

# 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 of the Godrej Group is held in trusts that invest in the environment, healthcare, and education. Owing to investments and supervision by the trusts, 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 it supports Udayachal Pre-Primary and Primary Schools, which focus on the all-round development of children. 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 high-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, which 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. These organisations have been selected after thorough research, considering the vast scope of their efforts towards improving education for underprivileged children, creating access to health facilities in rural areas, and protecting the environment. The programme is a part of the Group's tradition of philanthropy, and it 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 reached out to 3,000 children. In the fiscal year 2016-17, the movement had grown

to cover 340 schools in 7 cities, with approximately 1,100 Fellows positively impacting more than 38,000 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 of 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
- Achieving zero waste to landfill, carbon neutrality, and a positive water balance along with a reduction in our specific energy consumption and increase in our renewable energy portfolio
- Generating one-third of our portfolio revenues from good and/or green products and

*Community volunteer taking a session on dealing with malaria*



services that are environmentally superior or address a critical social issue for consumers at the base of the income pyramid.

We have a comprehensive corporate social responsibility (CSR) policy (<http://www.godrejcp.com/codes-and-policies.aspx>) that outlines the 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 the 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, thus

promoting 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 are reported to have 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 have supported 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 the Brighter Giving platform, 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; it seeks to enable and drive meaningful initiatives for our non-profit partners and/or their beneficiaries. Volunteering team members 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's 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: i	investor.relations@godrejcp.com
6	Financial Year Reported:	2017-18
7	Sector(s) that Company is engaged in:	Personal and Household Care Products
8	List of three Key Products & Services that the Company manufactures / provides:	Personal Care, Hair Care and Home Care
9	No. of Business Activity Locations:	<p>a) Number of international locations: GCPL has undertaken business activity in more than 12 international locations and the major ones are Indonesia, Argentina, Chile, UK, South Africa, Kenya, Nigeria, Mozambique, Ghana, Tanzania, Sri Lanka, Bangladesh, and USA</p> <p>b) Number of national locations: GCPL has carried out business activities across India, and the major manufacturing locations are in Madhya Pradesh, Himachal Pradesh, Assam, Jammu, Pondicherry, Tamil Nadu, Meghalaya, Sikkim 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	₹ 68.13 crore
2	Total Turnover	₹ 5,256.36 crore (Net of GST)
3	Total Profit After Taxes:	₹ 999.87 crore (Standalone)
4	Total spending on CSR as a percentage of Profit After Taxes:	The Company has spent an amount of INR18.88 crore which is 2.005 % 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
10	List of activities in which expenditure in point 4 above has been incurred	<p>The major areas in which the above expenditure has been incurred includes</p> <ul style="list-style-type: none"> <li>• Livelihood enhancement projects</li> <li>• Environment sustainability</li> <li>• Promotion of preventive healthcare</li> </ul>

## Section C: Other Details

Sr. No.	Details	Information
1	Does the Company have any Subsidiary Company/ Companies?	<b>Yes.</b>
2	Do the Subsidiary Company / Companies participate in the BR initiatives of the parent company? If yes, then indicate the number of such subsidiary company(ies)	<b>GCPL has subsidiaries in foreign countries and encourages subsidiaries to participate in Business Responsibility (BR) initiatives. The Business Responsibility policies of the subsidiaries are in line with the local requirements.</b>
10	Do any other entity/entities (e.g. suppliers, distributors, etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities (Less than 30%, 30-60%, more than 60%)	<b>GCPL actively encourages adoption of BR initiatives by our Business Partners. Currently less than 30% of other entities participate in the BR initiatives of the Company.</b>

## Section D: Details of the BR head

### 1. Details of Director/Directors Responsible for BR:

Sr. No.	Details	Information
1	Details of Director/Directors Responsible for BR	<p>a) Details of the Director(s) responsible for implementation of BR policy/policies Mr. Vivek Gambhir Managing Director &amp; CEO DIN: 06527810</p> <p>b) Details of Business Responsibility Head DIN (if applicable): Mr. Vivek Gambhir Managing Director &amp; CEO DIN: 06527810 Telephone Number: 022-25188010 Email ID: vivek.gambhir@godrejcp.com</p>

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

Sr No.	Principle-wise Policies
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 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.

Sr No.	Principle-wise Policies	P1	P2	P3	P4	P5	P6	P7	P8	P9
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)	<b>The BR committee meets every 3-6 months to assess the BR performance of the Company.</b>
10	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently is it published?	<b>The Company publishes both a BR and Sustainability Report annually. The web link to view these reports are: <a href="http://godrejcp.com/annual-reports.aspx">http://godrejcp.com/annual-reports.aspx</a> and <a href="http://godrejcp.com/sustainability-reports.aspx">http://godrejcp.com/sustainability-reports.aspx</a> respectively.</b>

#### 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 cause the detriment of the Company or its shareholders, to gain direct or indirect personal advantage, or to take 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 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 of the 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 the 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, 2018.

**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 213 complaints were received during the year. All the 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 helps us provide high-quality, affordable goods to the 1.1 billion people, globally, who use our products on any given day. However, our stakeholders are not only limited to our customers, but also include 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 technologies that we use at our plants; we are ensuring that our overall manufacturing approach is more future ready. We are looking for ways to extend our sustainability efforts beyond our plants to impact the entire life cycle of our products. We have conducted a life cycle assessment (LCA) of one of our personal wash products and have initiated on household insecticide (HI) 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 energy resource (energy and water), emit fewer greenhouse gases, 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 the packaging to decrease our material consumption. We aim to reduce the amount of resources used and reduce our carbon footprint, while improving product performance. In FY 2017-18, we reduced the pouch size of Godrej Expert Rich Crème flow wrap by 12 mm, which has saved 25 MT per annum of material.

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

In India, our demand-driven supply chain has led to mutually beneficial relationships with our suppliers and dealers. We have extended this to

include partnerships with key modern trade players. We have always laid emphasis on procuring raw materials responsibly. As a best practice, our procurement team looks at not only the initial cost but also the life cycle cost. Among the available alternatives, we prefer the material with the lowest life cycle cost for procurement.

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

We developed a Sustainable Procurement Policy and released it in 2016. After releasing the policy, we conducted a baseline assessment of the top 116 vendors in the first phase. Basis responses composite scores were calculated for all suppliers, and the suppliers were classified into red, yellow and green levels. The minimum threshold for vendors has been fixed at the yellow level, and targets have been provided to all the suppliers to improve their compliance to the yellow level within 1 year.

You can view the detailed policy at [www.godrejcp.com/codes-and-policies.aspx](http://www.godrejcp.com/codes-and-policies.aspx).

We have over 600 suppliers on board and approximately 50 per cent of them are local suppliers. We source nearly 50 per cent of our materials locally from our local suppliers. We have started numerous initiatives for sourcing materials locally to helps

us reduce carbon emissions and our overall carbon footprint. Owing to our conscious local sourcing efforts, we have identified nine more local suppliers during 2017-18 and have started sourcing material from them. This initiative has substantially reduced the transport distance and hence transport related GHG emissions by 250 tCO<sub>2</sub>e per annum.

**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 their 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 materials sourced. These vendors are given priority payments as well as technology and quality system upgradation support.

While developing 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 (different for different categories) to the concerned vendor, this is done to get a better understanding of the vendor's facilities and processes.

The questionnaire is evaluated, and we then make a request to audit the vendor. At the audit, we evaluate them as low-, moderate-, or high-risk vendors. Our moderate- and high-risk vendors are given 6 months' time to improve their facility and scheduled for a reaudit. The vendors are also requested to provide a corrective and 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-profit organisations and self-help groups (SHGs) for our events. Some of our team members have also volunteered their time and skills to help build the capability of these non-profit organisations, 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 less than 5 per cent, 5-10 per cent, more than 10 per cent)**

In line with our philosophy of responsible sourcing, we relentlessly focus on ensuring that we reduce, recycle, and reuse our incoming materials. This helps us reduce our overall consumption of material and our products' over all carbon footprint, and it helps us give back to the environment and society at large. In keeping with our zero waste to landfill goal we have started diverting our waste from landfill to recycling or coprocessing. By the end of FY 2017-18, we had diverted more than 99 per cent of waste from landfill to recycling or coprocessing.

As part of Extended Producer's Responsibility, we have collected over 1460 tonnes of postconsumer plastic packaging waste during FY 2017-18 and sent it for environmentally friendly processing; this constitutes approximately 15 per cent of our total plastic packaging consumption.

**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 our team members. The safety and health of our team members is extremely crucial 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 follow the Code of Ethics while signing 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, anti-discrimination, and Equal Opportunities Policy**

We recognise merit and perseverance and encourage diversity in our company. We do not tolerate any form of discrimination on the basis of 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 will 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.

Mahnaz Shaikh, Head - HR, GCPL India and SAARC, serves as the

Diversity Presiding Officer for our team members and seeks to resolve any complaints or queries that are raised in relation to diversity and discrimination.

During recruitment, we ensure that diverse profiles form a part of the talent pool being assessed for any role, and merit is the sole criterion for selection. 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 that there is no discrimination in their hiring and employment practices on the basis of 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 reconstituted our Internal Complaints Committee in accordance with the act to ensure that women are protected against sexual harassment at the workplace. This policy extends to all employees in India, including daily wage workers, contract workers, and trainees or the equivalent. It extends to all offices, units, and 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 for 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 needed for compliance.

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, full-time fitness instructors, 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 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 also. This is evident in GCPL's consistent ranking as 'the best company to work for' in India in the Great Place to Work Study for 14 years in a row. We have also been recognised among the Best Workplaces in Asia by Great Place to Work Survey in 2018.

We have also featured in the Aon Best Employers in India 2018. Our HR policies, such as flexible work hours, work from home arrangements, and part-time work, go a long way in ensuring that our team members successfully strike a work-life balance. Some of our policies include the following:

### **A. Maternity and Paternity Leave and Benefits Policy:**

We provide fully paid 6-month maternity leave and benefits and a flexible work arrangement for 6 months from the date one resumes work. We also provide 3 months' adoption leave and benefits, besides a paternity leave and benefits options.

### **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 their safe travel from work to home when working

late in the office. Our team members can avail this facility by logging on the Uber/Ola for Business app that gets directly billed to the company.

We also provide Uber/Ola for business service that can be easily availed of by our team members travelling for work anywhere in India.

#### **C. Careers 2.0 programme:**

As research has shown, increasingly, talented women drop out of the workforce at the midmanagement levels, and the top-of-the-list reason for this is maternity. In order 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 flexible/part-time basis. Careers 2.0, led by our 'Diversity & Inclusion Team', intends to facilitate successful interns interested in transitioning to full-time employment, through placement opportunities within the Group. We offer projects on an on-going basis. Currently, we have one Career 2.0 candidate working on a Finance project.

#### **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.

#### **E. The Caregiver Travel Policy:**

This policy is designed to support the transition of new mothers back

to work. It allows mothers to bring along a caregiver and the child (or children), up to the age of one year, for necessary work related travel. The intent of this policy is to support mothers who might still be breastfeeding to not miss out on necessary official travel while being able to fulfil their role as new mothers.

#### **Our engagement forums:**

There are multiple contact 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 provides 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, 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 people to speak and express 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 resulted in improved team dynamics and 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 keeping with their current and future career aspirations. The learning suite encompasses functional training, leadership development programmes, and behavioural training designed for leading self, leading others, and leading business. 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?**

11%.

#### **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.**

One complaint was reported in last financial year.

#### **What percentage of your under mentioned employees were given safety & skill upgradation training in the last year?**

Percentage of permanent employees are members of the recognised employee association	11%
Total Permanent Employees	2,578
Male	2,329
Female	249
Employees with disabilities	19
Contract Employees	5,055

Category	Safety				Skill Upgradation			
	North Cluster	North East Cluster	South Cluster	Central West Cluster	North Cluster	South Cluster	North East Cluster	Central West Cluster
Permanent Male Employees	95%	100%	98%	96%	97%	95%	95%	96%
Permanent Female Employees	100%	100%	100%	93%	98%	95%	100%	86%
Employees with disabilities	100%	NA	100%	100%	99%	88%	NA	93%
Casual/Temporary/Contractual employees	100%	100%	100%	100%	100%	85%	55%	100%

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

The stakeholder engagement process consists of a variety of activities from stakeholder identification, consultation, prioritisation, collaboration and reporting. The identification of all relevant stakeholders and understanding their expectations is a primary 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.

We have already identified and prioritised key stakeholders and we continue our engagement with them through various mechanisms such as consultations with local communities, supplier or vendor meets, customer

or employee satisfaction surveys, and investor forums. In order to align our community development programmes to the United Nations's sustainable development goals, we conducted a detailed community needs assessment in our priority plant locations. We invited an external third-party consultant, to conduct the assessment. The team followed a three-step approach, where they connected with our plant and corporate office, conducted extensive field-based assessments, backed by thorough secondary research to validate key facts, and obtained additional information available from official sources. The result was 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, people of the village, and local village communities. This

approach helps us to distribute accountability and ensure 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 taken up 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 that fall in one of those 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 is done to remove individual

biases of managers against these categories of candidates, if any. Recruitment of SC/ST/PC candidates has been taken up as one of the performance measures of central recruitment process owner.

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 have 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 uplift the standard of living of the people around our factories, we continue to work closely with the Singwari village near our Malanpur plant, near Gwalior

in Madhya Pradesh. The village has a population of approximately 5,250 people and through our needs assessment we identified education, water, sanitation, and healthcare are some of the priority needs of the village.

The list of initiatives in financial year 2017-18 is as below:

- Water access was a major issue in Singwari Primary School; therefore, our plant worked with the Panchayat and school functionaries to install a new submersible pump, new pipeline with water taps, as well as two water tanks of 2,500-L capacity were placed in the school premises. This facility provides water access to not only the school children but also to over 500 people in the vicinity. In addition, the primary school was in a state of disrepair; therefore, the plant stepped in to repair the building and white wash the walls. Furthermore, in line with the Swachh Bharat Mission, we renovated the toilet facilities for boys and girls to provide them safe and hygienic toilet facilities. These interventions ensure that school children in Singwari have access to a healthy, safe, and hygienic school environment, which encourages parents to send their children to school and increases attendance and retention.
- We provided furniture for children and teachers as well as other necessary educational material to the middle school in Singwari village.
- 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 80 per cent and above.

- Other education promotion initiatives included organising a Cultural/Sports Day function and picnic to encourage extracurricular activities among school children for the students of primary and middle school in the area. Ten schools participated in these events and over 1,000 students and teachers joined in enthusiastically. We ended these day-long activities by distributing prizes to the winners and meritorious students.
- In line with our global initiative, our team members volunteered on Godrej Global Volunteering Day, 5 December 2017, at the primary and middle school in Singwari to spread the message of water conservation, health, hygiene, and sanitation. Over 55 of our Managers and Officers organised various interactive activities for the school children.
- To improve the employability of the youth, we partnered with schools, colleges and industries to create awareness on quality concepts, entrepreneurship, environment, and safety based on Godrej experience.
- Singwari has a population of approximately 5,250 people; however, the village is deprived of basic medical facilities. In order to fill this gap, we provide free medical aid to the villagers along with a consulting doctor who visits thrice a week. We have been running this free clinic since 1991.
- For the girls and women of Singwari village several activities were organised to create health and safety awareness. To demonstrate fire safety we organised an awareness session

- on 17 April by experts to tackle the outbreak of electric, LPG, or any other domestic fire. Over 52 girls and women attended these sessions and gained useful insights.
  - We organised an environment sensitisation session with local villagers and distributed over 150 native saplings to them to plant around their homes on June 10 on occasion of World Environment day by schools children, teachers, and local villagers. Additionally, we conducted poster and slogan competition for children from the Singwari schools; the coverage recorded on the day of the competition was 56 children.
  - In collaboration with the Central Board for Workers Education, Gwalior, we organised several workshops for women. From 23-26 August 2017, we organised a workshop on women empowerment where we provided information on government schemes for women and how to avail them. Over 40 women participated in the 4-day sessions.
  - We continue to drive our efforts to promote and uplift the education level and employment opportunities for the SC/ST/PC students. These efforts include providing scholarships to meritorious students of Singwari village, who aspire to excel in their studies. Nine SC/ST students were given scholarships in 2017-18.
  - We are working to include SC/ST and 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/ST category. Additionally, 45 per cent of our contract team members are SC/ST.
  - We have a strong focus on Diversity & Inclusion and we enable equal opportunities for all our team members. We are grooming women leaders at our manufacturing plant, and we have 14 women team members working and handling shift operations.
  - We organised an awareness rally on the occasion of Road Safety Week (9 January 2017 and 2018). Our team members and the local community collaborated to sensitise people on road safety. Additionally, in collaboration with the Health and Safety Department, Gwalior. Nearly 60 people participated and learnt how to handle an emergency.
- Baddi manufacturing unit:**
- The Baddi Unit partnered with Nirmala Niketan Institute, Mumbai (NNIM) to help set up basic infrastructure to house a bridge school for migrant children in Baddi. NNIM identified 110 children for the school but needed a building to house them. With fund support and oversight from the Baddi Unit, the school was built and inaugurated in August 2017. Currently, more than 100 students are enrolled and are benefitting from the facilities. The partnership approach helped to distribute accountability, ensure efficiency, and sustainability of the project. The school administration has taken up the responsibility to maintain the infrastructure facilities going forward.
  - Our team members volunteered on Godrej Global Volunteering Day, December 05, at the local schools to spread the message of 'Greener planet'. Fifty-five volunteers among our team members organised various interactive activities for the school children including painting, games on the recycling process and recycling items, and tree plantation in school premises.
  - In line with our commitment to building a greener India, we celebrated World Environment Week in Baddi units from 5 -10 June. To encourage the students to contribute towards improving the environment, we organised a painting competition on the theme of 'Save Environment'. In total, 40 students participated in the competition, 6 students were rewarded for winning posters and others were rewarded with consolation prizes. Our team members and school children planted native saplings in the school premises. Furthermore, we organised a cleanliness drive with our employees near our manufacturing site.
  - To encourage academic performance, every year we recognise and reward meritorious students at local schools. Fifty-three meritorious students of S.K Public school and Govt. Primary school JuddiKala, Baddi were awarded with award for merit in June 2017.
  - We celebrated Road safety week from 11-17 January. As part of road safety initiative, we organised an awareness campaign in Baddi with the coordination of local

*Community volunteer taking a session on controlling mosquitoes*



administration to sensitise bikers and car/ lorry drivers. We distributed pocket guides with tips on safe driving at busy traffic points. We reached out 100 bikers or car and lorry driver during this programme.

**North east (NE) manufacturing cluster:**

- During the third-party community needs assessment carried out in the previous FY, infrastructure support at the Rangmahal high school came up as a priority need. Toilet facilities for both girls and boys were in a poor condition, which particularly impacted female students. In consultation with the community and the school administration, we constructed four modular toilets, two each for boys and girls.
- Furthermore, the north east (NE) cluster partnered with the GST commissionerate during 'Swachhata Pakhwada' and jointly undertook to renovate the Harijan Hindi Prathamik Vidhyalaya, LP School at Fatasil, Guwahati. This included renovation of the classrooms of the entire building, building a new boundary wall, and white washing. Seventy-five students in the school will benefit from this support.
- GCPL north east team members

volunteered on Godrej Global Volunteering Day, 5 December, at the local schools to spread the message of environment protection, through the plantation of tree saplings. Over 60 of our team members organised various interactive activities for more than 400 school children.

- In line with our commitment to building a greener India, we celebrated the World Environment Day by organising a tree plantation drive around our plant with local schools. We had also organised art competition on environmental protection theme to sensitise the school children about environmental protection.
- We have a relentless focus on safety at our manufacturing plants, in line with this 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 bike, car, and truck drivers.

**South manufacturing cluster**

- We work closely with our local government schools and contribute prizes towards their School Annual Day Celebrations. This year, we have contributed to Kattukuppam, Kannikoil, Manapet, and Kirumampakkam Government Schools.

- To Observe the World Environment day on 5 June, 2017, we had conducted 'Swaach Bharat – Cleaning Campaign' in collaboration with Bahoor Commune Panchayat, Government of Pondicherry and with the 'Keep Pondicherry clean' movement. Our team members cleaned the nearby village streets and also conducted awareness-building activities such as a puppet show with a local NGO. The Unit also gifted saplings to the nearby Government Schools and Villages around our Units in Pondicherry, Karaikal, and MMN.
- The Unit also undertakes activities to enhance public health and in line with this led a 'Dengue Awareness Rally' in coordination with the Government School children. The dengue awareness initiative impacted nearly 250 school students.
- We have also celebrated the light festival of Diwali at Anbagam Special School along with the differently abled children of that school. Our team members organised various interactive activities and games for the children. Diwali was also enjoyed by lighting the crackers with differently abled children. Likewise, we also celebrated Children's Day event at Global Trust for the Differently Abled



*Dugout pond (After)  
Siddipet, Telangana*

- School and our team members organised various interactive activities for the children.
- Global Godrej Volunteering day successfully celebrated at South Cluster. Fifty-four Godrejites enthusiastically participated and engaged with students of the seven schools on the theme of environmental sustainability.
- In order to create a road safety awareness among the public and the drivers of the Karaikal region, we organised a road rally on Road Safety Awareness on 23 January, 2018, in association with Arignar Anna Government Arts and Science College, Karaikal.
- Road safety awareness was undertaken in various location in January this year. Activities such as rallies, awareness initiatives, and engagement with school children to make them aware of road safety were carried out.
- We also worked on cultural issues like building awareness and respect towards the language Tamil among school students and to this effect supported celebrations at the Government Middle School at Manapet Village, Pondicherry.
- In partnership with the District Administration, we extended support and encouraged our employees to participate in a coastal cleanup in Karaikal.

**Has the Company mapped its internal and external stakeholders?**

Yes. We have identified and prioritised key stakeholders and we continue our engagement with them through various mechanisms, such as consultations with local communities, supplier or vendor meets, customer or 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 carry out the needs assessment of the communities we work in. The team followed a three-step approach, where they connected with our plant and corporate office, conducted extensive field-based assessments backed by thorough secondary research to validate key facts, and obtained additional information available from official sources. The result is a comprehensive report of the community, various stakeholders, the vulnerable 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 local panchayats,

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

Our initiatives are in collaboration with the community and the local government. This approach helps us to distribute accountability, ensure long-term impact of the project and deepen our engagement with the marginalised people 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 over 157 Godrejites complete their volunteering projects in six cities. We partner with two organisations that are helping us connect our team members to relevant projects as per their own time availability and convenience.

*Dugout pond (Before)  
Siddipet, Telangana*



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 2017, over 1212 of our GCPL team members across 16 countries volunteered in over 40 educational institutions and reached out to over 8211 children to improve their teaching-learning experience.

### **Principle 5: Businesses should respect and promote human rights**

GCPL respects and promotes human rights for all individuals. We do not discriminate against any team member or applicant for employment on the basis of nationality, race, colour, religion, caste, gender, gender identity/ expression, sexual orientation, disability, age, or marital status.

We have developed a Human Rights Policy and released it in June 2017. The policy can be viewed here: <http://godrejcp.com/codes-and-policies.aspx>

Post releasing the policy, we have conducted a training for HR personnel on Human Rights to institutionalise the process. Further, we have embedded human rights principles into our Code of Conduct for all employees.

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

Our Human Rights Policy applies to all Godrej business units, the entities we own and the entities in which we own a majority interest, and the actions of any associated employees.

Our Sustainable Procurement Policy lays emphasis on prohibiting the use of child labour at any stage of business process and also provides that suppliers should comply with applicable wage and hour laws, regulations and mandatory industry standards. The Company encourages its business partners to follow the policy.

### **How many stakeholder complaints have been received in the past financial year and what per cent 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 both for our business and the planet. From sourcing of raw materials to the manufacturing technologies that we

use at our plants, we are integrating sustainability into the very core of our business processes and value chain.

We are also looking 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:

- Become carbon neutral
- Reduce specific energy consumption by 30 per cent
- Achieve a positive water balance
- Send zero waste to landfill
- Increase renewable energy use by 30 per cent

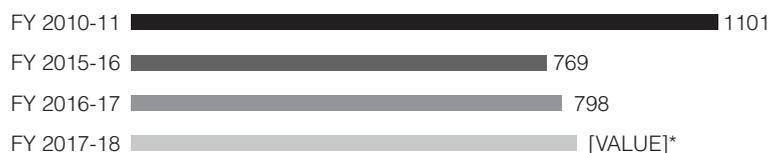
Furthermore, we focus on innovation in our product line and are committed to developing 'good' and 'green' products. The 'good' products are designed to address a critical social issue (such as healthcare and sanitation) for consumers at the base of the income pyramid. We define 'green' products as those that have environmentally preferable attributes.

We continuously strive to achieve our Good & Green goals and targets.

We are using clean energy sources by shifting from the use of fossil fuels to that of renewable fuels, such as biomass, in boilers and procuring electricity from renewable energy sources.

**Specific energy consumption**

Consumption kWh/ton

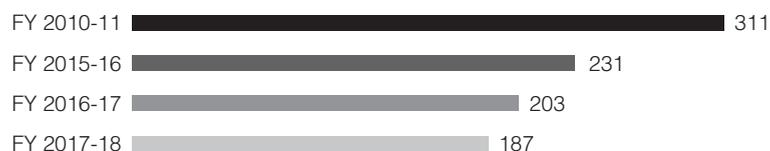


\* Boundary changed from FY17 (third party manufacturing plants are not in scope)

In FY 2017-18, our specific energy consumption increased due to lower gram soap production, increased utilization of biomass boiler which has lower efficiency over gas fired boilers, new units operating on diesel generator sets, etc.

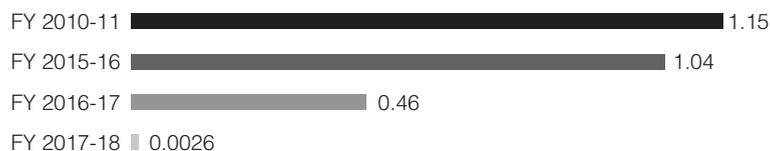
**Specific Greenhouse Gas (GHG) emission**

GHG kg/t



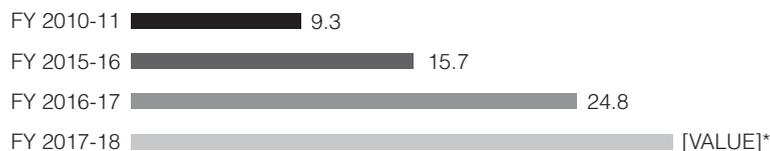
**Specific waste sent to landfill**

Waste kg/ton



**Renewable energy portfolio**

Percentage Renewable



\*Boundary change from FY17

We comply with all the requirements of the Central Pollution Control Board and State Pollution Control Boards. 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 improvement in our environmental short-term and long-term performance.

**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 our major manufacturing units have policies on environment, health care, and safety measures. For the subsidiaries and joint ventures, the Code is applicable in keeping 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, it is imperative that our suppliers share our values and vision and raise the sustainability standards of our supply chain. We acknowledge that long-term sustainable development of our suppliers is critical to our joint success. We value our relationships with our 700+ suppliers, who share our approach and vision towards doing business.

In keeping with our commitment to building a greener India, we have developed a Sustainable Procurement Policy, which 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 115 suppliers. In 2017-18, we conducted baseline assessment

of the suppliers and communicated the baseline scores to the suppliers. As a next step, we will be engaging with the suppliers in developing voluntary targets.

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 – to be ethically driven, socially focused, green inspired, and ensure 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?**

Yes. All our manufacturing units monitor their greenhouse gas (GHG) emissions, and we have set short-term and long-term targets for reduction of emission. Some of the initiatives include switching over to the use of renewable biomass for boilers, procurement of renewable energy, flue gas heat recovery from boilers and utilisation in the process, and installation of energy-efficient equipment.

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. These projects are in three locations in the country with the largest being in Hyderabad in partnership with the Greater Hyderabad Municipal Corporation. We have similar projects in Bangalore and Guwahati, and in Mumbai have engaged with 25 colleges to increase awareness and develop wet waste management facilities within the campuses, thus diverting waste from landfills. These projects will

help process close to 10,000 tonnes of waste per annum, which would otherwise end up in landfills, in an environment friendly manner.

Globally, climate change is affecting seasonal weather patterns, leading to either intense precipitation or drought-like events. In FY 2016-17, we initiated an integrated watershed management programme in the drought-prone district of Siddipet in 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 over 3300 hectares of area and will aim to recharge groundwater and make more water available for irrigation. During FY 2017-18, watershed activities were conducted in approximately 200 hectares as part of the capacity building phase. Full-scale implementation of the project will start in the beginning of FY 2018-19. We are also working to support farmers to adopt sustainable farming practices, and mitigating the impact of climate change. We estimate that the project will offset GHG emissions to the tune of 34,000 tCO<sub>2</sub>e and restore 3.5 million KL of water.

To address the shortfall 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. We supported solar energy-based home lighting in 74 villages in Andhra Pradesh, Madhya Pradesh, and Uttarakhand by installing mini and micro solar grids during the year. In addition, we invested in seven solar irrigation systems in Madhya Pradesh, with each solar-powered pump set supplying energy to 6-10 farmers. Furthermore, we are also training the

local youth and building awareness on the potential of renewable energy systems for meeting rural energy needs.

All our initiatives are covered and updated at <http://godrejcp.com/good-and-green.aspx>

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

Yes, potential aspects related to environment are identified and evaluated for their impact on the basis of severity, scale, and probability. All the significant aspects have operational control procedure in place.

**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 released.**

We are working on our integrated watershed management programme to be registered under Verified Carbon Standard (VCS). The project is currently under the validation phase. We expect the project to be registered with VCS by July 2018. The project will mitigate 684,000 tonnes of CO<sub>2</sub>e over the period of 20 years, which is equivalent to 34,000 tonnes of CO<sub>2</sub>e per annum.

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

We have implemented over 30 initiatives across our manufacturing facilities in India on clean technology, energy efficiency, and renewable energy. Some of the major initiatives

we undertook in FY 2017-18 are as follows:

- Installation of energy-efficient water jet vacuum system: In Malanpur, the existing steam-based vacuum system was replaced with energy-efficient water jet vacuum systems last year. This year we have further changed our remaining vacuum systems, which were utilising steam.
- Installation of heat pipes at Guwahati coil manufacturing plant: We have installed waste heat recovery systems in our boiler at the Guwahati Coil Manufacturing unit. We have planned to extend this technology to other sites as well.
- We 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 compressed air system.
- Rain Water Harvesting Systems: GCPL Malanpur has installed a flagship rain water harvesting system, which collects rainwater in low-lying land within the factory premises. This initiative will save an estimated 92,500 kL of water per annum, which will in turn increase the ground water table. This will be equivalent of 30 per cent of GCPL Malanpur's annual water consumption.

In addition to our manufacturing sites, we are also installing renewable energy ecosystems in rural communities to address the shortfall of energy supply. We provided 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 also 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 issued by CPCB/SPCB for the financial year being reported?**

Yes. All the units are compliant with the norms of CPCB and SPCB.

**Number of show cause/legal notices received from CPCB/SPCB which are pending as on end of 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 the major ones that your business deals with.**

GCPL ensures that its policy is with the highest degree of responsible and ethical behaviour, and it also 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 trade associations such as Home Insect Control Association, India Beauty and Hygiene Association and FICCI. The total membership fees paid to the association during fiscal year 2017-18 is less Rs. 2 lac. No contributions to any political organisations or lobbyists were made

Salon-i lifeskills training



**Have you advocated or lobbied through above associations for the advancement or improvement of public good? Yes/No. If yes, specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy Security, Water, Food Security, and Sustainable Business Principle).**

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

### **Principle 8: Businesses should support inclusive growth and equitable development**

Sustainability is intrinsically linked not just to our growth strategy but also to our legacy and values. We strongly believe 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 the efficiency of our operations, and generate innovations.

As a part of our sustainability strategy, Good & Green, we address a critical need for enhancing livelihoods of low-income group 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 also provide post-training support.

We run an intensive community awareness and behaviour change programme to battle malaria in regions with a high Annual Parasitic Index (API). Through our Elimination of Mosquito Borne Endemic Diseases (EMBED) programme, we collaborate with non-profit organisations and governments, and aim to reduce malaria-related mortality 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 and CSR department,

Good & Green, which works towards a more inclusive and greener planet. As of March 2018, we have trained over 305,000 youth in skills that will enhance their earning potential. These programmes comprise training in beauty and hair care, retail management, and channel sales. From FY18 onwards, our employability programme will focus only on beauty and hair care training because it has exhibited the

strongest impact thus far.

The entire scope of work is defined in the CSR Policy of the company, which is available at <http://godrejcp.com/codes-and-policies.aspx>, and additional details about the programmes are available at <http://godrejcp.com/good-and-green.aspx>. The following is a list of our current CSR programmes:

### **EMPLOYABILITY PROGRAMME**

**Beauty and hair care training:**  
Our flagship programme, Godrej Salon-i, trains girls and young women in beauty and hair care. Nearly 65,000 candidates have benefitted from this programme in FY18. Since the inception of the programme in 2011, we have trained nearly 160,000 young women across India with skills that have improved their earning potential, helped them increase their mobility, and negotiate their rights at home and in the community.

We run the Salon-i programme in partnership with over 20 non-profit partners in 21 states in India. Our Salon-i programme is embedded in the community work carried out by our non-profit partners. Our partners work with women from various communities ranging from women in the informal economy of slum clusters to those from urban slums vulnerable to human trafficking.



School students take out a rally on controlling mosquitoes in Sheopur district of Madhya Pradesh

We have developed the training curriculum (trainer manual, audio visual content, assessment app, and other learning tools) entirely in-house and kept entrepreneurship and life skill modules at the core. While 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 with the Beauty & Wellness Sector Skill Council that is promoted and supported by Confederation of Indian Industry and the National Skill Development Council. Our training module is now part of the national training curriculum.

Since 2016, the Godrej Salon-i programme has grown to include and support women micro entrepreneurs in the beauty and wellness sector in five states of the country, namely Delhi, Gujarat, Karnataka, Maharashtra, and Nagaland, and setup the Beautypreneur network. The Beautypreneur initiative works with nano and micro entrepreneurs; it equips them not only with critical business skills but also life skills, which help them grow and sustain their businesses. One of the key intervention areas is to enable our Beautypreneurs to start training other girls in their communities in beauty skills. 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.

#### Rural entrepreneurship (Udyogi Programme):

As a corollary to the employability and livelihoods programme, we have set up a project to identify and train rural unemployed women and youth in entrepreneurship skills to ensure a stable livelihood for them. The programme involves intensive mobilisation and a year-long hand-holding period to ensure that they succeed at their entrepreneurial ventures. We identified and trained 700 youth in these skills in West Bengal and Tamil Nadu; the training has resulted in an increased income for them and their families.

#### ELIMINATION OF MOSQUITO BORNE ENDEMIC DISEASES (EMBED)

We initiated the EMBED programme in December 2015 to reduce morbidity and mortality due to malaria and dengue in regions with a high API. The programme currently operates in nine districts in Madhya Pradesh, a state with one of the highest malaria burdens in India. We have collaborated with non-profit organisations and the state government to run intensive behaviour

change programmes in nine districts of Madhya Pradesh. We are working with vulnerable and marginalised groups living in tribal, hilly, and hard-to-reach areas. The programme currently addresses 36 per cent of the malaria burden of the state.

#### Watershed management programme

Globally, climate change is affecting weather patterns, leading to either intense precipitation or drought-like events. We are working in partnership with NABARD to help restore the ecological balance in drought-prone regions and mitigate the risk of climate change for small and marginal farmers. In the drought-prone region of Siddipet, Telengana, we are covering 3,300 hectares in an integrated watershed management project that aims to recharge groundwater levels. We are also working to support farmers in adopting sustainable farming practices, non-farm activities, and large-scale afforestation drives, thereby reducing the vulnerability of local farmers to climate change.

#### Solid waste management programme

With solid waste management emerging as a serious challenge, we have extended our commitment to send zero waste to landfill beyond our manufacturing plants to include local communities. In addition to

the measures to reduce, reuse, and recycle waste at our manufacturing plants, we have initiated community waste management projects to divert waste from landfills. These projects are in four locations in the country with the largest being in Hyderabad in partnership with the Greater Hyderabad Municipal Corporation. In addition, we have programmes in Guwahati and Bangalore, and we have also engaged with 25 colleges in Mumbai to increase awareness and develop wet waste management facilities within the campuses, thus diverting waste from landfill. We aim to process nearly 10,000 tonnes of waste per annum, which would otherwise end up in landfills, in an environmentally friendly method by the end of 2018-19.

**Rural electrification programme**

To address the shortfall 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. We supported solar-energy-based home lighting in 74 villages in Andhra Pradesh, Madhya Pradesh, and Uttarakhand by installing mini and micro solar grids during the year. In addition, we invested in seven solar irrigation systems in Madhya Pradesh, with each solar-powered pump set, supplying energy to 6-10 farmers. Furthermore, we are also training the local youth and building awareness on the potential of renewable energy systems for meeting rural energy needs.

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

We collaborate with non-profit organisations and social enterprises to design and run a range social development programmes ranging from employability training and entrepreneurship development to public health and environmental sustainability. The programmes aim to improve the earning potential of our trainees by building their skills and empowering them, improve quality of life by reducing disease burden, and provide a cleaner and more sustainable environment for the communities we work with.

**Have you done any impact assessment of your initiative?**

We regularly evaluate all our programmes. In FY 2016-17, we are organised a semi-longitudinal study of the employability 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. This 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 the trainees.
- Qualitative study: This was done via face-to-face interviews to understand the nuances and narratives with a select number of beneficiaries who could be tracked over the next two years.

**Impact assessment of beauty and hair care programme:**

Till date, our programme has trained nearly 160,000 women. Despite social constraints of domestic responsibilities and mobility issues, these women have not only stepped up and completed the training but almost 60 per cent of them now have increased income levels.

Through our partnerships, we have been able to place over 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 or specialised services. Few trainees have built their confidence and managed to find jobs by themselves and work full-time. Women are now able to articulate their rights and some are better equipped to negotiate their rights at home and in the community.

**EMBED:**

EMBED is an intensive community awareness and behaviour change communication programme to combat malaria in regions with a high API. Under the EMBED programme, we collaborate with NGOs and governments in an effort to reduce morbidity and mortality due to malaria.

The approach towards the project is as follows:

- Implement community need-based behaviour change communication interventions at the village and household levels to spread awareness and encourage appropriate health-care-seeking behaviour for the prevention and control of mosquito-borne diseases
- Strengthen links with public and private health services in prioritised blocks to improve



*Solar powered micro grids bring electricity and light to homes in Madhya Pradesh*

access to preventive, diagnostic, and curative services

- Evaluate the data to support scalability and replicability of the project in other geographies

**Impact:**

- The programme currently addresses 45 per cent of the malaria burden in Madhya Pradesh across 9 districts, 3000 villages, 7,00,000 households, and 35,00,000 people.
- In phase I, 209 ASHA workers, 77 Rural Health Care Providers, 655 Ojhas, and 156 community volunteers have been trained on correct diagnosis treatment and/or referral of malaria cases.
- Based on government data, from 2015 to 2017, in the districts covered in phase I, there has been a 70-86 per cent decrease in the API of intervention villages compared to 40-50 per cent decrease in the API of the non-intervention villages.

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

In the year, the Company spent 2.005% per cent of PAT on CSR initiatives (2 per cent of the average net profits of last 3 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 externally and internally. Customer-centricity is part of the 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 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 product labels 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 anticompetitive behaviour during the last five years and pending as on the end of this financial year? If so, provide details thereof, in about 50 words or so.**

None.

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

Yes.