

Business Responsibility Report

- Philanthropic efforts of the Godrej group 090
- Godrej Good & Green 090

Business Responsibility Report

Philanthropic efforts of the Godrej Group

The Godrej Group has been at the forefront of philanthropic and social activities for several decades. Approximately 23 per cent of the promoter holding in the Godrej Group is held in trusts that invest in the environment, health and education. Through investment and supervision by the trust, a large tract of mangrove forests in Mumbai has been protected, developed, and maintained for several years, and it serves as a second set of lungs for the city. The Group has continually supported education and supports the Udayachal pre-primary and primary schools, which focus on the all-round development of children. The Udayachal high school has been accredited with the International School Award in recognition of the school incorporating global education into its curriculum and innovation into classroom teaching.

In addition, the Group has supported initiatives in healthcare through the Godrej Memorial Hospital, which aims to provide quality healthcare at affordable costs. One such initiative is our partnership with Smile Train, a US-based NGO, which helps in performing corrective cleft lip and palate surgery in children from low-

income families. The Group offers surgery and hospitalisation to these children free of cost.

Workplace Giving

In 2016, the Group revived its Workplace Giving programme that enables our team members to donate a specific amount every month to our non-profit partners. We have partnered with three organisations, namely Save the Children India, World Wildlife Fund, and Teach for India. The organisations have been selected after thorough research, keeping in mind the vast scope of their efforts towards improving education for underprivileged children, creating access to health facilities in rural areas, and protection of the environment. The initiative is a part of the Group's tradition of philanthropy and enables our team members to make a direct difference to someone's life.

Teach For India

Since its inception in 2009, GCPL has been supporting Teach for India, a nationwide movement involving outstanding college graduates and young professionals, who commit two years to full-time teaching in under-resourced schools and become lifelong leaders working towards

the pursuit of equity in education. In 2009, Teach for India began its journey in classrooms with 78 Fellows (or teachers) in two cities across 34 schools, and reaching out to 3,000 children. In fiscal year 2016-17, the movement has grown to cover 353 schools in 7 cities, with approximately 1,100 Fellows positively impacting more than 39,500 children.

Godrej Good & Green

In line with our vision of Brighter Living for all stakeholders, we have developed a long-term vision for creating a more inclusive and greener India. This vision has been named 'Godrej Good & Green' and is based on the shared value principle. The concept of shared value is defined as policies and operating practices that enhance the competitiveness of a company while simultaneously advancing the economic and social conditions in the communities in which it operates. As part of this initiative, the Group aspires to create a more employable Indian workforce, achieve a greener India, and innovate for good and green products by 2020. Specifically, our Group-level goals for 2020 as part of this vision are as follows:

- Training 1 million rural and urban youth for skilled employment

Brighter Giving is our skill-based, long-term volunteering programme for our team members who are keen to engage in meaningful volunteering projects



- Achieving zero waste to landfill, carbon neutrality, a positive water balance along with a reduction in our specific energy consumption, and increase in our renewable energy portfolio
- Procuring one-third of our portfolio revenues from good and/or green products and services; those that are environmentally superior or address a critical social issue for consumers at the base of the income pyramid

We have a comprehensive CSR policy (<http://www.godrejcp.com/codes-and-policies.aspx>) that outlines programmes and projects we undertake to create a positive impact on our stakeholders. We have a CSR committee in place to review, monitor, and provide strategic inputs for our sustainability efforts.

Over the years, we have aligned our sustainability efforts with national priorities and the needs of our local communities to deliver high-impact programmes that are easy to scale up. Our skill-building initiatives are linked to the National Skill Development Mission. Furthermore, our community development initiatives in areas surrounding our manufacturing units are focused on improving the teaching-learning environment.

We are associated with the Integrated Watershed Management programme, under the Ministry of Rural Development, through our large-scale integrated watershed projects in drought-prone regions to restore the ecological balance by harnessing, conserving, and developing degraded natural resources, and thus providing sustainable livelihoods in the region.

In line with the Swachh Bharat Mission, we have initiated several community waste management projects across India by involving colleges and local municipalities. In addition, we run an intensive community awareness and behaviour change programme to combat malaria in regions that report a high Annual Parasitic Index (API) through our Elimination of Mosquito Borne Endemic Diseases (EMBED) programme. The mainstay of this programme is propagating clean surroundings.

We are supporting renewable energy projects in rural India to address the shortage of energy supply in line with the Deen Dayal Upadhyaya Gram Jyoti Yojana of the Government of India.

Our community projects are supplemented by Brighter Giving,

a structured volunteering platform through which our team members can offer their time and skills to help address an NGO's needs. Through Brighter Giving, Godrejites can volunteer their time, knowledge, and skills to help address the specific needs of a non-profit organisation on a project basis.

Brighter Giving also serves as a channel through which our team members can connect with and learn more about Good & Green. The programme has a long-term goal; seeking to enable and drive meaningful initiatives for our non-profit partners and/or their beneficiaries. Volunteers accomplish this by using their professional skills and expertise to develop relevant, implementable, and sustainable solutions for the organisations with which they work.

Section A: General Information about the Company

Sr No.	Details	Information
1	Company Corporate Identity Number	L24246MH2000PLC129806
2	Name of Company	Godrej Consumer Products Limited
3	Registered Address	Godrej One, Pirojshanagar, Eastern Express Highway, Vikhroli (E), Mumbai 400 079.
4	Website	www.godrejcp.com
5	Email ID	investor.relations@godrejcp.com
6	Financial Year reported	2016-17
7	Sector(s) that Company is engaged in	Personal and Household Care Products
8	List of Three Key Products & Services that the Company Manufactures or Provides	Personal Care, Hair Care, and Home Care
9	Number of Business Activity Locations	<p>a) Number of International Locations: GCPL has undertaken business activities in more than 12 international locations, and the major ones are Indonesia, Argentina, UK, South Africa, Chile and USA</p> <p>b) Number of National Locations: GCPL has carried out business activities throughout India, with major manufacturing locations in Madhya Pradesh, Himachal Pradesh, Assam, Jammu, Puducherry, and Goa</p>
10	Markets served	Indian market, export and operations in the aforementioned international geographies

Section B: Financial Details of the Company (Standalone)

Sr No.	Details	Information
1	Paid-up Capital	₹ 34.06 crore
2	Total Turnover	₹ 5,013.69 crore (Net of excise)
3	Total Profit after Taxes	₹ 848.03 crore (Standalone)
4	Total expenditure on CSR as a percentage of Profit after Taxes	The Company has spent an amount of ₹ 16.52 crore which is 2.02% of average net profit of last 3 financial years calculated in the manner specified in Section 135 of the Companies Act, 2013 read with rules thereunder
5	List of activities in which expenditure in the aforementioned point 4 has been incurred	<p>Major areas in which the aforementioned expenditure has been incurred include the following:</p> <ul style="list-style-type: none"> • Livelihood enhancement projects • Environment sustainability • Promotion of preventive healthcare

Section C: Other Details

Sr No.	Details	Information
1	Does the Company have any Subsidiary Company/Companies?	Yes
2	Do the Subsidiary Company/Companies participate in the Business Responsibility (BR) initiatives of the parent company? If yes, then indicate the number of such Subsidiary Company(ies)	GCPL has Subsidiary Companies in foreign countries and encourages its Subsidiary Companies to participate in BR initiatives. The BR policies of the Subsidiary Companies are in line with the local requirements.
3	Do any other entity/entities (e.g. suppliers and distributors), with whom the Company does business, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities (less than 30 per cent, 30–60 per cent, or more than 60 per cent)	GCPL actively encourages its business partners to adopt BR initiatives. Currently, less than 30 per cent of other entities participate in the BR initiatives of the Company.

Section D: Details of the BR head

1. Details of Director/Directors Responsible for BR:

Sr No.	Details	Information
1	Details of the Director(s) responsible for the implementation of BR policy/policies	Vivek Gambhir, Managing Director DIN: 06527810
2	Details of the BR Head DIN Number (if applicable)	Vivek Gambhir, Managing Director DIN: 06527810 Telephone Number: 022-25188010 Email ID: vivek.gambhir@godrejcp.com

2. Principle-wise (as per NVGs) BR policy/policies

Sr No.	Principle-wise Policies	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Does the Company have a policy/policies for the principles? - Yes.	P1 This forms part of the Code of Conduct of the Company	P2 The policy is part of the Company's Sustainable Procurement Policy	P3 This principle is covered under various policies of the Company, namely Code of Conduct for all employees, Equal Opportunities Policy, Prevention of Sexual Harassment and Human Rights policy	P4 The Company does not have a specific policy, however certain aspects of this principle forms part of the CSR policy	P5 This forms part of the Human Rights policy	P6 This forms part of the Company's CSR policy	P7 The Company does not have a separate policy. It works with collective platforms, such as trade and industry chambers and associations, to raise matters with the relevant government bodies. It is a member of CII, FICCI and other trade associations.	P8 The Company has a CSR policy	P9 The Company does not have a specific policy. This forms part of the Code of Conduct of the Company.
2.	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national/international standards? If yes, specify in about 50 words (These policies have been framed keeping in view the goals of the organisation and the economic environment of the operations of the Company).	Y	Y	Y	Y	Y	Y	Y	Y	Y
4.	Has the policy been approved by the Board? If yes, has it been signed by MD/owner/CEO/appropriate Board Director?	Y	N	N	Y	N	Y	N	Y	N
5.	Does the Company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online.	The links have been mentioned in the principles below								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the Company have an in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

3. Governance related to BR:

Sr No.	Details	Information
1	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company (within 3 months, 3-6 months, annually, more than 1 year)	The BR committee meets every 3-6 months to assess the BR performance of the Company
2	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently is it published?	The Company publishes a BR and Sustainability Report annually. The web link to view these reports are: http://godrejcp.com/annual-reports.aspx and http://godrejcp.com/compliance-other-updates.aspx respectively.

Section E: Principle-wise Performance

Principle 1: Businesses should conduct and govern themselves with ethics, transparency, and accountability

The Board of Directors and senior management of GCPL comply with the following Code of Conduct:

- Uphold ethical standards of integrity and probity
- Act objectively and constructively while exercising their duties
- Exercise their responsibilities in a bona fide manner in the interest of the Company
- Devote sufficient time and attention to their professional obligations for informed and balanced decision making
- Disallow any extraneous considerations that will vitiate their exercise of objective independent judgment in the paramount interest of the Company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decisions
- Not abuse their position to the detriment of the Company or its

shareholders or for gaining direct or indirect personal advantage or taking the advantage of any associated person

- Assist the Company in implementing the best corporate governance practices
- Strictly follow the guidelines and rules related to insider trading as stipulated by SEBI

The Board of Directors of GCPL shall observe the following Code:

- Act in accordance with the articles of the Company and provisions of the Listing Agreement
- Act in good faith to promote the objectives of the Company for the benefit of its members as a whole, and act in the best interests of the Company, its employees, shareholders, the community, and for the protection of the environment
- Exercise their duties with due and reasonable care, skill, and diligence and shall exercise independent judgment
- Not get involved in a situation in which they may have a direct or indirect interest that conflicts or may possibly conflict with the interest of the Company
- Not achieve or attempt to achieve any undue gain or advantage for

either themselves or their relatives, partners, or associates. If a director is found guilty of making any undue gain, he/she shall be liable to pay an amount equal to that gain to the Company.

- Not assign their office and any assignment so made shall be void

Applicability of the Code of Conduct:

This Code of Conduct (Code) applies to the Directors of GCPL. It also applies to the senior management of the Company, which is one level below the executive directors, and all functional heads. An annual confirmation affirming compliance with the Code of Conduct is obtained from the Board members and senior management every year, and the same has been obtained for the year ended March 31, 2017.

During the year, the Company introduced a formal Shareholders' Feedback Survey for its shareholders. This survey was created to seek valuable feedback from the shareholders of the Company in order to further improve our services. Questions regarding aspects, such as the Company's website and information available on it as

well as the services provided by the Company and its Registrar and Share Transfer Agent while resolving queries or complaints, were formulated and included in this survey. This survey was circulated in physical form and via email.

The survey is also available on our Company website: <http://godrejcp.com/shareholders-feedback.aspx>

Does the policy relating to ethics, bribery, and corruption cover only the Company? Yes/No. Does it extend to the Group/joint ventures/suppliers/contractors/NGOs/others?

The Company has a Code, which is applicable to all employees. For subsidiaries and joint ventures, the Code is applicable in line with the local requirements prevailing in the country of operation. The Company encourages its business partners to follow the Code.

How many stakeholder complaints were received in the past financial year and what percentage was satisfactorily resolved by the Management?

There were no complaints outstanding at the beginning of the year and 131 complaints were received during the year. All complaints were resolved during the year.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

Sustainability is an integral part of our business and value chain, and it enables us to provide high-quality, affordable products for

our 1.1 billion consumers globally. However, our stakeholders are not only our customers but also our team members, the supply chain, society, the government, and the environment.

We are committed to making environmental sustainability a key part of our manufacturing processes. From sourcing of raw materials to the technology we use at our plants, we are ensuring that our overall manufacturing approach is more future ready. We are finding ways to extend our sustainability efforts beyond our plants to impact the entire life cycle of our products. We have conducted a preliminary life cycle assessment of our soap manufacturing process and computed the results. Discussions are in progress internally for developing a strategy to mitigate the effects that were highlighted by the analysis. Going forward, we plan to extend life cycle assessment to our other range of products.

Our sustainability strategy supports the development of products that are environmentally sustainable. As part of this strategy, we are developing products that consume fewer resources (energy and water), emit fewer greenhouse gases (GHGs), and include 100 per cent recyclable, renewable, and/or natural materials.

List up to three of your products or services whose design has incorporated social or environmental concerns, risks, and/or opportunities.

We are constantly revamping our products and redesigning their packaging to reduce our material consumption. We aim to reduce the amount of resources used and

reduce our carbon footprint while improving the product performance. During fiscal year 2016-17, we undertook several initiatives, and some of them are as follows:

- We optimised the paper thickness of our Good knight Fast Card booklet cover. Consequently, we reduced our paper utilisation by more than 193 tonnes.
- We optimised our Expert powder hair colour laminate and reduced our plastic utilisation by more than 73 tonnes.
- We optimised ink usage on our soap wrappers and reduced ink utilisation by 10 tonnes.
- We optimised the carton thickness in our aer Click and Twist and reduced plastic usage by 37 tonnes.
- We optimised the weight of the front and back cover in Good knight Activ+ LMD. Consequently, we reduced plastic utilisation by more than 190 tonnes.

Does the Company have procedures in place for sustainable sourcing (including transportation), and what is the percentage of inputs sourced sustainably?

In India, our demand-driven supply chain has led to mutually beneficial relationships with our suppliers and dealers. We have extended this relationship to include partnerships with key modern trade players. We have always emphasised the procurement of raw materials in a responsible manner. As a best practice, our procurement team looks at not only the initial cost but also the lifecycle cost. Among the available alternatives, we prefer the one with the lowest lifecycle cost for procurement.

We work closely with suppliers and the manufacturing team to explore and implement recycle and reuse programmes that are beneficial to the environment and create value addition to stakeholders. We aim at making our supply chain environmentally friendly and responsible. We are committed to comply with the requirements of the local environment laws and regulations in countries and regions where we operate and from where we source any material, product, or service.

To extend our Good & Green sustainability commitment to our vendors and to encourage them to contribute towards supply chain sustainability, we have initiated supply chain sustainability. We developed a Sustainable Procurement Policy in fiscal year 2015-16, which is an extension of our values and is applicable to all GCPL suppliers.

The policy extends beyond mere compliance with the law by drawing upon internationally recognised

standards to identify and define globally recognised best practices. The policy outlines our expectations with regard to ethics, business integrity, human rights, health and safety, environment, the local community, and the quality of product and operations.

The detailed policy is available at: www.godrejcp.com/codes-and-policies.aspx.

Sustainable Procurement Policy



We have more than 600 suppliers on board and approximately 50 per cent of them are local suppliers. In the first phase, we have communicated our policy to nearly 100 of our suppliers and have conducted a baseline survey to monitor their sustainable performance.

Apart from 50 per cent local suppliers, we also source nearly 50 per cent of our materials locally. We have undertaken several initiatives for sourcing materials locally, which helps us reduce carbon emissions and our overall carbon footprint. With our conscious local sourcing efforts, we have reduced the distance travelled by our incoming materials by more than 19,466 km.

In the next phase, we will audit one-third of our suppliers who have completed our baseline survey. The suppliers will be audited for monitoring their performance against the four pillars of the policy, namely to be an ethically driven, socially focused, green-inspired, and quality-centred supply chain.

Has the Company taken steps to procure goods and services from local and small producers including communities surrounding their place of work? If yes, what steps have been taken to improve the capacity and capability of local and small vendors?

Yes. 50 per cent of our vendors are local suppliers and they contribute nearly 50 per cent of all our sourced materials. These vendors are given priority payments and support for technology and quality systems upgradation.

While selecting a small-scale or

local vendor, our category manager first visits the vendor's location to understand the capacity and processes at the vendors end. We then send across a baseline questionnaire (depending on the category) to the concerned vendor to obtain a better understanding of the vendor's facilities and processes.

The questionnaire is evaluated and we then make a request to audit the vendor. In the audit, we categorise the suppliers as low-, moderate-, and high-risk vendors. Our moderate- and high-risk vendors are given a 6-month period to improve their facility and are scheduled for a re-audit. The suppliers are also requested to provide a corrective action report on our findings of the audit.

These measures help us ensure the sustainability of our local suppliers and work on building their capability.

In addition, as part of our community development initiative, we regularly source gift products in bulk from non-profits and SHGs for our events. Some of our team members have also volunteered to provide their time and skills to help build the capability of these non-profits, as part of Brighter Giving, our structured volunteering programme.

Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste? (Separately as < 5%, 5%-10%, > 10%)

In line with our philosophy of responsible sourcing, we are relentlessly focused on ensuring that we reduce, recycle, and reuse our incoming materials. This helps us in reducing our overall consumption

of material and the overall carbon foot print of our products and giving back to the environment and society at large.

Apart from tirelessly reducing our consumption by re-engineering all our products from CFBs to laminates to rigid plastic, we are also recycling wherever possible. We have started recycling runner components that are generated while moulding the front and back cover for our Good knight Activ+ LMD machines. This has helped us reduce our PCTA usage by more than 11.5 tonnes.

At our Northeast manufacturing cluster, we are diverting laminate scrap generated in our units to recycling. We are now recycling 200 tonnes of laminate scrap annually.

We have also achieved more than 80 per cent reusability of our empty plastic soap noodle bags. We have strategically established a collection system through reverse logistics, which has resulted in significant savings in material consumption. We have saved nearly 300 tonnes per annum of material.

In line with our zero waste to landfill goal, we have also started diverting our waste from landfills to co-processing. This has resulted in 65 per cent reduction in our specific waste to landfill compared with fiscal year 2015-16.

Principle 3: Businesses should promote the well-being of all employees

Code of Conduct:

At Godrej Consumer Products, we focus on ensuring the well-being of all team members. The safety and health of our team members

is extremely important to us, and we are committed to building and maintaining a safe and healthy workplace. Ensuring diversity, zero discrimination, safety, health, and other attributes essential to a healthy and good working environment is part of our Code of Conduct. All our team members demonstrate their commitment to following the Code of Conduct by signing accordingly in their acceptance letter. The Code of Conduct is also available on the internal employee portal. A few of the principles of this Code of Conduct are listed below.

A. Diversity, antidiscrimination, and equal opportunities policy:

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

We value diversity within the Group and are committed to offering equal opportunities in employment. We do not discriminate against any team member or applicant for employment. Godrej Industries Limited and Associate Companies also subscribes to the CII-ASSOCHAM Code of Conduct for Affirmative Action.

Nisaba Godrej, Executive Director, GCPL serves as the Diversity Ombudsman for our team members and seeks to resolve any complaints or queries that are raised under this principle.

During recruitment, we ensure

that diverse profiles form a part of the talent pool being assessed for any role, with merit being the sole selection criterion. We are driving our efforts to make all our workplaces and functions (sales and manufacturing) conducive for women.

Moreover, our Sustainable Procurement Policy extends the non-discrimination policy to our suppliers. All our suppliers must ensure there is no discrimination in their hiring and employment practices based on race, colour, gender, age, nationality, religion, sexual orientation, marital status, citizenship, disability, veteran status, and medical condition.

B. Prevention of sexual harassment:

We are committed to creating and maintaining an atmosphere in which our team members can work together, without fear of sexual harassment, exploitation, or intimidation. We have ensured compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

This year, we re-constituted our Internal Complaints Committee in accordance with the aforementioned act and updated the Group's policy to ensure that women are protected against sexual harassment at the workplace. This policy extends to all employees in India that includes daily wage, contract workers and trainees, or the equivalent. It extends to all offices, units, factories or any place visited by the employee during the course of employment and transportation provided for work-related travel. Every team member is made aware that the Group strongly opposes sexual harassment and that such behaviour is prohibited both by law and the Group policy. We take

all necessary action(s) required to prevent and correct behaviour that violates this policy.

C. Safety and health:

We remain committed to protecting and building a safe and healthy workplace.

We provide safe equipment and systems of work to all team members. All our team members are expected to ensure that they adhere to all norms and comply with all relevant statutory provisions. We also provide information, training, and supervision required for this purpose.

Furthermore, we are committed to the health and well-being of our team members and have an onsite medical centre, hospital, and children's day care facility within the Godrej Head Office, Vikhroli campus.

On-campus facilities (Vikhroli, Head Office):

We have a canteen facility in the campus where refreshments are provided. Transport facility is provided from the office to the nearest railway station and the Godrej Housing Colony. We have a Bank ATM and a travel help desk in our premise. We also have a fitness centre with state-of-art equipment, a full-time fitness instructor, and a nutritionist. All our sites are non-smoking zones, and smoking is strictly prohibited in the campus.

Women's area

A women's area has been designed for all our female team members as a resting and nursing space, specifically for expecting mothers, new mothers, and women with special needs.

Some of the facilities provided are as follows:

1. Three resting rooms with a mini fridge
2. Lounge seating with magazines and newspapers and a tea and coffee station, which is available throughout the day during operational hours
3. First aid and essential medicines

Our progressive HR policies:

GCPL prides itself on being a great place to work, a fact recognised and acknowledged externally as well. This is evident in GCPL's consistent ranking as the best FMCG Company to work for in India in the *Great Place to Work Study 2016*. Thirteen years in a row, GCPL has featured on the list of best companies to work for.

We have also featured among the top 19 best employers in Asia in the *Aon Best Employers in India 2017*. Our HR policies, such as flexible work hours, work from home arrangements, and part-time work, to name a few, go a long way in ensuring that our team members successfully strike a work-life balance. Some of our policies are as follows:

A. Maternity and paternity leave and benefits policy:

We provide a fully paid 6-month maternity leave and benefits and a flexi-work arrangement for 6 months from the date of resuming work.

We provide a 3-month adoption leave and benefits, in addition to a paternity leave and benefits option.

B. Late-night cab facility and Uber/Ola for Business:

We care deeply about the safety and well-being of all Godrejites. We

have a late-night cab facility for our Mumbai-based team members for ensuring their safe travel from work to home when working late in the office. Our team members can avail this facility by logging on to the Uber/OLA for business app, and the Company is directly billed for the same.

Our team members travelling for work anywhere in India can also avail the Uber/OLA for business service with ease. During the year, in association with OLA, we also started cabs for outstation trips. Outstation services can be booked in advance through the OLA App.

C. Careers 2.0 programme:

As research suggests, increasingly, women employees drop out of the workforce at mid-management levels, and maternity is the major reason for this phenomenon. To tap into this talent pool and provide a transition platform to women professionals who wish to return to work after a career break, we launched our second careers programme in 2015, called Careers 2.0. The participants are offered attractive project stipends to work on live business projects on a flexi or part-time basis. By providing placement opportunities within the Group, Careers 2.0, led by our Diversity & Inclusion team, intends to facilitate successful interns who are interested in transitioning to full-time employment.

We have had six projects under this programme: one in Manufacturing for identifying low-cost automation opportunities in our manufacturing plants, another two in Finance (to recommend cost-saving initiatives on our fixed overheads and assist in getting GST ready in view of recent legal changes), one in Sales to provide Big Data analytical

support, and two in HR responsible for Diversity & Inclusion practices and HRBP for one function. A project guide/manager is assigned to every intern for the duration of the project, and access to various Godrej Resource Groups, such as Godrej Women's Network and Godrej Alliance for Parents, is provided for networking and training opportunities. Once the programme achieves success, more such projects are anticipated across the various departments.

One of the six participants has been offered a permanent role (in the HR team).

D. Sustenance allowance policy:

We also offer sustenance allowance to our specially-abled team members. This financial support is provided to our team members who require additional infrastructure and safe travel from home to work. This policy is applicable to all team members at GCPL. The objective is to improve the living conditions and provide better opportunities and sustenance to specially-abled employees.

Our engagement forums:

There are multiple touch points for the leadership team to interact with our team members through forums such as the long-range plan, annual operating plan cascades and updates, open houses, town halls, focus groups around engagement surveys, HR connect sessions, and skip-level meetings by senior leadership. Every quarter, our Managing Director and the senior leadership team provide updates via V Cast - an interactive, evolving platform to provide an overview of our business performance to our team members. More recently, we moved our updates to Workplace

by Facebook. This will help us gain transparency in information sharing and improve interaction among our team members.

We also engage our team members with employee opinion surveys, such as the In Tune survey organised by Aon Hewitt, feedback survey on reviews, and the Great Place to Work survey organised by the Great Place to Work Institute, India. We practice Bedhadak Bolo as a philosophy that salutes the spirit of expression and innovation at Godrej. This encourages employees to speak and express themselves openly and fearlessly. Bedhadak Bolo has resulted in team members coming forward with their suggestions that have translated into numerous changes and innovations within the organisation. It has also improved team dynamics and led to an incredibly more open work environment.

We provide continuous skill upgradation and learning opportunities through structured career discussions and individual development plans. We invest in functional training for all our team members, on payroll and contract, in line with their current and future career aspirations. The learning suite encompasses functional training, leadership development programmes, and behavioural training designed for leading self, others, and businesses.

GCPL's Sustainable Procurement Policy also recommends that suppliers take the initiative to recruit a diverse and inclusive workforce in terms of gender, experience, and ethnicity. Our suppliers are expected to adopt robust and relevant management practices to comply with applicable health and safety laws, rules, regulations, and industry standards.

Does the Company have an employee association that is recognised by the management?

Yes.

What percentage of permanent employees are members of the recognised employee association?

16 per cent.

Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, and sexual harassment in the last financial year and pending, as on the end of the financial year.

Nil. Moreover, our Sustainable Procurement Policy also covers our suppliers and prohibits use of child labour at any stage of their business operations.

Total permanent employees	2,457
Male	2,226
Female	231
Employees with disabilities	8
Contract employees	5,024

What percentage of your employees mentioned below were given safety and skill upgradation training in the last year?

Category	Safety	Skill upgradation
Permanent male employees	95%	92%
Permanent female employees	92%	87%
Employees with disabilities	100%	88%
Casual/temporary/contractual employees	100%	99%

Principle 4: Businesses should respect the interests of and be responsive towards all stakeholders, particularly those who are disadvantaged, vulnerable, and marginalised

The identification of all relevant stakeholders and understanding their expectations is of high concern for GCPL in our quest to be sustainable. We identify key stakeholders on the basis of their influence on our operations and our impact on them. The stakeholder engagement process consists of various activities from stakeholder identification, consultation, prioritisation, collaboration, and reporting.

We have already identified and prioritised key stakeholders, and we continue our engagement with them through various mechanisms, including consultations with local communities, supplier/vendor meets, customer/employee satisfaction surveys, and investor forums. To align our community development programmes to UN's sustainable development goals, we conducted a detailed community needs assessment in our priority plant locations. We invited an external third-party consultant to assess the needs of the community. The team followed a three-step approach, where they connected with our plant and corporate office and undertook extensive field-based assessments, backed by thorough secondary research to validate key facts and obtain additional information available from official sources. The result is a comprehensive report of the community, their needs, gaps in the system, and our way forward. We are now in the process of planning and implementing high-impact community development programmes.

We are working in partnership with the government, rural people, and local village communities. This approach enables us to distribute accountability and ensure the long-term impact of our community development initiatives.

Recruitment of candidates from the Scheduled Caste/Scheduled Tribe and Physically Challenged (SC/ST/PC) categories has been considered as one of the major performance measures of the central recruitment process owner. GCPL participates in government fairs for recruiting candidates from the SC/ST/PC categories. GCPL has also partnered with NGOs to provide employment opportunities and counselling to people from one of these categories.

Key highlights:

1. To sustain Affirmative Action in GCPL, the Unit Head interviews every SC/ST/PC candidate applying for a job before the final decision is taken. This reduces individual biases of managers against these categories of candidates, if any. Recruitment of SC/ST/PC candidates has been considered as one of the performance measures of the central recruitment process.
2. Our employee referral policy promotes referrals of SC/ST/PC candidates by offering higher referral amounts.
3. The HR function keeps a regular track of progress of Affirmative Action in the organisation and takes necessary corrective actions, if needed. Adherence to and proactive involvement in Affirmative Action has been added to the performance targets of many of our team members.

4. For people with disabilities, we identify appropriate jobs and have necessary infrastructural facilities that enable them to work with dignity.
5. We have set aside a dedicated budget towards Affirmative Action.
6. We provide equal training and development opportunities to improve the employability of all our employees.

Partnership and initiatives for community development and affirmative action:

Malanpur manufacturing site:

In line with our commitment to improve the standard of living of the people around our factories, we continue to work closely with Singwari village near our Malanpur plant. Singwari has a population of approximately 5,000 people, and through our needs assessment, we identified that education, water, sanitation and healthcare are some of the priority needs of the village.

- Water availability was a need that was evident during our needs assessment and it was an urgent priority of the community. In consultation with the local panchayat and the community, we revived a dysfunctional hand pump and built an overhead water storage tank having a capacity of 10,000 litres near the Government Middle School, Singwari. This facility provides water access to more than 250 people of the village, and they now do not have to travel to get water. We worked in partnership with the panchayat and the people of the village. This approach helped us to build accountability and

In Singwari village, Malanpur, we revived a dilapidated hand pump and built an overhead water storage tank to address the critical need of water availability



ensure the long-term impact of the project. Now, the villagers have taken the responsibility of maintaining the water storage tank. In line with this initiative, our team members volunteered on Godrej Global Volunteering Day, December 5, at the primary and middle school in Singwari to spread the message of water conservation, health, hygiene and sanitation. More than 50 of our team members organised various interactive activities for the school children.

- We provide assistance to primary and middle schools in Singwari village. To motivate the children to stay in school, we distributed soap cakes to children with an average attendance of at least 80 per cent. Other initiatives included organising a cultural and sports programme to encourage the children to participate in solo or group activities and a picnic for the students of the primary and middle schools. Eight schools including more than 1,000 students and teachers participated in these events. We ended these day-long activities by distributing prizes to the winners and meritorious students. In line with the Swachh Bharat Mission, we renovated the toilet facilities of the Government Middle School.
- Singwari has a population of approximately 5,000 people, however, the village is deprived of basic medical facilities. To fill this gap, we provide free medical aid to the villagers along with a consulting doctor who visits thrice a week. We also organised a women's health camp in partnership with Gohad Dispensary, Bhind. A team of doctors setup camps in the schools for a day to check and diagnose various chronic diseases and infections. More than 190 women and girls availed the services. We included people between ages 15 and 50 years. Three children were treated, whereas seven children were referred to the district health centre.
- For girls and women of Singwari, several activities were organised to promote health and safety awareness. To demonstrate fire safety, we organised an awareness session by experts to tackle the outbreak of electric, LPG, or any other domestic fire. We also held a home safety awareness session during the National Safety Week (March 4 to 11). More than 45 girls and women attended these sessions and gained useful insights.
- We organised an environment sensitisation session with our contract workers and local villagers and distributed more than 150 saplings of native plants to them for planting around their homes.
- In collaboration with the Central Board for Workers Education, Gwalior, we organised several workshops for women. From August 8 to 11, we organised a workshop on women's empowerment where we provided information on government schemes for women and how to avail them. More than 35 women participated in the sessions. We also organised a workshop on digital literacy where we demonstrated how to perform digital transactions. More than 100 women participated in the workshop.
- At the Vigyan Mela, organised in Bhopal by Madhya Pradesh Council of Science & Technology in collaboration with Vigyan Bharti, we showcased a working model of ETP/soap process and products and shared our commitment of building a more employable and greener India. We also won an award for the Best Pavilion in the industry category.
- We continue to drive our efforts to promote and uplift the



In Rajkriya Government Primary School in Solan, we constructed a Badminton court and distributed sports supplies

education level and employment opportunities for the SC/ST/PC (Physically Challenged) students. These efforts include providing scholarships to meritorious students of Singwari village who aspire to excel in their studies. Nine SC/ST students were awarded scholarships in 2016-17. We are working to include SC/ST/PC people in our recruitment process. We provide sustenance allowance to our PC team members and 13.30 per cent and 1.11 per cent of our workforce is from the SC and ST categories, respectively. Furthermore, 45 per cent of our contract team members are SC/ST. Every year, we visit Ambedkar Institute for Handicapped, Kanpur, to employ candidates, depending on our requirements.

- To explore new avenues to help underprivileged people, we have identified two NGOs, Snehalaya and Vivekananda Nidam, who are working for the SC/ST and differently-abled children in and around Gwalior. We regularly buy responsibly produced products from these NGOs and support their cause.
- To improve employability, we partnered with schools, colleges and industries to create awareness regarding quality concepts,

entrepreneurship, environment and safety based on the Godrej experience.

- We organised an awareness rally on the occasion of the Road Safety Week (January 11 to 17, 2017). Our team members and the local community collaborated to sensitise people regarding road safety. Moreover, in collaboration with the Health and Safety Department, Gwalior, we organised a Safety Summit on National Safety Day. Nearly 45 people participated and learned how to handle an emergency.
- We have a strong focus on Diversity & Inclusion practices and provide equal opportunities for all our team members. We are grooming women leaders at our manufacturing plant. We have three women team members working and handling shift operations.
- We also won several awards this year. The Confederation of Indian Industry - Sohrabji Godrej Green Business Centre, awarded the Malanpur manufacturing plant *GreenCo Gold* rating at our first Green Company Rating assessment. We bagged 15 awards in various categories at the National Convention on Quality Concepts held in Chennai. We also won 11 awards at the

18th National Creativity Summit, New Delhi. We also won the *HR Excellency Award* at the 8th National HR Summit organised by ABV-IIITM, Gwalior.

Baddi manufacturing unit:

- During our needs assessment, basic infrastructure at local schools was evident as a priority need. In consultation with the community and school administration, we constructed a girls' toilet at the S.K. Public School and a badminton court at the Government Primary School. In addition, we provided a mobile library and storage equipment to both the schools. More than 300 students from both schools will benefit from the infrastructure support. We worked in partnership with the school administration and the community. This approach helped us distribute accountability and ensure the long-term impact of the project. The school administration has now taken the responsibility of maintaining the infrastructure facilities. In line with this initiative, our team members volunteered on Godrej Global Volunteering Day, December 5, at the local schools to spread the message of hygiene and sanitation and imbibe

In Betkuchi local school the classrooms were in a dilapidated condition. We constructed three classrooms in the school and over 450 students will benefit from the infrastructure support.



sports culture. More than 60 of our team members organised various interactive activities for the school children.

- In line with our commitment to building a greener India, we celebrated the World Environment Day at Baddi on June 5. To encourage the students to contribute towards improving the environment, we organised an awareness session. Our team members and contract workers planted saplings of native plants in public spaces. We also organised a cleanliness drive close to our manufacturing site.
- To encourage academic performance, every year we recognise and award meritorious students at local schools near our plant. Meritorious students from each class are invited to the factory unit with their parents and teachers and are awarded for their performance.
- As part of the road safety initiative, we organised an awareness campaign in Baddi to sensitise bikers and car or truck drivers. We distributed pocket guides with tips on safe driving at busy traffic points. We also organised a play and awareness training for the Truckers union in Baddi. We reached out to more than 80 drivers.

Northeast manufacturing cluster:

- During our needs assessment, infrastructure support at the Betkuchi local school came up as a priority need. The classrooms were in a dilapidated condition, and in consultation with the community and school administration, we constructed three classrooms for the Betkuchi Middle School, Guwahati. More than 450 students will benefit from the infrastructure support. In line with this initiative, our team members volunteered on Godrej Global Volunteering Day, December 5, at the local schools to spread the message of hygiene, sanitation and waste management. More than 60 of our team members organised various interactive activities for the school children.
- We organised several health camps in the year. In collaboration with Sankaradeva Nethralaya, we organised an eye check-up camp at our New Conso and New Guwahati manufacturing units. We organised a general health check-up camp at our Lohra manufacturing unit in association with GVK EMRI. We also organised a health training session for women at our New Guwahati unit in association with Narayana Hospital.

- In line with our commitment to building a greener India, we celebrated World Environment Day by organising a tree plantation drive around our plant, local schools and hospitals. We organised a cleanliness drive with local school students in Marming, Sikkim, to sensitise them regarding cleanliness. In collaboration with the Guwahati Municipality Association, we organised a mosquito fogging drive in the local community.
- We have relentlessly focused on safety at our manufacturing plants; thus, we celebrate the National Safety Week, Road Safety Week and Fire Service Week. We organised an awareness campaign in New Guwahati Brahmaputra Industrial Parking Area to sensitise bikers and car and truck drivers. We also organised an awareness session for women in the residential locality on domestic electrical safety.

South manufacturing cluster:

We work closely with local government schools and provide supplies to the schools and the students. At Kannikoil Government School, we provided stationary supplies to the students. We also organised an awareness session on Global Handwashing Day to



Interacting with community stakeholders in our Pondicherry manufacturing unit

promote cleanliness and disease prevention. At Government Primary School, Mathalakudi, Nedungadu, we provided the basic supplies to the school to improve the teaching-learning experience. We repaired the drainage facility at the Manapet Government School to improve the sanitation in the area and provide a clean and safe learning environment to the students. We celebrated Children's Day at Global Trust for the Differently Abled School and our team members organised various interactive activities for the children.

- We organised a medical health camp in collaboration with Mahatma Gandhi Hospital at the Government Primary School. A paediatrician, dermatologist, and dentist checked more than 70 students and sensitised them about health and hygiene.
- We also organised an awareness rally on women's education and environment with support from Primary Government School, Madhalamkudi.

Has the Company mapped its internal and external stakeholders?

Yes. We have identified and prioritised key stakeholders. We continue our engagement with them through various mechanisms such as consultations with local communities,

supplier/vendor meets, customer/employee satisfaction surveys and investor forums.

Out of the above, has the Company identified the disadvantaged, vulnerable and marginalised stakeholders?

Yes. We invited an independent third-party external agency to conduct the needs assessment of the communities we work in. The team followed a three-step approach, where the communities connected with our plant and corporate office and conducted extensive field-based assessments backed by thorough secondary research to validate key facts and obtain additional information available from official sources. The result is a comprehensive report of the community, various stakeholders, the vulnerability of the community and their needs, gaps in the system and our way forward.

Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders?

In line with the needs assessment reports, we are working in collaboration with the local panchayat, government and our

marginalised stakeholders to plan and implement high-impact projects in the communities in which we operate. In the first phase, we are addressing critical needs of the community and working with local low-income education institutions to improve their teaching-learning experience. All our initiatives are mentioned in previous sections under each of our manufacturing clusters.

Our initiatives are in collaboration with the community and the local government. This approach enables us to build accountability, ensure the long-term impact of the project and deepen our engagement with the marginalised section of the community.

Our community projects are supplemented by Brighter Giving, a structured volunteering platform, through which our team members can offer their time and skills to help address a non-profit organisation's needs.

The programme was launched in July 2013 with a starting cohort of 15 Brighter Giving volunteers. Since then, we have had more than 130 Godrejites complete their volunteering projects in four cities. We have partnered with two organisations that are helping

As part of the Godrej Global Volunteering Day, our team members volunteered in over 97 education institutes across 9 countries; reaching out to over 14,000 children



us connect our team members to relevant projects as per their own time and convenience. Nearly 65 of our team members are volunteering long-term with non-profits.

We also organise short-term volunteering activities. The annual Godrej Global Volunteering Day is a platform for our team members to connect with our communities more meaningfully. In 2016, more than 1,000 of our GCPL team members across 9 countries volunteered in more than 35 education institutions and reached out to more than 14,000 children to improve their teaching-learning experience.

Our team members also participate in the Standard Chartered Mumbai Marathon in support of Teach for India. In January 2017, 15 of our team members completed the marathon and raised over ₹ 7,00,000 to bring quality education to children from low-income group families across India. The Godrej Group was one of the top three corporate fundraisers at the Standard Chartered Mumbai Marathon 2017.

Principle 5: Businesses should respect and promote human rights

GCPL has a human rights policy,

which is available on <http://www.godrejcp.com/codes-and-policies.aspx>. GCPL respects and promotes human rights for all individuals. We do not discriminate against any team member or applicant for employment based on nationality, race, colour, religion, caste, gender, gender identity/expression, sexual orientation, disability, age or marital status. GCPL also subscribes to the CII-ASSOCHAM Code of Conduct for Affirmative Action. Our sustainable procurement policy particularly emphasises prohibiting the use of child labour at any stage of the business process and suggests that suppliers should comply with applicable wage and hour laws, regulations and mandatory industry standards.

Does the policy of the Company on human rights cover only the Company or does it extend to the Group/joint ventures/suppliers/contractors/NGOs/others?

The Company has a policy that is applicable to all our team members. For its subsidiaries and joint ventures, the Code of Conduct is applicable in line with the local requirements prevailing in the country of operation. The Company encourages its business partners to follow the policy.

How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?

In our endeavour to strengthen our relationship with our stakeholders, we have addressed all feedback reported in the last financial year.

Principle 6: Businesses should respect, protect, and make efforts to restore the environment

We are deeply committed to strengthening our approach to make environmental sustainability a key part of our manufacturing processes. By reducing our energy needs, managing our waste, and transforming our products, we are driving success for both our business and the planet. From sourcing of raw materials to the manufacturing technology used in our plants, we are integrating sustainability into the very core of our business processes and value chain.

We are also searching for ways to extend our sustainability efforts beyond our manufacturing plants to impact the entire life cycle of our products. We are building capabilities to make our overall manufacturing

approach more future ready. Our Green commitment by the year 2020 is as follows:

- To become carbon neutral
- To reduce specific energy consumption by 30 per cent
- To achieve a positive water balance
- To send zero waste to landfill
- To increase renewable energy use by 30 per cent

Furthermore, we focus on innovation in our product line and are committed to developing 'good' and 'green'

products. The 'good' products are designed to address a critical social issue (e.g. healthcare and sanitation) for consumers at the base of the income pyramid. We define 'green' products as those that comprise environmentally preferable attributes. We are continuously striving to achieve the goals and targets set under our Good & Green commitment.

We are using clean energy sources by shifting from fossil fuels to renewable fuels such as through biomass utilisation in boilers and

utilisation of electricity generated from renewable energy sources.

We comply with all requirements of the Central Pollution Control Board and State Pollution Control Board. We have created detailed checklists for compliance and continuously emphasise improving productivity and plant utilisation to reduce our specific consumption of water and energy. We have set targets for improving our environment performance for both short-term as well as long-term.

Specific energy consumption

Consumption in kWh/ton



* In fiscal year 2016-17, our specific energy consumption increased because of low production volumes, lower gram soap production and biomass boiler operation

Specific greenhouse gas (GHG) emission

Emissions in kg CO₂e/ton



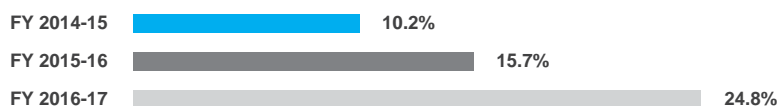
Specific waste sent to landfill

Waste in kg/ton



Renewable energy portfolio

Energy consumption in percentage



Does the policy related to Principle 6 cover only the Company or does it extend to the Group/joint ventures/suppliers/contractors/NGOs/others?

All of our major manufacturing units have policies on environment, health and safety measures. For the subsidiaries and joint ventures, the Code of Conduct is applicable in line with the local requirements prevailing in the country of operation. We encourage our business partners to follow the policy.

To achieve our goals and ensure ethical conduct, our suppliers should share our values and vision and raise the sustainability standards in our supply chain. We acknowledge that long-term sustainable development of our suppliers is critical to our joint success. We value our relationship with more than 700 suppliers, who share the same approach and vision towards doing business.

In line with our commitment to building a greener India, we have developed a Sustainable Procurement Policy that is an extension of our values and is applicable to all our suppliers. In the first phase, we are working to implement the policy for our top 100 suppliers.

We will periodically review the policy to ensure that it continues to help us move towards our vision. The suppliers are audited for their performance against the four pillars of the policy, namely to be an ethically driven, socially focused, green-inspired and quality-centred supply chain.

Does the Company have strategies/initiatives to address

global environmental issues such as climate change and global warming? Yes/No. If yes, please give the hyperlink to the webpage.

All our manufacturing units monitor their GHG emissions, and we have identified short-term and long-term targets for the reduction of the emission. Some of the initiatives include utilisation of biomass briquettes instead of coal, procurement of renewable energy, flue gas heat recovery from boilers and its utilisation in the process, installation of energy-efficient equipment and installation of energy-saving lights.

In addition to taking measures to reduce, reuse and recycle waste at our manufacturing plants, we have initiated community waste management projects with the aim to divert waste from landfills. We have launched community-based waste management programmes in Guwahati and Hyderabad in partnership with the local municipalities. We aim to process nearly 10,000 tonnes of waste per annum, which otherwise would end up in landfill, in an environmentally friendly manner.

Globally, climate change is affecting seasonal weather patterns, leading to either intense precipitation or drought-like events. In fiscal year 2016-17, we initiated an integrated watershed management programme in the drought-prone district, Siddipet, Telangana. We are working in partnership with NABARD to help restore the ecological balance of the region and mitigate the risk of climate change for the local farmers. The project covers more than 3,300 hectares of land and will aim to recharge groundwater and make more water available for irrigation. We are also working to support farmers

in adopting sustainable farming practices and mitigating the impact of climate change. We estimate that the project will offset GHG emissions to the tune of 75,000 tCO₂e and restore 3.5 million kL of water.

To address the shortage of energy supply, we are working to create renewable energy ecosystems in rural India. We provide decentralised, off-grid renewable energy systems through community-level installations. These mini- and micro-grids are being installed in 67 electricity-lacking villages in Andhra Pradesh, Uttarakhand, and Madhya Pradesh. In addition, we are training the local youth and building awareness on the potential of renewable energy systems for meeting rural energy needs.

All our initiatives are detailed and updated at <http://www.godrej.com/greener-india.html>

Does the Company identify and assess potential environmental risks? Yes/No.

Yes, potential aspects related to the environment are identified and evaluated for their impact based on severity, scale, and probability. Operational control procedures are in place for all the significant aspects.

Does the Company have any project related to the Clean Development Mechanism? If so, provide details thereof in approximately 50 words. Furthermore, if yes, has any environmental compliance report been prepared?

No. However, we will be registering our integrated watershed management programme under VCS in 2017-18.

Has the Company undertaken any other initiatives on clean technology, energy efficiency, and renewable energy? Yes/No. If yes, please provide the hyperlink to the webpage.

We have implemented more than 30 initiatives across our manufacturing facilities in India on clean technology, energy efficiency, and renewable energy. Some of the major initiatives we undertook during fiscal year 2016-17 are as follows:

- Installation of an energy-efficient water jet vacuum system: The existing steam-based vacuum system was replaced with an energy-efficient water jet vacuum system in fat splitting plant No. 3 at our Malanpur soap manufacturing factory. We extended this system to cover other vacuum systems in the plant, which has led to considerable savings in energy.
- Installation of a heat exchanger: We installed a heat exchanger for pre-heating the steam generator feed water with waste heat from FADP 3.
- Installation of energy-efficient motors: We have started mass installation of energy-efficient motors at all our manufacturing clusters. This has helped us to further reduce our electrical energy consumption.
- Implementation of a biomass boiler: A biomass-based boiler of 14 TPH capacity was installed at our Malanpur manufacturing plant. It has helped us replace fossil fuel and utilise renewable energy resources and significantly added to our renewable energy portfolio.
- We have implemented several other energy-efficient measures across various manufacturing plants, which include optimisation in steam consumption, installation

of energy-efficient LED lighting, optimisation of pumps, replacing high-HP motors with low-HP motors and improvements in the compressed air system.

- Installation of a micro-turbine: A micro-turbine of 150 kW was installed towards the end of fiscal year 2015-16. The micro-turbine is now operational and powers a significant number of auxiliaries in the plant. This project eliminates pressure reduction valves in the steam lines, thus converting pressure loss into power generation. The micro-turbine will help us generate 100 kWh of power per annum.
- Renewable power purchase agreement: We signed a power purchase agreement to purchase solar-based renewable energy for our Malanpur factory. We started receiving the renewable power from May 2016. Nearly 35 per cent of the plant's energy requirement is now met by renewable energy. By fiscal year 2017-18, we expect to meet nearly 50 per cent of the plant's energy requirement.
- Diversion of compressor exhaust air: We have diverted compressor exhaust air to coil dryers. This measure has led to considerable energy savings and will be replicated at our coil manufacturing units in all clusters.
- We have also started power factor improvement projects at all our manufacturing sites

Apart from our manufacturing sites, we are also installing renewable energy ecosystems in rural communities to address the shortage of energy supply. We provide decentralised, off-grid renewable energy systems through community-level installations. These mini- and micro-grids are being installed in 67 energy-dark villages in Andhra Pradesh, Uttarakhand and Madhya

Pradesh. In addition, we are training the local youth and building awareness on the potential of renewable energy systems for meeting rural energy needs.

Are the emissions/waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes. All the units comply with the norms of CPCB and SPCB.

Number of show cause/legal notices received from the CPCB/SPCB which are pending as on the end of the financial year.

Nil.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

Is your Company a member of any trade and chamber or association? If yes, name only those major ones that your business deals with.

GCPL ensures that its policy is with the highest degree of responsible and ethical behaviour and works with collective platforms, such as trade and industry chambers and associations, to raise matters with the relevant government bodies. GCPL is a member of CII, FICCI and other trade associations.

Have you advocated/lobbied through the aforementioned associations for the advancement or improvement of public good? Y/N. If yes, specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development

Our flagship programme, Godrej Salon-i, has trained over 87,975 young girls and women in beauty and hair care



Policies, Energy Security, Water, Food Security, Sustainable Business Principle and Others).

GCPL has representation through CII and other trade associations for the advancement/improvement of public good.

Principle 8: Businesses should support inclusive growth and equitable development

Sustainability is intrinsically linked to not only our growth strategy but also our legacy and values. We strongly believe that we are accountable to our communities while we continue to drive shareholder value. This helps us improve the lives of those at the base of the pyramid, preserve and protect the environment, improve efficiency of our operations and innovate.

As part of our sustainability strategy, Good & Green, we address the critical need of enhancing the livelihoods of low-income youth.

We collaborate with non-profit organisations and social enterprises to design and run numerous employability training programmes for young people from low-income communities. The focus of these programmes is to improve the earning potential of our trainees by

building their skills and empowering them. We build vocational skills and provide post-training support.

We run an intensive community awareness and behaviour change programme to combat malaria in regions that report a high API. through our EMBED programme, we collaborate with non-profits and governments and aim to reduce mortality due to malaria in high API regions.

Does the Company have specific programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes, please provide details thereof.

Yes. We have a dedicated sustainability department, Good & Green, which focuses on these projects and initiatives, and the scope of work is defined in the CSR policy of the Company. The policy is available here: <http://www.godrejcp.com/codes-and-policies.aspx>

Are the programmes/projects undertaken through in-house team/ own foundation/external NGO/ government structure/any other organisation?

We collaborate with non-profit organisations and social enterprises

to design and run numerous employability training programmes for young people from low-income communities. We aim to improve the earning potential of our trainees by building their skills and empowering them. Our programmes focus on life skills training, entrepreneurship and post-placement support.

As of March 2017, we have trained more than 187,000 youth in skills that will enhance their earning potential. These programmes include the following:

- Beauty and hair care programme
- Retail management training
- Channel sales for rural youth

Beauty and hair care programme:

Our flagship programme, Godrej Salon-i, trains young girls and women in beauty and hair care. More than 30,000 candidates have graduated from this programme in fiscal year 2016-17. Since the inception of the programme in 2011, we have provided more than 87,975 young women across India with skills that will improve their earning potential, help them increase their mobility and negotiate their rights at home and in the community.

We run the Salon-i programme in partnership with more than 31 non-

profit partners in 23 Indian states. Our Salon-i programme is embedded in the community work carried out by our non-profit partners. Our partners work with women from the informal economy of slum clusters to women from urban slums who are vulnerable to human trafficking.

We have developed the training curriculum (trainer manual, audio-visual content, [assessment app](#), and other learning tools) entirely in-house, with the entrepreneurship and life skills modules at the core. Although domain skills are the focus of the programme, life skills and entrepreneurship development have become the soul of the programme over time. We have developed integrated activities and games to help our trainees imbibe these concepts. The Salon-i course curriculum has been recognised by industry peers, and we are affiliated to the Beauty and Wellness Sector Skill Council that is promoted and supported by the Confederation of Indian Industry and the National Skill Development Council. Our training module is now part of the national training curriculum.

In 2016, the Godrej Salon-i programme reached out to women micro-entrepreneurs in the beauty and wellness sector in various parts of the country, namely Maharashtra, Delhi, Gujarat, Nagaland and Bihar, and setup the Beauty-Preneur platform. The Beauty-Preneur initiative is aimed to incubate women entrepreneurs working in the beauty and wellness sector. It enables these women to expand their business and start training other girls as well as empowering them through life skills and entrepreneurship. This is in addition to their regular salon business and helps them expand

their enterprise. Entrepreneurship, beauty and life skills are core components of the training. Our effort is helping create opportunities for skilled women in their own region and enabling them to expand their business.

Retail management training:

Our retail management training programme helps retail shop owners and in-shop associates build skills relevant to general trade. It aims at equipping small retailers with skills to compete against organised retail stores. The in-shop retail associates programme involves training in stock and shelf management. It helps them know their products and understand the growth drivers of the business. The training shop owner's programme helps them understand the drivers of their business as well as efficiently manage stock and interact with customers. It also covers general trends in retail and self-service stores. Since fiscal year 2013-14, we have trained more than 7,100 people in retail management.

Channel sales for rural youth:

As FMCG and other similar industries expand in India, a ready pipeline of skilled talent for sales, particularly in rural areas, will be an essential enabler of growth. The industry currently records high attrition of entry-level sales representatives. This can be partly attributed to the lack of requisite skills, leading to an inability to meet targets and manage pressure at work. Our training programme in channel sales provide skills to unemployed youth and builds a talent pipeline for the industry.

Since fiscal year 2012-13, we have trained nearly 73,500 youth across 44 locations. It is a 40-hour training programme, half of which is spent in

the classroom and the other half is experiential learning. The programme has been specially designed for training distributor sales resources. More than 75 per cent of our trainees have been placed.

Have you done any impact assessment of your initiative?

We regularly evaluate all our programmes. In fiscal year 2016-17, we organised a semi-longitudinal study of the programme. The aim of the study was to cover beneficiaries trained across India to understand the changes and impact created by the training programme by following a set of trainees for a period of 2 years, that is, adopting a longitudinal approach. The longitudinal study was designed to understand the trajectories, decisions and changes over time in a trainee's life, rather than the situation at only one point in time. The study adopted a mixed-methods approach:

Quantitative study:

To adopt a cost-effective model, a short, telephonic survey was designed by the impact assessment partner and administered by a rural BPO to trainees.

Qualitative study:

In this study, face-to-face interviews were conducted with a select number of beneficiaries, who could be tracked over the next 2 years, to understand how the programme impacted their life and career trajectories.

Impact assessment of beauty and hair care programme:

To date, our programme has trained more than 87,975 women in skills that will help them become financially independent and better negotiate their rights at home and in

their community. Despite the social constraints of domestic responsibilities and mobility issues, these women have participated and completed the training.

Through our partnerships, we have been able to place more than 50 per cent of our trainees in parlour chains and local establishments. Nearly 40 per cent of our trainees have setup their own salons or provide door-to-door/specialised services. Few trainees have built their confidence and managed to find jobs by themselves and work full-time. These women are now able to articulate their rights and some are better equipped to negotiate their rights at home and in the community.

Impact assessment of retail management training:

More than 70 per cent of our trainees reported an increase in the quantity of goods sold since completion of the training. This in turn led to an increase in their income. Most trainees also reported that the training had been useful in improving their knowledge on customer acquisition and retention.

Impact assessment of channel sales for rural youth:

More than half of the trainees are reported to still be working in a sales-related position. Nearly 90 per cent of them were employed in a full-time job. More than 20 per cent of the trainees have also been promoted in their jobs since the training.

What is your Company's direct contribution to community development projects?

In the year, the Company spent an amount of ₹16.52 crore on CSR initiatives (2.02 per cent of average net profits of the last 3 financial years

calculated in the manner specified in Section 135 of the Companies Act, 2013, read with rules thereunder).

Principle 9: Businesses should engage with and provide value to their customers in a responsible manner

We are a customer-centric Company and attach considerable value to the trust, satisfaction and loyalty of our customers across the world. Our primary focus is to delight our customers, both external and internal. Customer-centricity is part of Godrej Group's Code of Conduct. We strive to ensure that customer needs are satisfied and that our products and services offer value to our customers.

Our customer focus extends not only to external but also internal customers. We firmly believe that external customer satisfaction can be attained only if the needs and reasonable expectations of internal customers are met. Our employees are strongly encouraged to act in accordance with this principle.

What percentage of customer complaints/consumer cases are pending as on the end of the financial year?

In our endeavour to strengthen our relationship with our stakeholders, we have addressed all feedback reported in the last financial year.

Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/NA/Remarks (additional information).

GCPL displays adequate information to enable safe and effective usage of its products.

Is there any case led by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last 5 years and pending as on the end of the financial year? If so, provide details thereof, in approximately 50 words or so.

None.

Did your Company carry out any consumer survey/consumer satisfaction trends?

Yes.