

#livingthegodrejway

SMOKE-FREE AND ELECTRICITY-FREE MOSQUITO CARDS.

*Innovation in
fighting vector-borne
diseases*



Discussion on material issues

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#LeaderSpeak

“Innovation is the backbone of our business. It drives us to revolutionise our products, materials and processes, and foster strategic partnerships.”



Dr Sunder Mahadevan
Head – Research & Development

PRODUCTS AND PACKAGING

PRODUCT SAFETY AND QUALITY

Our business story has been laden with well-thought-out product innovations that have become instant and continued market successes. While products such as Goodknight and its variants provide affordable solutions to combat vector-borne diseases, offerings such as aer help in keeping environments fresh and healthy. Godrej Protekt Mr. Magic is the first-ever powder-to-liquid handwash that we innovated. All our products are thus examples of the innate goodness that we foster at Godrej.

As a consumer goods company, we give utmost importance to the safety and quality of the products we manufacture. We believe that customers are our spokespersons and all care is taken to ensure that our products delight them. During manufacturing, packaging, distributing and promoting, we comply with the statutes and strive to minimise the effect our operations have on the environment and the society at large.

Some key regulations under which we operate are:

- Legal Metrology Act
- Legal Metrology (Packaged Commodities) Rules, 2011
- Drugs and Cosmetics Act, 1940
- Insecticides Act, 1968
- Advertising Standards Council of India (ASCI) Code
- Plastic Waste Management, 2016
- Plastic ban by Kenya's National Environment Management Authority

During the last two financial years, we have had only five concerns of non-compliance, with zero substantiated complaints regarding breaches of customer privacy and loss of customer data. Similarly, no governing body has imposed any significant fines for non-compliance of laws and regulations concerning the provision and use of products and services, in the past two years.

While this can be considered an achievement for a company of our scale and size, we continue in our efforts to eliminate any reasons for non-compliance, going forward.



Design Lab @GCPL

#LeaderSpeak

“Design thinking helps us innovate our products in a way that enhances product capabilities, delights our customers, and lightens our impact on the environment.”



**Ms Darshan Gandhi
Head – Design**

PACKAGING

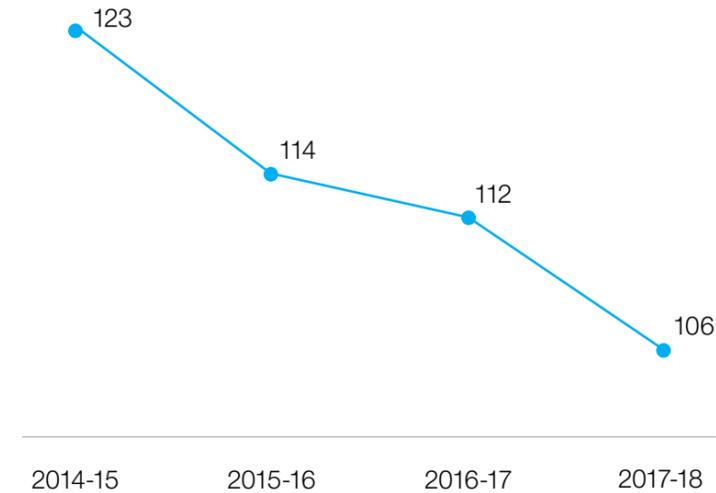
Our approach

In our line of consumer business, packaging plays a very important role in maintaining product integrity. For us, it is also a platform to innovate and deliver our products in the eco-friendliest manner, while marrying contemporary design.

We aim to minimise the impact of our packaging on the environment and constantly innovate and use contemporary technology to achieve this means.

Several of our products are renowned for their unique packaging, that maintain utility and recyclability. Our facets of ownership thus extends to not only our products, but also in their packaging.

Specific packaging consumption (kg/t)



Sustainable packaging targets

In addition to the Godrej Good & Green 2020 targets, at a Company level, we have taken on sustainable packaging targets as below, aimed to be fulfilled by 2025, demonstrating our commitment towards environmental sustainability.

- Reduce packaging consumption per unit of production by 20% from the base year of FY 2017-18
- Have 100% of the packaging material recyclable, reusable, recoverable or compostable
- Use at least 10% Post-Consumer Recycled (PCR) content in plastic packaging

In our endeavour to minimise environmental impact of packaging, we are also working in collaboration with research organisations and start-up enterprises to develop alternate packaging material to plastic and enable the use of recycled plastic in place of virgin material. This is a very important step that we believe can bring about a significant impact upon scaling.

14%

Reduction in our specific packaging consumption over the last 3 years



15%

Post-consumer plastic packaging waste equivalent collected as part of our Extended Producer Responsibility (EPR) commitment



#LeaderSpeak

“As we grow bigger, we ensure that our business partners and associates are also guided by our core values. These values must be lived and tried every moment, as we bring the goodness of health and beauty to consumers worldwide.”



Dr Rakesh Sinha
Head – Global Supply Chain, Manufacturing & IT

DISCUSSION ON MATERIAL ISSUES

SUPPLY CHAIN MANAGEMENT (SCM)

Our approach

As a global consumer business, we are dependent on multiple suppliers for various raw materials, intermediate goods and other ancillary inputs. We are cognisant of the fact that in order to continuously feed our large scale of operations and fulfil customer demand while optimising cost levels, we need a sustainable supplier engagement mechanism.

Our supply chain strategy

We have a 10-point set of strategic priorities in terms of our supply chain strategy. They govern the supply chain process and related activities through our ecosystem. These include:

1. Introducing best practices across geographies to become more agile
2. Strengthening supply chain processes in international businesses
3. Extending shop floor employee engagement initiatives to international businesses
4. Global strategic sourcing with significant benefits to the bottom-line; Godrej Sustainable Procurement Policy rolled out to key vendors
5. Sustainable manufacturing and supply chain practices, resulting in significant improvements in energy and water consumption, carbon footprint, waste generation and renewable energy
6. Mapping cutting-edge replenishment practices to the Advanced Planning and Optimisation module of SAP
7. Responding to constantly changing consumer demand patterns, leading to high fill rates; now an industry benchmark, with 95%+ customer service levels across key geographies
8. Improving 'freshness' of products at time of sale, better logistics practices, product traceability and reduced obsolescence through the project on bar coding shippers
9. Enhancing manufacturing capacity, across geographies
10. Piloting the 'Internet of Things' in manufacturing and logistics



GCPL Supplier Meet

Supplier Engagement

We expect our suppliers to conform to stringent parameters on sustainability with set objectives connected to our Good & Green goals. The current Environmental, Social and Governance (ESG) parameters are applicable to our existing suppliers. However, from FY 2019-20 onwards, we plan to incorporate the parameters in the New Vendor Initiation Protocol as well. We manage this expectation through the GCPL Sustainable Procurement Policy.

We assist our vendors in reducing specific energy and specific water consumption, waste to landfill and specific CO₂ emissions. We urge them to identify ESG issues and make progressive efforts to mitigate them. Moreover, we help vendors enhance process efficiency, reduce use of hazardous and toxic materials and responsibly dispose toxic waste. We recommend them to use renewable sources of energy, wherever possible.

As part of our supplier assessment, so far we have evaluated 116 vendors across

categories. They were evaluated as per our extensive questionnaire covering topics from the four focus areas of the policy. To drive continuous performance against the policy, we have scheduled self-declarations from the vendors as well as external auditors.

The assessment of our vendors are done across multiple aspects like compliance to mandatory & non mandatory requirements, management approach, public disclosure, and environmental performance. We collate qualitative as well as quantitative data and have developed a composite score basis the responses. Category-wise targets have been set for each participating vendor, so as to improve their performance and strive for complete improved adherence to the policy. To aid them in this journey, GCPL continuously shares industry best practices, innovative technologies and green solutions with the vendors. In addition, each participating vendor has also been shared a comprehensive list of actions to be undertaken to improve their conformance to the GCPL Sustainable Procurement Policy.



DISCUSSION ON MATERIAL ISSUES

Supply chain KPIs

We have identified four major Key Performance Indicators (KPIs) to assess the current conformance level of our vendor base with the Sustainable Procurement Policy.



We have conducted our baseline assessment across the four KPIs. Vendor classification also has been completed and targets have been set for each parameter.

Performance

116
Critical suppliers identified and assessed in the last three years

80%
Share of total procurement spent on critical suppliers*

*Excluding our oil vendor

Stakeholders speak

“ Thank you for an enlightening experience yesterday on Sustainability. I am convinced that together, we will make the desired impact and achieve good results. Needless to say, ALPLA is with you in your Sustainability journey and is excited to share the many opportunities where we can collaborate and work together.

Ms Shobha Dixit
Head – Corporate Affairs,
Alpla India Pvt. Ltd.



“ Your Good & Green initiatives are highly motivating and we aspire to achieve the best performance with a view to improve the actual score by following the suggested initiatives. The process to adopt the measures suggested by the Goodera team has already been initiated. We have started implementing the suggestions and are confident of achieving the Green Level target as set out.

Mr Rakesh Pareek
Prince Print N Pack,
Guwahati, Assam



DISCUSSION ON MATERIAL ISSUES

ENVIRONMENT

At GCPL, we believe in creating a win-win for every stakeholder through our business activities and other interventions. Stemming from our legacy, we strive to embed sustainability in everything we do. Our Godrej Good & Green team oversees environmental sustainability and CSR at GCPL.

We began our environmental responsibility initiative by conserving mangroves in Mumbai. We have defined our green goals in our Good & Green sustainability vision. All our manufacturing plants will strive to achieve these goals by FY 2020-21. The performance is guided by the sustainability team at the corporate level and driven by manufacturing cluster heads and personnel at each of our manufacturing locations.

Our approach

- Enhancing energy efficiency in our operations
- Replacing fossil fuels with renewables
- Process re-engineering
- Implementing carbon and water offset projects
- Diverting waste from landfill

Compliance

We are compliant with all the relevant environmental laws and regulations in the regions in which we operate. We make it a point to follow all the rules of the land and be a responsible organisation across the globe. The majority of our plants are both ISO:14001 and ISO:9001 compliant.



We own and care for the largest privately managed belt of Mangroves in Mumbai

DISCUSSION ON MATERIAL ISSUES

GREENER INDIA GOALS 2020 AND PERFORMANCE

As part of Good & Green, we have established five environmental sustainability goals to be achieved by FY 2020-21. We obtained the standards, methodologies and assumptions used for the purpose of our calculations from IPCC Guidelines for National Greenhouse Gas Inventories, 2006, and the IPCC AR5 Assessment Report. Our emissions and data calculations are performed for all the locations in which we have 100 per cent operational control.

**Become carbon neutral**

Efforts

Embrace cleaner fuels such as biomass

- 📅 6% decrease in the GHG emission intensity
- 📅 38.5% decrease in the GHG emission intensity

**Reduce specific energy consumption by 30%**

Efforts

Improvements in processes and increase in efficiency of systems

- 📅 2.5% increase in specific energy consumption
- 📅 25% reduction in specific energy consumption

**Become water positive**

Efforts

Innovative water management systems and technological improvements

- 📅 5% reduction in specific water consumption
- 📅 20% reduction in specific water consumption

**Increase renewable energy portfolio to be at least 30%**

Efforts

Improve the energy mix by gradual shift to renewable energy

- 📅 5% increase in total renewable energy
- 📅 30% of total energy from renewable

**Achieve zero waste to landfill**

Efforts

Judicious and innovative use of materials, including reuse and recycling

- 📅 Near-zero waste to landfill achieved from 0.46 kg/tonne of product
- 📅 Near-zero waste to landfill achieved from 1.15 kg/tonne of product

These short-term targets we have carved out will help us achieve environmental sustainability in our manufacturing process and in turn achieve our green goals. Throughout the year, we hold extensive meetings with the multiple departments on priorities, budgets and expected benefits for the year. The annual operating plan is rolled out from top to bottom, with sustainability targets made part of Key Responsibility Areas (KRAs) of our Green Champions' at our manufacturing plants.

📅 Our performance in FY 2017-18 versus FY 2016-17

📅 Our performance in FY 2017-18 versus FY 2010-11 (baseline year)

DISCUSSION ON MATERIAL ISSUES

Sustainability performance monitoring

Our internal sustainability monitoring tool periodically collects information and analyses the data gathered. It then generates monthly reports on key indicators and calculates the respective carbon footprint as per the set GHG protocols. After analysis, we identify the best practices, which are further circulated among the Group entities for wider adoption. Any unit underperforming on sustainability parameters is put on a strategic action plan for improvement.



At our flagship plant in Malanpur, since FY 2010-11, we have reduced our specific energy consumption by 33%

DISCUSSION ON MATERIAL ISSUES

ENERGY

We use considerable energy in our production units for our large-scale manufacturing operations. However, over the years, we have undertaken several energy-efficiency initiatives that have helped us reduce our energy consumption and dependence on conventional energy sources, in relation with our manufacturing scale.

Aimed at this, we are switching to clean energy sources by utilising renewables such as biomass in boilers, biomass briquettes instead of coal, recovery and utilisation of flue gas heat, procurement of renewable energy and installation of energy-efficient equipment.

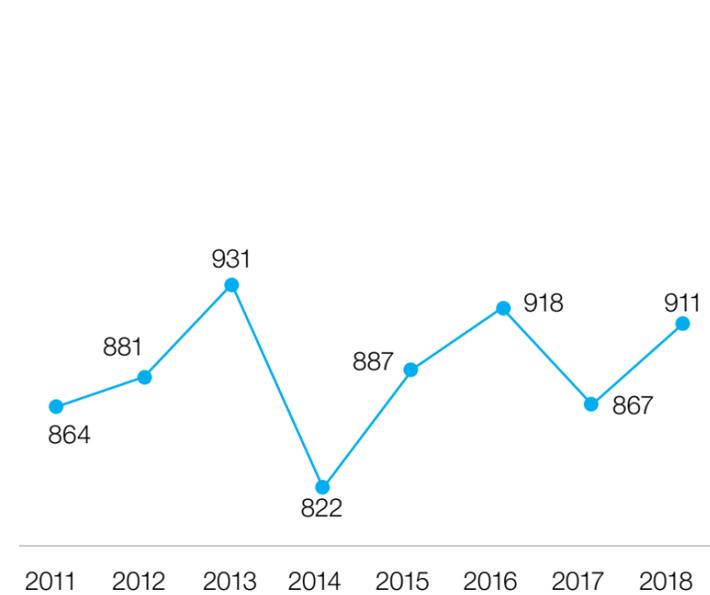
Energy performance on-track

We are on-track to achieve our 2020 vision of generating 30% of energy requirements from renewable sources



Energy performance indicators

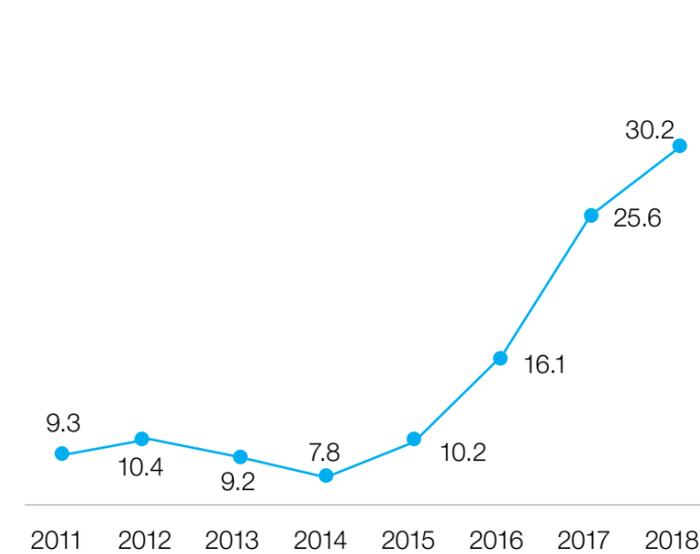
Total energy consumption – India (TJ)



911,203 GJ
Total energy consumed

274,693 GJ
Renewable energy consumed

Share of renewable energy in energy mix (%) – India



30.2%
Renewable energy of the total energy consumed

2,976 MJ/tonne
Specific energy consumed

Specific energy consumption – India (MJ/MT)



Energy consumption across our global locations for FY 2017-18

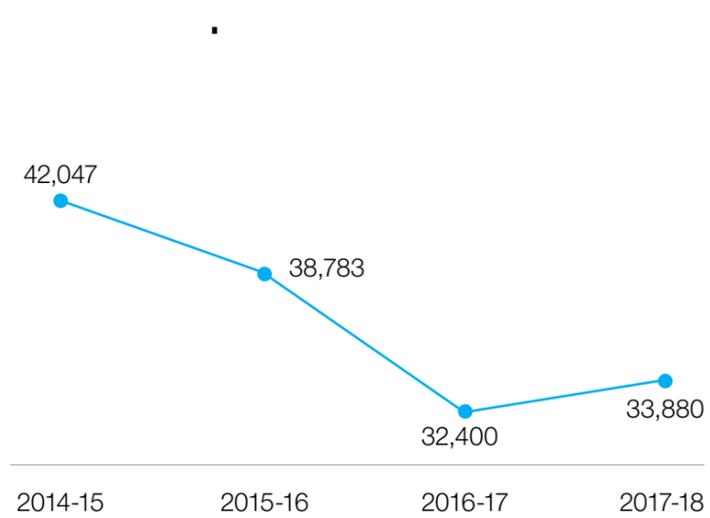


DISCUSSION ON MATERIAL ISSUES

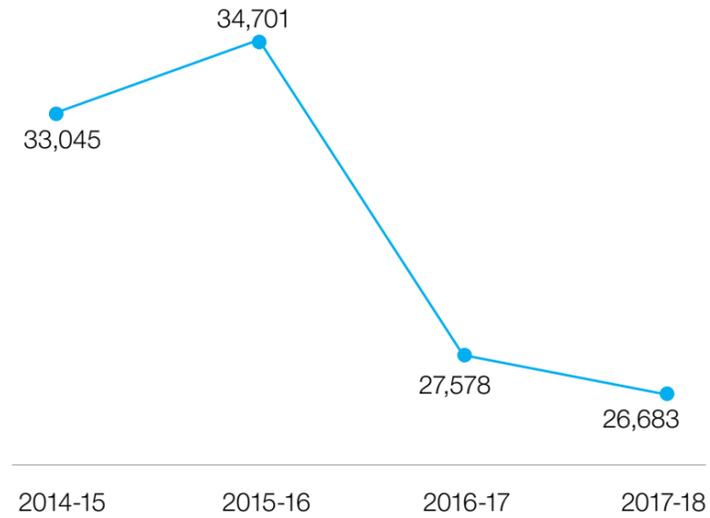
EMISSIONS

Emission reduction is part of our KPIs for environmental reporting. We therefore ensure that our daily operations and manufacturing activities comply with strict emission norms.

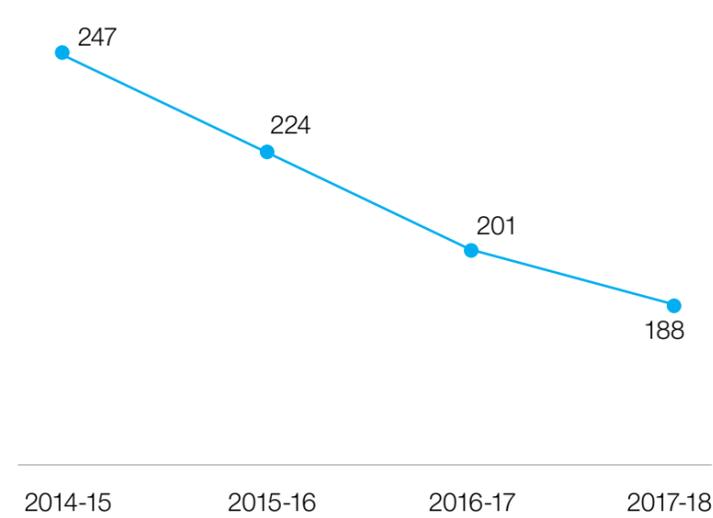
Total direct GHG emissions for India (Metric tonnes CO₂e)



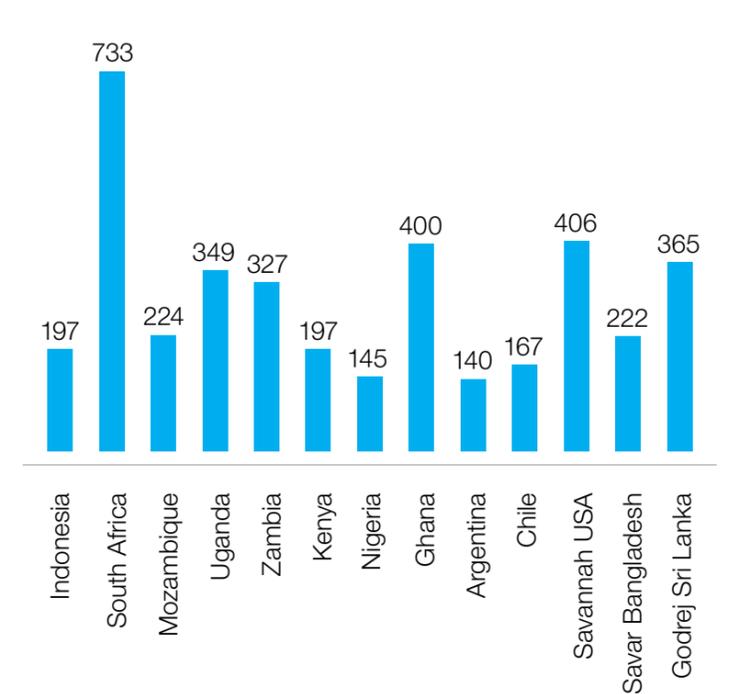
Indirect GHG emissions from energy purchased and consumed for India (Metric tonnes CO₂e)



GHG emission intensity per Tonne Production for India (kg CO₂) in FY 2017-18



GHG emission intensity per Tonne Production – International (kg CO₂) in FY 2017-18



DISCUSSION ON MATERIAL ISSUES
WATER

With increased industrial and other human-induced activities, there is a large-scale depletion of water resources around the world, including in middle-income economies like India. Water management is highly material for us at GCPL.

Stakeholders speak

“We face a lot of challenges in terms of food cultivation and frequent water crisis. We hope that the initiatives taken up by Godrej Consumer Products will positively impact our income and reduce migration of our people to various places.”

Ms Narra Laxmi
 Farmer, Mandhapur village

All stakeholders – governments, Non-Governmental Organisations (NGOs), communities and corporates – need to take steps collectively to ensure water management. As a responsible corporate, we have developed a strategy to achieve positive water balance by 2020. We have created comprehensive checklists that emphasise on improving productivity and plant utilisation to reduce the specific consumption of water.

Moreover, we have made it a priority to deploy a rainwater harvesting system in all our manufacturing plants. At present, we have set up such systems at our flagship manufacturing plant at Malanpur, and also at Thana, Katha and MM Nagar manufacturing units in India. This will further bring down our dependence on ground and purchased water and help us offset our freshwater demand.

178,789M³

Water recycled and reused in
 FY 2017-18 (India)



Besides initiatives at our plant, we work in our community to address issues of water scarcity. Here we are hosting a village watershed committee meeting at Siddipet, Telangana, India.



GOLD RATING FOR WATER SECURITY INITIATIVE

We have a public commitment to become water positive by 2020 and we continually evaluate and execute innovative projects to reduce our specific water consumption. We also realise that the water procured has to be sourced from sustainable sources and the rate of replenishment should exceed the rate of extraction.

Madhya Pradesh's Bhind district where our flagship facility is located at Malanpur is stricken by uneven rainfall along with hot summers. This results in high evaporation losses leading to low percolation. This in turn, resulted in the increased presence of total dissolved solids (TDS) of ground water, eventually affecting our treatment costs and posing as a production risk.

To ensure water security for the population, we installed a rain water harvesting system

using the Kedia Farm Technology. This simple yet effective technology would help harvest enough rainwater for seven generations, at a one time investment of ₹ 15/kL. Through this, we will be able to conserve ~44% of the total rainfall received in the area.

By installing this system and associated processes, the community and us can now reap several benefits. These include:

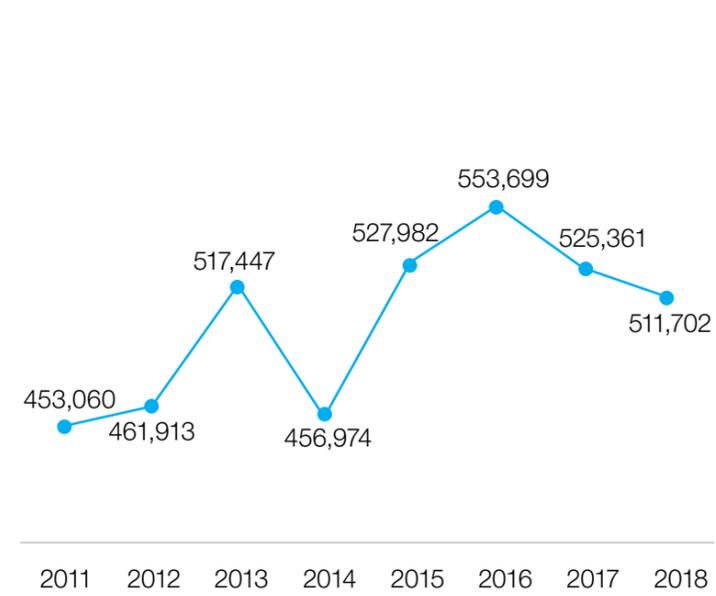
- The water conserved through this initiative is equivalent to 38% of raw water consumption
- Low TDS of Ground water hence reducing on our operation cost
- No water logging due to rainfalls inside the plant, hence reducing risks towards water borne diseases

- Enhancing the green cover, water quality at aquifers and availability of ground-water at a specific place & time

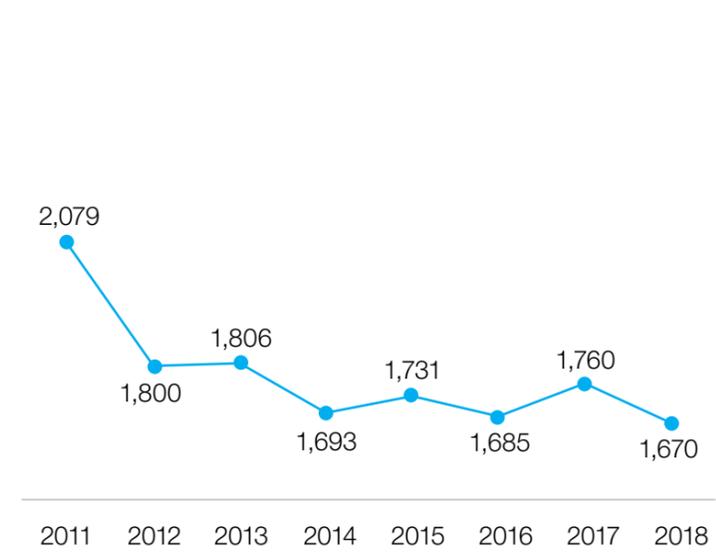
Thus, with an investment of ₹ 25 lakh, we are now able to ensure water security to the masses, while improving operations at our facility. It's a standing example of how our Good and Green initiatives helps create a win-win for all stakeholders in our areas of operations.

We have installed effluent and sewage treatment plants at our manufacturing locations that treat and process wastewater. The treated water is thereafter used for landscape development, and as flush water.

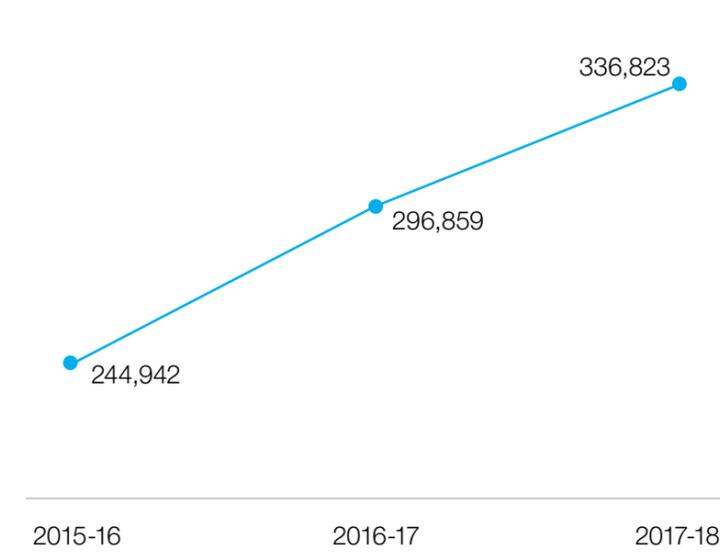
Total water withdrawal – India (kL)



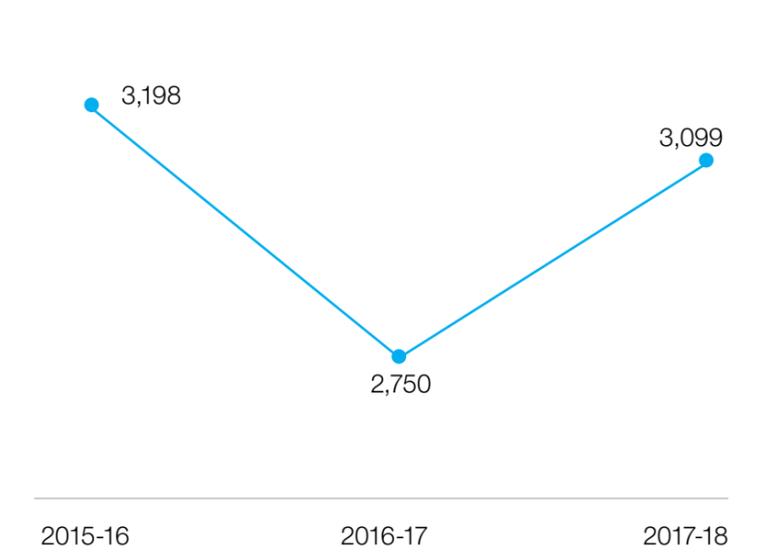
Specific water withdrawal – India (Litre/tonne)



Total water withdrawal – International (kL)



Specific water withdrawal – International (Litre/tonne)



DISCUSSION ON MATERIAL ISSUES

WASTE AND EFFLUENTS

Today, waste disposal has become a monumental problem that results in hazardous impacts on the environment and society alike. Particularly in developing countries like India, solid waste accumulation is a huge hazard due to unsustainable waste management practices and lack of proper waste treatment.

As an environmentally-responsible business, we have recognised the need for proper treatment of the waste material generated through reuse or recycling. In fact, we envisage zero waste to landfill by the year 2020.

Waste to wealth: The Godrej Way

At GCPL, as part of our 'Good & Green' initiative, we have aligned our environmental initiatives to several global and national missions, including the UN SDGs and the Swachh Bharat Mission. Working under the aegis of such widely accepted frameworks, we are partnering mass-scale programmes to build a greener world.

As part of the Godrej Group, we focus on the following objectives related to the waste management:

- Design our waste and pollution
- Keep products and materials in use
- Regenerate natural systems

We have undertaken several initiatives at our manufacturing facilities in various Group companies to reduce waste generation and divert the waste from landfill to gainful applications.

1.3 BILLION TONNES
Solid waste generated per year
in major urban cities

150,000 TONNES
Municipal Solid Waste
generated in India per day

1,470 MT
Post-consumer plastic
packaging waste at Bengaluru
and Hyderabad sent for
environmentally friendly
processings

DISCUSSION ON MATERIAL ISSUES

**Hazardous waste
(International)**

Waste	Quantity [kg]
Laminate Waste	910
Recycled	910
Other hazardous waste	7,166
Landfill	7,166
Spent Lubricating Oil	2,020
Recycling (sold)	2,020
Oil and Grease	13,423
Landfill	13,423
Empty Containers	3,801
Recycling (sold)	3,801
ETP Sludge [kg]	147,844
Landfill	147,844
Bulk Reject (tubes with active material)	83,900
Landfill	83,900
Total	518,128

Hazardous waste (India)

	Total Amount	Recycling (sold) [kg]	Co-processing (Incineration) [kg]	Landfill [kg]
Spent Lubricating Oil [kg]	10,876	10,876		
Batteries and Electronic Parts [kg]	156	156		
Empty Containers [kg]	13,483	13,483		
ETP Sludge [kg]	198,748		198,660	88
Ash [kg]	179,533	179,533		
Oil Soaked Filters [kg]	1,055	975		80.4
Skimmed oil from ETP [kg]	22,907	22,907		
Discarded Liners of Hazardous Chemicals [kg]	714			714
	427,472	227,930	198,660	882

Non-hazardous waste (India)

Waste	Total [kg]	Recycling (sold) [kg]	Co-processing (incineration) [kg]
Paper Waste	65,047	65,047	
Metal Waste	590	590	
Plastic Waste	3,465	3,465	
MS Drums	2,433	2,433	
PVC Drums/Plastics	181,839	181,772	
Iron Scrap	82,438	80,061	
Empty Premix Bags	19,718	19,718	
Chemical Barrels/Container	8,869	8,869	
Perfumed Soap Scrap	128,278	128,278	
Unperfumed Soap Scrap	61,384	61,384	
Wrapper	70,827		70,827
Stiffner	16,908		17,191
Corrugated Folding Box	1,025,565	1,025,565	
Metallic Waste	71,055	71,055	

Waste	Total [kg]	Recycling (sold) [kg]	Co-processing (incineration) [kg]
Empty Noodle Bags	206,986		206,986
Ash	179,533	179,533	
Wooden Scrap	16,349	14,645	1,704
Debris	67,331	67,331	
Glass Scrap	605	605	
PVC/Plastic Scrap	13,629	13,629	
Rock Wool/Insulation Material	7,545	7,545	
Poly Cover and Other Plastic	67,475	67,475	
Hdpe Bags	474	474	
Plastic Drums/Containers	47,214	47,214	
Poly Scrap	12,358	12,358	
Iron Drums	13,675	13,675	
Laminate- Scrap	250,672	250,672	
Total	222,262	223,393	296,708

Non-hazardous waste (International)

Waste	Total [kg]	Landfilled [kg]	Recycling (sold) [kg]	Co-processing (incineration) [kg]
Fibre Waste	392,038	392,038		
Biomass Ash	10,746	10,746		
Paper Waste	923,223	226,993	696,230	
Metal Waste	41,721	193	41,528	
Plastic Waste	265,588	18,955	246,432	200
Miscellaneous Waste	57,165	29,600	27,565	
MS Drums	1,119		1,119	
PVC Drums/Plastics	21,425		21,425	
Iron Scrap	1,538		1,538	
Chemical Barrels/Container	1,342		1,342	
Corrugated Folding Box	895,789	12,582	883,207	
Total	2,611,694	691,107	1,883,010	

99%
Reduction in waste-to-landfill achieved by diverting ETP sludge from landfill to co-processing at a cement factory (Malanpur, India).

#LeaderSpeak

“We strongly believe that diversity in workplace fuels creativity and innovation. We want everyone who joins us to realise their full potential, live our purpose and values, and dream bigger and bolder for us.”



Mr Rahul Gama
Head – Human Resources

DISCUSSION ON MATERIAL ISSUES

PEOPLE

Our team members play an elemental role in propelling us forward, every day, and are the torchbearers of the Godrej Way. Our growth over the years has been a function of the relentless efforts of our people, who have strived to make GCPL what it is today.

In order to motivate and retain our world-class workforce, we have adopted world-class practices. Our people-friendly policies stem from globally-acclaimed and accepted frameworks and policies, which celebrate diversity and inclusion.

Some conventions that we follow while devising our people policy include the International Bill of Human Rights (i.e. the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights) and the (International Labour Organisation) ILO's Declaration on Fundamental Principles and Rights at Work. As we operate in multiple geographies such as India, Ghana, South Africa, Uganda, Tanzania, Zambia, Chile and the US, we are subjected to various human rights laws of different lands. If we find a grey area, we naturally adopt the higher standard. We have also formally adopted a Human Rights policy, and are in the process of rolling out an implementation plan for the same.



Our Gurukul 2017 summer intern batch

DISCUSSION ON MATERIAL ISSUES

Diversity at GCPL

At GCPL, we foster a culture of diversity. We strongly believe that each employee comes with a unique set of skills, competencies and perspectives, which can further propel our Company on its success journey.

Embracing inclusion

As a group, Godrej champions diversity and inclusion as part of its core values and is among the few companies in India to introduce Lesbian, Gay, Bisexual, Transgender, Queer and Intersex (LGBTQI) favourable policies at the workplace. The Standards of Conduct builds on the United Nations Guiding Principles on Business and Human Rights, adopted by the United Nations Human Rights Council in 2011.

They are the product of a year-long process of consultations facilitated by the United Nations Human Rights Office and the Institute for Human Rights and Business, including regional meetings with leading business representatives in Asia, Africa, Europe and the Americas. Godrej was one of the companies consulted to research these guidelines in India, and has supported the framework since its inception.

In October 2017, Godrej also hosted a pre-event discussion with 20 attending Diversity & Inclusion leaders to share best practices and what they can do to build more inclusive cultures.

The five standards highlighted in the Corporate Standards of Conduct on Tackling Discrimination Against LGBTQI people are:

- **RESPECT** the human rights of their LGBTQI workers, customers and members of the public
- **ELIMINATE** workplace discrimination against LGBTQI employees
- **SUPPORT LGBTQI** employees at work
- **PREVENT** discrimination and related abuses against LGBTQI customers, suppliers and distributors – and insist that suppliers do the same
- **STAND UP** for the human rights of LGBTQI people in the communities where companies do business

30%

Women team members out of total new joinees



Launch of the global standards for businesses to tackle discrimination against LGBTI people

DISCUSSION ON MATERIAL ISSUES

Careers 2.0

The Careers 2.0 programme is targeted at women professionals in an attempt to ease their transition back into the workforce, post a break in their career. This programme is available for women with an experience of at least two years and have taken a continuous career break of six or more months. To retain skilled workforce, we offer live business projects on a flexi/part-time basis to aid team members reorient themselves to being part of the organisation.

Sustenance allowance

Keeping in line with our aim to maintain a workplace that is accessible and approachable to all our team members, we provide financial support in the form of sustenance allowance to team members with special needs or requirements. We also offer need-specific infrastructure and safe travel options to and from the workplace.

Feedback 30-60-90

Using the Feedback 30-60-90 process, new Godrejites at GCPL are onboarded and their feedback is taken. Under this feedback, we gauge the employee's onboarding experience, areas for improvement, experience of the employee in the first three months, and the feedback on the entire transition in a new organisation and or role.

360 Degree Feedback

At GCPL, team members at and above the level of managers are appraised through the 360 Degree Feedback process. This process enhances leadership behaviour by providing a tool to define and communicate key leadership traits that the Company values and to directly link employee behaviour with the values of the organisation.



The Godrej Professional team at the launch of our new range



Our leadership team at The Godrej Way cascade in Jakarta

Our Speaking Philosophy

Apart from the feedback mechanism, we engage with Godrejites on multiple forums under Our Speaking Philosophy. These forums align our team members towards GCPL’s vision and objectives and highlights expectations from the team members.

InTUNE employee engagement study

Employee engagement is assessed by a third party annually to improve internal practices for team members. As a part of the InTUNE study, select organisation-wide focus group discussions are conducted with various homogeneous demographic groups. This is a great opportunity for team members to voice their views, provide feedback, share concerns, and encourage initiatives which are doing well.

Vote

We conduct open-ended discussions with individuals at the factory through the factory Human Resource (HR) team to garner feedback of our team members working in the manufacturing plants.

Grievance Redressal Committee at factories

At GCPL facilities, we encourage our team members to highlight issues to their immediate supervisor, who in turn discusses the issues raised with the ‘Grievance Redressal Committee’. Members can also share their concerns directly with any member of the Committee in case of sensitive issues.

Great Place To Work

The Great Place To Work Institute has recognised us as one of the best companies to work for in India.

GCPL Pulse

This is an employee vulnerability tracker where the HR Partner predicts employee vulnerability through a one-on-one meeting. The interventions are prioritised for talent retention, listing future talent and driving engagement.

Quality Circles at GCPL

Quality Circle (QC) and the way it is practiced at GCPL have been one of our most significant initiatives. QC gives team members a platform to showcase their ideas and solutions to the Management and has brought about a transformation across our factories. At Malanpur, approximately 400 team members (93 per cent) of the total strength are part of QC. A total of 40 QCs are working continuously, and an annual saving of approximately ₹ 1.74 Cr was achieved from the same. Fourteen QCs have also participated and won various regional and national awards.

Caregiver's travel policy

The Caregiver Travel Policy is designed to support the transition of new mothers back to work. This policy 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.

Training, health and safety

As part of the Godrej Group, we believe in a strong culture of continuous improvement in terms of training, health and safety parameters. Our people are the key to building a strong safety culture and we regularly strive to connect with every employee in this regard.

To impart effective training, we engage our workforce in practical sessions, role plays and safety competitions. In FY 2017-18, we focused on improving safety awareness among all team members, including our contractual workforce.

Stakeholder speak

“As a new, breastfeeding mother who wants to nurture her child and as a professional starved for work for 6 months, there are often multiple choices a woman should make. For me the choice was between travelling for the most important research for my category and leaving my 7 months old baby overnight. I decided to approach the management to inform them that I need to take my father along for the research so that I don't deprive my baby of breast milk that she was dependent on. I was told I may do so, but the expenses would be personal. I knew I may not be able to afford multiple travels like this and might have to make some compromise.

I was pleasantly surprised with a policy that came into force barely a month from my request alleviating this pain point. Just like me, many new mothers were saved from making such compromises between work and their kid, thanks to this policy.

Mamta Kathuria
GCPL Employee



Godrej UK features on the Great Place To Work Institute's UK Best Workplaces 2018 list

We reward safety improvement at the highest level to encourage everyone in the Company. In FY 2017-18, the Thana plant was bestowed with the Godrej Award (the highest award in the Godrej Group) for its safety performance.

All these efforts have helped us reach the base of the safety pyramid. We recorded an increase of 44 per cent in near-miss reporting in the year FY 2017-18 compared to the last year. Our safe man-hours have also improved significantly, from 32 million in FY 2016-17 to 47 million in FY 2017-18.

2,500+
safety training programmes
arranged for 22,000+ team
members and contractors in
FY 2017-18

17
external awards in safety won
during FY 2017-18

Health and Safety Indicators

Indicator	Overall [In units]	International [in units]	India [in units]
Injury Rate	1.66	2.17	0.45
Disabling Incident	0	0	0
Fatalities	0	0	0
First Aid/Medical	1,397	1,248	149
LTI/Disabling Injury (Away for duty for 48 hours)	37	34	3


**Workforce turnover Gender-wise
(including VRS, retirement and death)**

Category	Male	Female
Global Leadership	2	0
AVP and GM	5	4
DGM and Managers	23	21
AM and Below	177	19
Supervisor	188	13
Contractual Staff	0	0

**Workforce turnover Age-wise
(including VRS, retirement and death)**

Category	< 30 years	30-50 years	> 50 years
Global Leadership	0	2	0
AVP and GM	0	8	1
DGM and Managers	18	23	3
AM and Below	81	101	14
Supervisor	73	112	16
Contractual Staff	0	0	0

**New Joinees (Gender-wise) who joined
during FY 2017-18**

Category	FY 2017-18	
	Male	Female
Global Leadership	0	0
AVP and GM	3	1
DGM and Managers	44	24
AM and Below	210	41
Supervisor	349	4
Contractual Staff	0	0

**New Joinees (Age Group-wise) who
joined during FY 2017-18**

Category	< 30 years	30-50 years	> 50 years
Global Leadership	0	0	0
AVP and GM	0	4	0
DGM and Managers	35	33	0
AM and Below	137	114	0
Supervisor	0	321	41
Contractual Staff	0	0	0

New Joinees Turnover (Gender-wise) during FY 2017-18

Category	Male	Female
Global Leadership	0	0
AVP and GM	0	0
DGM and Managers	5	5
AM and Below	23	4
Supervisor	69	0
Contractual Staff	0	0

New Joinees Turnover (Age Group-wise) during FY 2017-18

Category	< 30 years	30-50 years	> 50 years
Global Leadership	0	0	0
AVP and GM	0	0	0
DGM and Managers	6	4	0
AM and Below	16	11	0
Supervisor	0	0	0
Contractual Staff	0	0	0

Percentage of employees covered by collective bargaining mechanism (indicator for freedom of association) 72% including Contractual Labour

89% Only Blue-Collar

Note: new joinees – those who joined with FY 2017-18 only

Workforce Training**Trainings attended by male employees**

Category	Number	Manhours
Global Leadership	34	384
AVP and GM	125	762
DGM and Managers	191	1,368.3
AM and Below	1,880	11,524.03
Supervisor	0	0
Contractual Staff	0	0

Trainings attended by female employees

Category	Number	Manhours
Global Leadership	10	104
AVP and GM	10	68
DGM and Managers	54	677
AM and Below	189	1,202.75
Supervisor	0	0
Contractual Staff	0	0

Training details are given in manhours categorised by gender and employee category

GLOBAL

**Workforce turnover Gender-wise
(including VRS, retirement and death)**

Category	Male	Female
Global Leadership	5	0
AVP and GM	4	2
DGM and Managers	44	17
AM and Below	169	150
Supervisor	185	74
Permanent Staff	624	1,789
Contractual Staff	593	539
BC	4	12

**Workforce turnover Age-wise
(including VRS, retirement and death)**

Category	< 30 years	30-50 years	> 50 years
Global Leadership	0	4	1
AVP and GM	0	4	2
DGM and Managers	6	42	13
AM and Below	72	229	25
Supervisor	36	214	9
Permanent Staff	394	1,973	46
Contractual Staff	595	524	12
BC	2	3	11

**New Joinees (Gender-wise) who joined
during FY 2017-18**

Category	Male	Female
Global Leadership	1	0
AVP and GM	14	0
DGM and Managers	16	15
AM and Below	94	59
Supervisor	35	16
Permanent Staff	12	5
Contractual Staff	151	88
BC	230	313

**New Joinees (Age Group-wise) who
joined during FY 2017-18**

Category	< 30 years	30-50 years	> 50 years
Global Leadership	0	3	1
AVP and GM	0	6	0
DGM and Managers	0	33	1
AM and Below	39	114	1
Supervisor	24	26	1
Permanent Staff	8	9	0
Contractual Staff	154	106	0

New Joinees Turnover (Gender-wise) during FY 2017-18

Category	Male	Female
Global Leadership	0	0
AVP and GM	0	0
DGM and Managers	4	0
AM and Below	7	7
Supervisor	8	3
Permanent Staff	2	2
Contractual Staff	36	32
BC	182	505

New Joinees Turnover (Age Group-wise) during FY 2017-18

Category	< 30 years	30-50 years	> 50 years
Global Leadership	0	0	0
AVP and GM	0	0	0
DGM and Managers	0	4	0
AM and Below	1	12	1
Supervisor	6	4	0
Permanent Staff	3	1	0
Contractual Staff	33	29	0
BC	471	216	0

Workforce Training**Trainings attended by male employees**

Category	Number	Manhours
Global Leadership	2	120
AVP and GM	17	182.4
DGM and Managers	52	5,212.95
AM and Below	448	11,313.53
Supervisor	68	96
Contractual Staff	247	142

Percentage of employees covered by collective bargaining mechanism (indicator for freedom of association)

Note: new joinees – those who joined with FY 2017-18 only

Trainings attended by female employees

Category	Number	Manhours
Global Leadership	0	0
AVP and GM	5	124
DGM and Managers	42	3,383.6
AM and Below	410	4,706.43
Supervisor	40	96
Contractual Staff	245	142

Training details are given in manhours categorised by gender and employee category

#LeaderSpeak

“We have always put people and our planet alongside profits in the way we do business. Our growth strategy and aspirations are also linked to our performance against triple bottom line targets and this, I believe, has helped us build long-term value for all our stakeholders.”



Mr V. Srinivasan
Chief Financial Officer and Company Secretary

DISCUSSION ON MATERIAL ISSUES

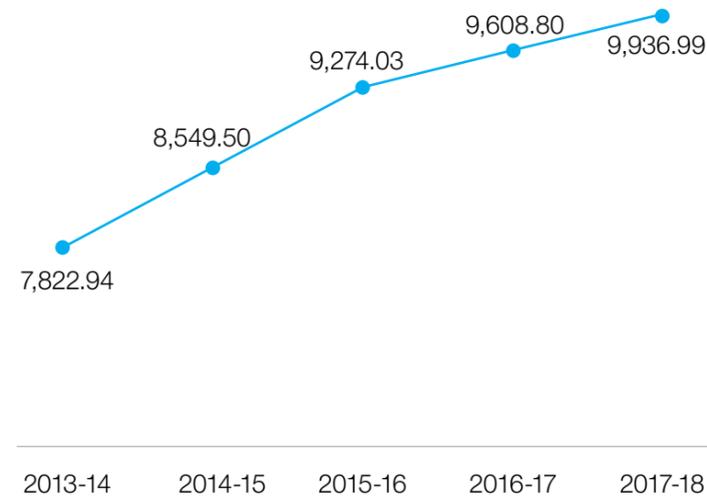
ECONOMIC PERFORMANCE

Our organisation has been growing continuously, while maintaining its leadership position across product categories and regions. As a for-profit enterprise with our own set of economic, social and environmental priorities, we have recorded strong performance across various key parameters, year-on-year.

Key economic performance indicators

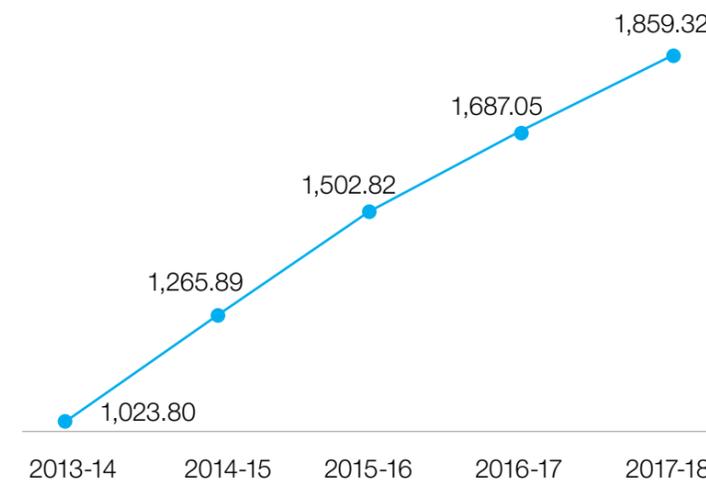
We have identified the key parameters (consolidated) that can represent our economic performance, along with our five-year growth trend across indicators.

Total revenue (in ₹ crore)



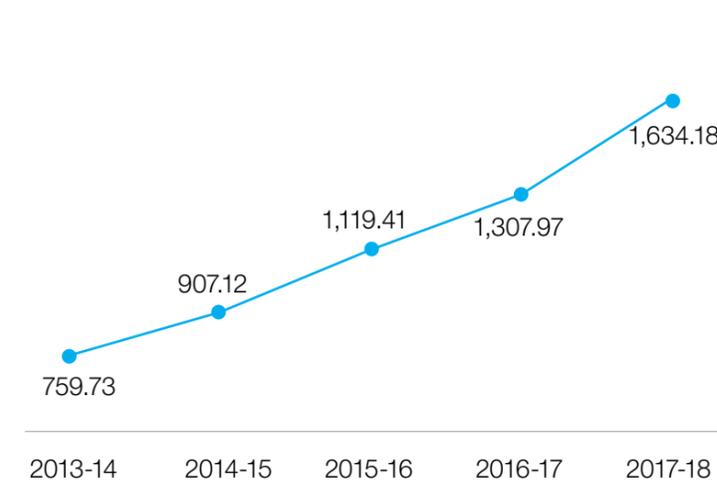
Y-o-Y growth: 34%

Earnings before interest and tax (EBIT) (in ₹ crore)



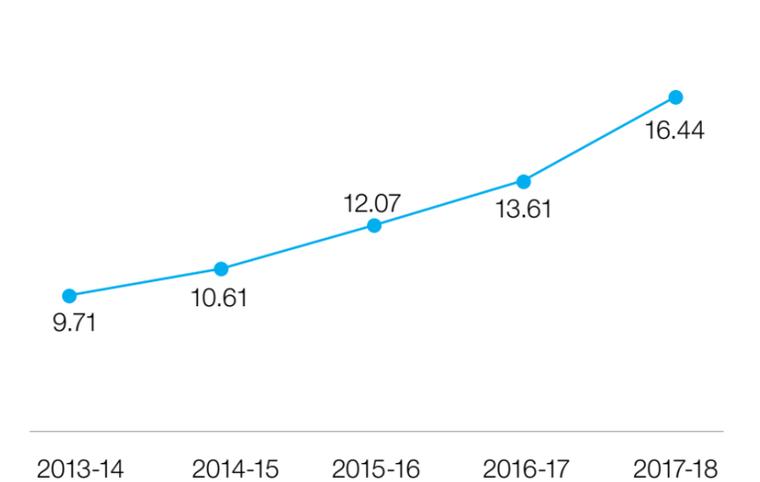
Y-o-Y growth: 10%

Profit after tax (PAT) (in ₹ crore)

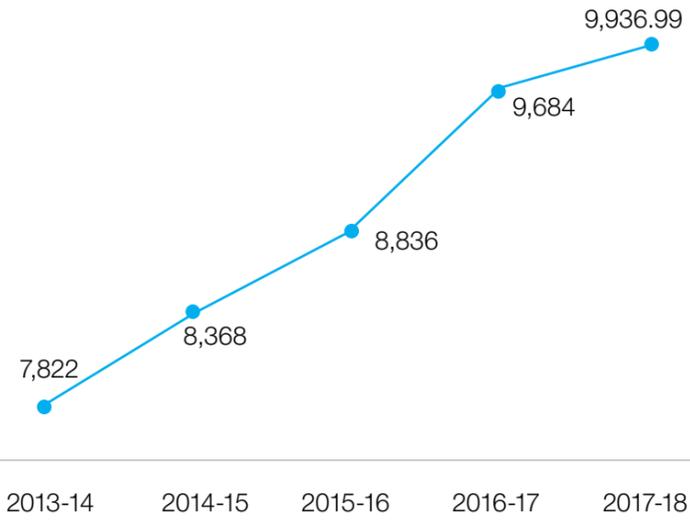


Y-o-Y growth: 25%

Post-tax profit margins (%)

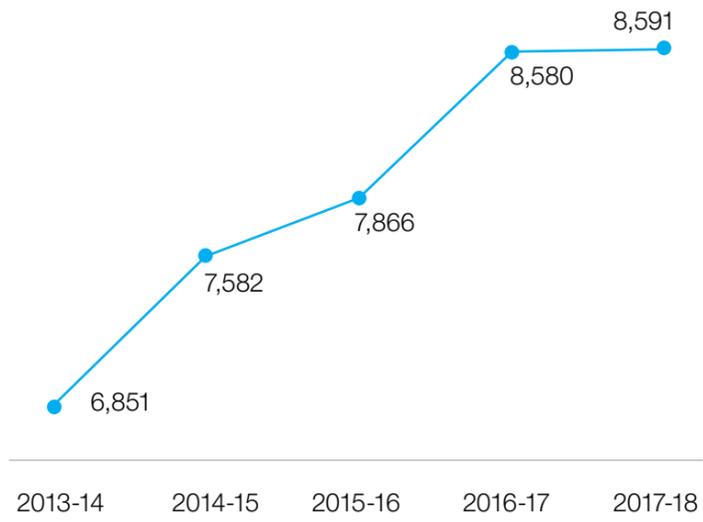


Economic value generated (in ₹ crore)



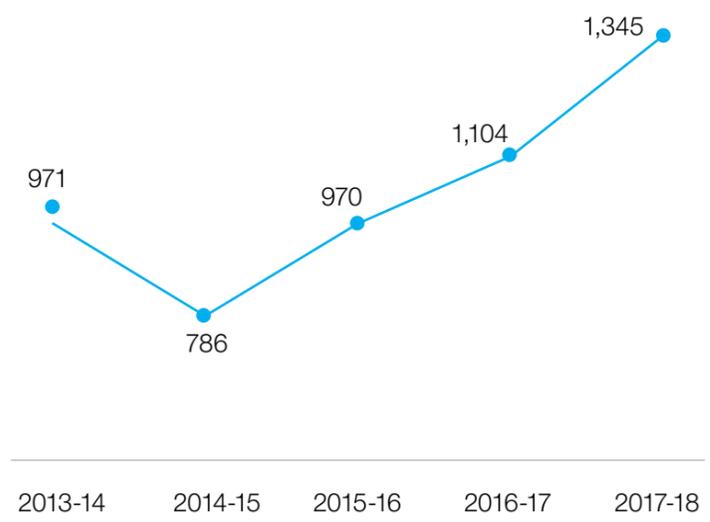
Y-o-Y growth: 2.6%

Economic value distributed (in ₹ crore)



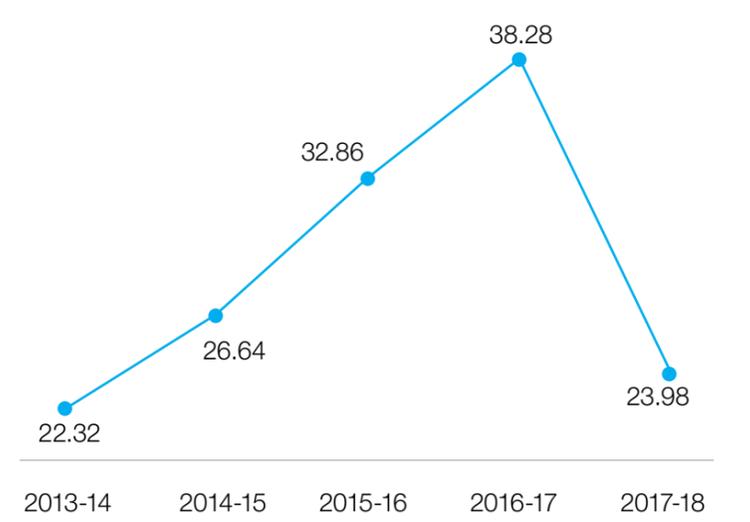
Y-o-Y growth: 0.1%

Economic value retained (in ₹ crore)



Y-o-Y growth: 22%

Earnings per share (EPS) (₹)



Y-o-Y growth: (37%)

#LeaderSpeak

“Keeping the planet alongside profits is at the core of our values. Therefore, adhering to compliance standards and regulations is a foundational requirement for us. We strive for the best in the industry, and believe that will help us build a sustainable competitive advantage in global markets.”



Mr Jishnu Batabyal
Head – Strategy and Planning

DISCUSSION ON MATERIAL ISSUES

EMERGING REGULATIONS

GCPL is a global enterprise and our operations are governed by multiple regulatory authorities across geographies. Indeed, we are committed to the best working practices and invariably meet all regulations that we are expected to conform with. Many a times, our proactive actions in adhering to the best practices help us adapt easily to the emerging regulations in today's changing world.



India

In India, which hosts just over 50 per cent of our business, the following regulations have been notified in the past few years:

- Waste Management Rules, 2016 for solid waste management, hazardous waste management and plastic waste management
- Revised emissions and effluent norms
- Ban on plastics by various state governments
- Plastic Waste Management Rules, 2016

Our response

Legislative and regulatory requirements can affect different areas such as product manufacturing, materials transportation, employee safety and air emissions.

Therefore, a comprehensive Environmental Management System (EMS) is critical for tracking and responding to emerging regulations. To address the risk arising from plastic ban, we have started working with Bhabha Atomic Research Centre (BARC) to develop bio-based plastic polymers using the extrusion process for large-scale production. With the help of this project, we would be able to further reduce our dependency on plastics.



Kenya

We have considerable presence in Kenya, where the recently announced plastic ban is one of the most stringent environmental regulations across the globe.

As per the new law, Kenyans producing, selling or even using plastic bags will risk

imprisonment of up to four years or fines of US\$40,000 (£31,000). Kenya has thus joined more than 40 other countries that have banned, partly banned or taxed single-use plastic bags, including China, France, Rwanda and Italy. The ruling comes after 10 years of legislative deliberations.

Our response

While the Kenyan ruling is material to us, we have already applied for an exemption and are expecting its sanction. The exemption has been sought under Category 2 of plastic bags, as floated by the National Environment Management Authority (NEMA). This category includes industry primary packaging using plastic where the plastic is in direct contact with the product and the packaging is done at the source. This is subject to extended producer responsibility, clear labelling and recording of the take-back scheme.

As an environmentally-conscious company, we welcome such regulations and best practices that are to be adopted at an industrial scale.

#livingthegodrejway

HELPING KEEP WOOLLEN GARMENTS GOOD AS NEW.

*pH-neutral
formula for
winter clothes.*



Social responsibility

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