhancing channel partner engagement through targeted initiatives

E-commerce

- Establishing a strong e-commerce presence; strengthening availability and driving growth of premium brands

(Right) Our sales team members use hand held devices to facilitate decision-making



A woman wearing a black hijab and a red face mask is working in a factory. She is focused on her task, handling a large metal tray filled with colorful, wrapped packages. The background shows a large industrial facility with high ceilings and structural beams. The overall scene conveys a sense of diligent manufacturing and quality control.

**Making our
supply chain
best in class**



Making our supply chain best in class

Best-in-class practices

- Introducing best practices across geographies to become more agile: Demand-driven Supply Chain, Theory of Constraints, Total Productive Maintenance, Lean, Six Sigma and Low Cost Automation
- Strengthening supply chain processes in international businesses: integration into one SAP ERP, Lean and Kaizen
- Extending shop floor employee engagement initiatives to international businesses

Sustainability

- Global strategic sourcing with significant benefits to the bottom-line; Godrej Green Purchase Policy rolled out to key vendors
- Sustainable manufacturing and supply chain practices, resulting in significant improvements in energy and water consumption, carbon footprint, waste generation and renewable energy

Agile fulfillment

- Mapping cutting-edge replenishment practices to the Advanced Planning and Optimisation module of SAP
- Responding to constantly changing consumer demand patterns, leading to high fill rates; now an industry benchmark, with 95%+ customer service levels across key geographies
- Improving 'freshness' of products at time of sale, better logistics practices, product traceability and reduced obsolescence through the project on bar coding shippers

Future-ready investments

- Enhancing manufacturing capacity, across geographies
- Piloting the 'Internet of Things' in manufacturing and logistics
- Gearing up for the implementation of the Goods & Services Tax in India



(Top) Our Business Partners Meet at Ho Chi Minh City
(Centre left) Open house day at our Gunung Putri factory in Indonesia
(Centre right) Our Darling factory in Mozambique
(Bottom) Inside GCPL's largest soap manufacturing facility at Malanpur

A man in a black t-shirt is speaking into a microphone on a stage, addressing a large, diverse audience seated in bleachers. The audience members are looking towards the speaker with varying degrees of interest and engagement. The setting appears to be an indoor arena or conference hall with warm lighting. The text 'Building an agile and high performance culture' is overlaid in large white font on the left side of the image.

Building an agile and high performance culture



Building an agile and high performance culture

Strengthening our employer brand across geographies

We take much pride in fostering an inspiring workplace with an agile and high performance culture to attract, develop and retain the best global talent. As part of the over 120-year young Godrej Group, we are fortunate to have a proud legacy built on the strong values of trust, integrity and respect for others. At the same time, our exciting and ambitious growth plans allow us to offer unparalleled career opportunities relatively early on in your career.

Core to our employer brand, is the philosophy of tough love. We expect a lot from our team members, differentiate on the basis of performance and potential through career opportunities and rewards and lay particular emphasis on developing, mentoring and training. We believe that passionate, rounded individuals with diverse interests make for better Godrejites. And we understand that our team members play multi-faceted roles. This is why we encourage them, not just to explore their whole selves, but also create an enabling space for them to do so.

Innovative approach to recruitment

Godrej LOUD (Live Out Ur Dream), our radically different approach to business school recruitment, encourages students to live out their unfulfilled personal dreams and offers sponsorship and summer internships with Godrej. The programme has been a great success on India and Indonesia campuses.

Strong focus on careers

100 Leaders Programme, with individually tailored development plans, runs across geographies

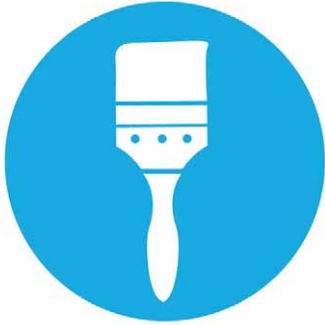
Investing in leadership development

World class training programmes with professors from global business schools

Leveraging social media for engagement

Workplace by Facebook helps engage and connect across teams and geographies. We are using it extensively to build alignment around strategy, share ideas and insights, get real time feedback, and celebrate success, among many others.

Your Canvas



Tough Love



Wholeself



(Top) Winners of Godrej LOUD 2017, whose dreams range from publishing a children's novel to representing India in archery
(Bottom Left) Our Indonesia team hosts a Career & Development Week at their Jakarta office
(Bottom Right) Celebrating the launch of Workplace by Facebook, our internal engagement platform, at Chile

Build an inspiring place to work



Rank among the Best Employers in India in the 'Aon Hewitt Best Employers 2017' survey



Rank #12 on the 'Great Place to Work – Best Workplaces in Asia 2017' list



Rank #1 in the FMCG category in the 'Great Place to Work – Best Workplaces in India 2016' list; we have featured on this list for 13 years in a row



(Top) We rank among the Best Employers in India in the 'Aon Hewitt Best Employers Survey 2017'
(Centre) Winners of the Gurukul Amazing Race, our induction event for the 2017 summer intern batch in India
(Bottom) Our Bintang management trainee batch in Indonesia

Diversity

Fostering an inclusive Godrej

We take pride in being an equal opportunities employer

"We recognise merit and perseverance and encourage diversity at Godrej. We do not tolerate any form of discrimination on the basis of nationality, race, colour, religion, caste, gender identity or expression, sexual orientation, disability, age or marital status and will allow for equal opportunities for all our team members."

We understand that our team members play multiple roles and our policies like flexi time are designed to enable them to do so.

Godrej Resource Groups

Godrej Alliance for Parents

Our team members, along with their partners, share experiences on child care and work-life balance through meetings, parenting sessions and workshops

Godrej Women's Leadership Network

We aim to make Godrej a workplace of choice for women and offer mentoring, leadership development and regular networking opportunities through this platform

Careers 2.0

Our second careers programme provides women who have taken a career break, a chance to return to the workplace. We offer aspirational and challenging projects across sectors and functions, with added flexibility to help them balance their career and personal needs.



(Top) Hosting celebrated feminists Mona Eltahawy, Geeta Patel, Bishakha Dutta and Paromita Vohra at our headquarters in Mumbai
(Centre) Women from across Godrej businesses share their perspectives during a panel discussion at the Godrej Leadership Forum
(Bottom) Godrej is a proud sponsor of the Kashish International Queer Film Festival 2017. Nisaba Godrej speaks at the opening of the event.



Beyond business - Good & Green



Good & Green

Our commitment towards a more inclusive and greener world



As a Group, we have always actively championed social responsibility. We are now exploring ways to further this commitment through shared value initiatives that create both social and business benefits.

By 2020, we aspire to:

Ensuring Employability

Train 1 million youth in skills that enhance their earning potential

- Collaborate with non-profit organisations and social enterprises on employability training programmes for young people from low-income communities
- Aim to improve the earning potential of graduates, by building skills and thereby empowering them
- Offer programmes in beauty and hair care, retail management and channel sales
- Focus on life skills training, entrepreneurship and post-placement support

As of March 2017, trained 1,95,101 youth in India and Kenya in skills that will enhance their earning potential

Greener India

Achieve zero waste to landfill, carbon neutrality and a positive water balance, while reducing specific energy consumption and increasing the use of renewable energy

- Make environmental sustainability key to our manufacturing processes
- Reduce energy needs, managing waste and transforming our products
- Ensure our overall manufacturing approach is more future ready – from raw material sourcing to technologies used at plant

Progress by our factories in improving environmental sustainability, compared to a 2011 baseline, at a Group level:

Greener India Goal 2020	Achievement as of January 2017
Become carbon neutral	51% reduction in greenhouse gas emissions
Have a positive water balance	31% reduction in specific water consumption
Have zero waste to landfill	60% reduction in specific waste to landfill
Reduce specific energy consumption by 30%	37% reduction in specific energy consumption
Increase renewable energy sources by 30%	50% of total energy consumption from renewable resources



Porter Prize for Creating Shared Value
(2016)



Rank on CDP India's Climate
Disclosure Leadership Index (2016)

Elimination of Mosquito Borne Endemic Diseases (EMBED)

- Part of our commitment to help create a Malaria-free India by 2030
- Intensive community awareness and behaviour change programme to battle malaria in regions that report high Annual Parasitic Index
- Collaboration with non-profit organisations and governments
- Addressed 36% of the malaria burden in Madhya Pradesh, a state with one of the highest malaria burdens in India

Community Waste Management

- Piloted community waste management initiatives across 25 colleges in Mumbai

Watershed Management

- 3,300 hectares covered in the drought prone region of Telangana, through an integrated watershed development project

Rural Electrification

- 55 villages covered as part of a rural electrification initiative; leveraging renewable energy systems

Community Development

- Implemented a range of high-impact community development programmes across 6 villages in and around our manufacturing facilities
- Focus on improving the quality of education, providing access to clean water, raising awareness on health and sanitation issues, and protecting the environment

Other disclosures

Enterprise business risk management

With a presence across three continents - Asia, Africa and Latin America - we are exposed to risks that can adversely impact our strategy, operations, cash flow, financial performance, management performance and overall sustainability. We have an active risk management strategy in place. Additionally, we have a Risk Committee, whose role is to identify potential risks, create mitigation strategies and monitor the occurrence of risk. The risks that may affect us include, but are not limited, to:

- Economic conditions
- Inflationary pressures and other factors affecting demand for our products
- Increasing costs of raw material, transport and storage
- Supplier and distributor relationships, and the retention of distribution channels
- Competitive market conditions and new entrants to the market

- Labour shortages and attrition of key staff
- Exchange rate fluctuation and arbitrage risk
- Integration risks for acquired companies
- Compliance and regulatory pressures including changes to tax laws
- Seasonal fluctuations
- Political risks associated with unrest and instability in countries where we have a presence or operations

The Risk Committee meets on a quarterly basis to review any new risks that may have emerged during the quarter, the status of risks as well as mitigation plans.

Apart from domestic operations, the exercise of risk assessment is now getting extended to international geographies.

In fiscal year 2017, the Risk Committee reviewed the top risks along with the mitigation plans for our Darling Africa business.

Internal control systems and their adequacy

We have implemented an internal control framework to ensure that all assets are safeguarded and protected against loss from unauthorised use or disposition; and transactions are authorised, recorded and reported correctly. The framework includes internal controls over financial reporting, which ensures the integrity of financial statements of the company and eliminates the possibility of frauds.

Our Corporate Audit & Assurance department, which is ISO 9001:2008 certified, issues well documented operating procedures and authorities, with adequate built-in controls to be carried out at the beginning of any activity and during the process, to keep track of any major changes. As part of the audits, they also review the design of key processes from an adequacy of controls' point of view. Periodic reports are generated to identify exceptions through data analysis as part of continuous monitoring.

The internal controls are tested for effectiveness, across all our locations and functions by the Corporate Audit team, which is reviewed by the management periodically for corrective action.

Controls with respect to authorisation in underlying IT systems are reviewed periodically to ensure users have access to only those transactions that their roles require. The GCPL Head Office and all major factories and offices across India follow an Information Security Management System, and are ISO/IEC 27001:2013 certified.

Opportunities and threats

We believe that there are significant medium and long-term growth prospects in India and our other emerging markets in the rest of Asia, South America and Africa. Today, emerging markets account for around 80 per cent of the world's population.

The emerging middle classes and rising per capita income will translate into more consumers

seeking branded, quality products at affordable prices. New categories will emerge and new distribution channels will improve availability and enhance the buying experience. This will, in turn, further drive penetration and increase consumption in our focus categories.

The implementation of the Goods and Service Tax will be transformative for the Indian economy and we expect this to result in a marked boost to consumption and GDP growth.

We consider compliance and regulatory pressures - including changes to tax laws, seasonal fluctuations and political risks associated with unrest and instability in countries where we have a presence or operations - as our key threats.