

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 non-governmental organisation (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. Now the movement has grown to cover 340 schools in seven cities, with approximately 1,100 fellows positively impacting more than 38,000 children. In addition, the fellowship has a strong network of over 2,500 alumni.

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:

1. Training 1 million rural and urban youth for skilled employment.
2. 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.
3. Generating one-third of our portfolio revenues from good and/or green products and services that are environmentally superior or address a critical social issue for consumers at the base of the income pyramid.



Our Salon-i Beautypreneur programme has trained over 1500 women and helped them expand their business

We have a comprehensive corporate social responsibility (CSR) policy (<http://www.godrejcp.com/codesand-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 focussed 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

- Company's Corporate Identity Number: **L24246MH2000PLC129806**
- Name of the Company: **Godrej Consumer Products Limited**
- Registered Address: **Godrej One, Pirojshanagar, Eastern Express Highway, Vikhroli (E), Mumbai 400 079**
- Website: **www.godrejcp.com**
- Email ID: **investor.relations@godrejcp.com**
- Financial Year Reported: **2018-19**
- Sector(s) that Company is Engaged in: **Personal and Household Care Products**
- List of Three Key Products and Services that the Company Manufactures/Provides: **Personal Care, Hair Care, and Home Care**
- Number of Business Activity Locations:
 - a) Number of International Locations:**
GCPL has undertaken business activity in more than 12 international locations, and the major ones are Indonesia, Argentina, Chile, South Africa, Kenya, Nigeria, Mozambique, Ghana, Tanzania, Sri Lanka, Bangladesh and USA
 - b) Number of National Locations:**
GCPL has carried out business activities across India, and the major manufacturing locations are Madhya Pradesh, Himachal Pradesh, Assam, Jammu, Pondicherry, Tamil Nadu, Meghalaya, Sikkim and Goa
- Markets Served: **Indian market, and export and operations in the aforementioned international geographies**

Section B: Financial Details of the Company (Standalone)

1. Paid-up Capital: ₹102.22 crore
2. Total Turnover: ₹5,556.79 crore (Standalone-Net of GST)
3. Total Profit After Taxes: ₹ 1,754.98 crore (Standalone)
4. Total Spending on CSR as a Percentage of Profit After Taxes: The Company has spent an amount of ₹ 21.90 crore, which is 2.003 per cent of average net profit of last three financial years calculated in the manner specified in Section 135 of the Companies Act, 2013 read with rules thereunder
5. List of activities in which expenditure in point 4 above has been incurred.
The major areas in which the above expenditure has been incurred includes:
 - Livelihood enhancement projects
 - Environment sustainability
 - Promotion of preventive healthcare

Section C: Other Details

1. Does the Company have any Subsidiary Company/Companies?: **Yes**
2. Do the Subsidiary Company/Companies participate in the business responsibility (BR) initiatives of the parent company? If yes, then indicate the number of such subsidiary company(ies): **GCPL has subsidiaries in foreign countries and encourages subsidiaries to participate in BR initiatives. The BR policies of the subsidiaries are in line with the local requirements.**
3. Does any other entity/entities (e.g. suppliers and distributors) 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 per cent, 30-60 per cent, and more than 60 per cent): **GCPL actively encourages adoption of BR initiatives by our business partners. Currently less than 30 per cent of other entities participate in the BR initiatives of the Company.**

Section D: Details of the BR Head

1. Details of Director/Directors Responsible for BR:

- a. Details of the Director(s) responsible for implementation of BR policy/policies:

Vivek Gambhir

Managing Director & CEO

DIN: 06527810

- b. Details of BR Head DIN (if applicable):

Vivek Gambhir

Managing Director & CEO

DIN: 06527810

Telephone number: 022-25188010

Email ID: vivek.gambhir@godrejcp.com

2. Principle-wise (as per NVGs) BR Policy/Policies

Sr

No. Principle-wise Policies

1 Does the Company have a policy/policies for the principles?: **Yes.**

P1: This forms a part of the Code of Conduct of the Company.

P2: The policy is a 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: This principle is covered under two policies of the Company, namely Code of Conduct for all employees and the CSR policy.

P5: This forms a part of the Human Rights policy.

P6: This forms a 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 a part of the Code of Conduct of the Company.

Sr No.	Principle-wise Policies	P1	P2	P3	P4	P5	P6	P7	P8	P9
		Business Ethics	Sustainability	Employees wellbeing	Shareholders wellbeing	Human Rights	Environment	Regulatory Policy	Equitable Development	Customer
C2	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	Y	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

1. Indicate the frequency with which the Board of Directors, Committee of the Board, or CEO assesses the BR performance of the Company (within 3 months, 3-6 months, annually, or more than 1 year).

The BR committee meets every 3-6 months to assess the BR performance of the Company.

2. Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently is it published?

The Company publishes both a BR and Sustainability Report annually. The web link to view these reports are <http://www.godrejcp.com/annual-reports.aspx> and <http://www.godrejcp.com/sustainability-reports.aspx>

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 judgement in the paramount interest of the Company, as a whole, while concurring in or dissenting from the collective judgement 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, and the community and for the protection of the environment
- Exercise their duties with due and reasonable care, skill, and diligence and exercise independent judgement
- 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. You can view the detailed Code available at <http://www.godrejcp.com/codes-and-policies.aspx>. 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, 2019.

The Board and senior management are expected to strictly adhere to the principles outlined in the Code of Conduct. If any clause in the Code of Conduct is violated, the person is liable to stern disciplinary action, which could include termination of employment and such action as may be permissible under the law. For the reporting year, there were no breaches to our Code of Conduct.

Besides the Board and senior management, all team members are also expected to strictly adhere to our Code of Conduct and act with utmost integrity and ethics. The Code is freely available to all Godrej team members to familiarise themselves with it. If any team member violates any clause in the Code of Conduct, they are liable to strict disciplinary action, which could also include termination of employment. For the year, there were no breaches to the Code of Conduct by any of our team members.

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 also 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 we received 271 complaints by shareholders during the year. All the complaints were satisfactorily resolved.

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 LCA on household insecticide 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 (GHGs), and include 100 per cent recyclable, renewable, and/or natural materials.

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

We are constantly revamping our products and redesigning 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 the fiscal year 2018-19, we replaced the current wrapper of Godrej No. 1 to registered hotmelt wrapper, which helped us save 30 MT of material per annum. We reduced the size of Godrej Nupur Henna sachet, which has saved 20 MT of material per annum. We also redesigned and reduced the cap weight of Cinthol Deospray, which saved 10 MT of material per annum.

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 our critical 116 suppliers in the first phase till the fiscal year 2017-18 and added another 19 suppliers in the second phase in the fiscal year 2018-19. 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. Critical suppliers consist of close to 83 per cent of our procurement spends.

You can view the detailed policy at www.godrejcp.com/codes-and-policies.aspx. We have over 600 suppliers on board, and we source nearly 77 per cent of our materials locally from our local suppliers. We have started numerous initiatives for sourcing materials locally to help us reduce carbon emissions and our overall carbon footprint.

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. Close to 77 per cent of all our materials sourced are from local suppliers. These suppliers 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 vendor's end. We then send across a baseline questionnaire (different for different categories) to the concerned vendor, and 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 are 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 a part of our community development initiative, we regularly source gift products in bulk from non-profit organisations and self-help groups 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 a 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, or 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 foot print, 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. Since the fiscal year 2017-18, we have diverted more than 99 per cent of waste from landfill to recycling or coprocessing, and we continue to maintain this in the fiscal year 2018-19.

As a part of Extended Producer’s Responsibility in India, we have collected over 4,500 tonnes of post-consumer plastic packaging waste during the fiscal year 2018-19 and sent it for environmentally friendly processing. This constitutes approximately 39 per cent of our total plastic packaging consumption. Here are the details:

Location (state)	MT of post-consumer plastic waste collect during fiscal year 2018-19
Karnataka	598
Telangana	2,575
Maharashtra	792
Gujarat	350
Punjab	236
Total	4,551

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 a 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 & 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 a 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 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 Ola for Business app that gets directly billed to the company.

We also provide Ola for business service that can be easily availed 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 mid-management 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.

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 1 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 a recognised employee association?

The percentage of permanent employees who are members of a recognised employee association is 94.7 per cent. All eligible employees in our four manufacturing clusters (North, North East, Central West, and South) are considered for employee association. In three of the clusters, all employees are covered by trade union/collective bargaining agreements. In one of the clusters, employees are not part of any union although they are eligible and have the right to form or join one. As a company, we give complete freedom to employees to join a union if they want.

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.

We had received one complaint last year and it was resolved this year. For the fiscal year 2018-19, we have not received any complaints

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

Percentage of permanent employees who are members of the recognised employee association	94.7*
Total permanent employees	2,781
Male	2,532
Female	249
Employees with disabilities	10
Contract employees	4,745

*All eligible employees in our four manufacturing clusters (North, North East, Central West, and South) are considered for employee association. In three of the clusters, all employees are covered by trade union/collective bargaining agreements. In one of the clusters, employees are not part of any union although they are eligible and have the right to form or join one. As a company, we give complete freedom to employees to join a union if they want.

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 (per cent)	73.03	99	100	71	83.60	80	96	94
Permanent female employees (per cent)	100	100	100	100	93.33	90	100	100
Employees with disabilities (per cent)	100	NA	NA	60	100	NA	NA	100
Casual/temporary/contractual employees (per cent)	100	100	100	87	100	100	100	87

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 Nation'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/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 who 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 the 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:

Central west manufacturing cluster:

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 the fiscal year 2018-19 is as below:

- The primary school in Singwari village was in a state of disrepair and required renovations and repairs. The Malanpur team provided help in renovating the building that provides education to over 250 students. The team supported by repairing floors and maintaining a healthy, safe, and hygienic school environment. This encourages parents to send their children to school and increases attendance and retention.
- 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. Twelve schools participated in these events, and over 1,200 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, December 5, 2018, at the primary and middle school in Singwari to help children explore their dreams, aspirations, and talents. Over 60 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.
- We organised an environment sensitisation session with local villagers, schools, children, and teachers. We distributed over 100 native saplings to plant around their homes on June 5 on occasion of World Environment Day. Additionally, we conducted poster and slogan competition for children from the Singwari schools where 56 children participated.

- In collaboration with the Central Board for Workers Education, Gwalior, we organised several workshops for women. From September 24 to September 27, 2018, 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 session.
- 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. Eight SC/ST students were given scholarships in 2018-19.
- We are working to include SC/ST and PC people in our recruitment process. We provide sustenance allowance to our PC team members, and 14.50 per cent and 1.10 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 and inclusion, and we enable equal opportunities for all our team members. We are grooming women leaders at our manufacturing plant, and we have 15 women team members working and handling shift operations. We further engaged them in various activities such as volunteering day and women empowerment programme, which helps them enhance their soft skills.
- We organised an awareness rally in collaboration with MPPCB, Gwalior on February 17, 2019 on clean, green, and healthy environment. Even 30 of our team members and people from local community collaborated to sensitise people.

North manufacturing cluster:

- We organised various activities for World Environment Day between June 5 and June 10, 2018:
 - We organised a cleanliness drive in and around our Jammu manufacturing site. In total, 15 volunteers from our plant picked up roadside trash and cleaned the area by disposing it in an appropriate manner. They also created awareness on importance of cleaning and waste management among the people.
 - To encourage the students to contribute towards improving the environment, we organised an awareness session for school children. Our team members and school children planted tree saplings in school premises, and we taught and encouraged the children to take care of these plants.
- We celebrated the Joy of Giving Week from October 2 to October 9, 2018 and hosted various activities:
 - At Baddi, around 50 team members from Thana and 100 team members from Katha volunteered to donate clothes, toys, and shoes for kids and grocery items for the households.
 - At Jammu, close to 60 Godrejites from Baribrahmna volunteered to donate used clothes, and shoes for kids.

- At Kathua, our HR team fundraised close to ₹17,000 and bought warmers for people living in old-age homes.
 - All the collected items were donated to underprivileged people in the surrounding areas, including slum dwellers and school children.
- Our team members volunteered on Godrej Global Volunteering Day on December 5, 2018 at the local schools to help kids explore their dreams, as aspirations and talents—inspired by our internal campaign of LOUD (Live Out Ur Dream). In total, 33 of our team members volunteered in four schools in four locations (Katha, Baddi; Thana, Baddi; Kathua, J&K; and Bari Brahmana, J&K) and reached out to close to 120 students.
 - To encourage academic performance, every year we recognise and reward meritorious students at local schools. In total, 39 meritorious students of S.K. Public school and Government Primary School Juddi Kala were awarded for performance on June 5, 2018.
 - We celebrated road safety week from January 11 to January 17, 2019. We organised an awareness campaign in Baddi in collaboration with the local administration to sensitise bikers and car and truck drivers. We distributed pocket guides with tips on safe driving and reached out to more than 100 bikers and car and truck drivers.

North east manufacturing cluster:

- As a part of our community development initiative, we had identified that Gouripur LP school does not have any boundary wall. It poses a safety concern for the children, especially during breaks. In collaboration with the school, community, and the local panchayat, we supported to build a boundary wall with iron gate to safeguard the children and the school infrastructure.
- Like every year, we partnered with the GST commissionerate and jointly undertook to support Mahatma Gandhi Buniyadi Vidyalaya. The school committee approached us to help them improve the school's drinking water, which was full of iron. After testing the water, we set up an iron removal filter and also provided four drinking water taps with basin for the school.
- We volunteered on Godrej Global Volunteering Day on December 5, 2018 at the local schools to help children explore their dreams and aspirations. 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 manufacturing sites and local schools. We also organised art competition on environmental protection to sensitise the children.

- We have a relentless focus on safety at our manufacturing plants, and in line with this, we celebrate the National Safety Week, Road Safety Week, and Fire Service Week. We organised an awareness rally at our plant site at Kalapahar, New Guwahati, and Sikkim to sensitise bikers and car and truck drivers. Road safety awareness leaflets were also distributed. We had visited one local school to sensitise them on road safety awareness.

South manufacturing cluster:

- To encourage academic performance of students, we work closely with our local government schools and sponsor prizes towards their Annual Day celebrations. This year, we sponsored rewards for Kattukuppam and Kannikoil government schools.
- We conducted a summer camp for children at Kattukuppam village on May 28 and May 29, 2018 to develop bonding with the villagers. In collaboration with a local NGO, we organised sessions on various subjects, and close to 30 students participated.
- We celebrated World Environment Day on June 5, 2018, by organising a rally in collaboration with Bahoor Commune Panchayat, Government of Pondicherry on plastic pollution. We also raised awareness on waste management through various activities such as cleanliness and plantation drives and cloth bag making competition in partnership with Bahoor Commune Panchayat department and nearby police department.
- To create awareness on sexual harassment among the students, we collaborated with a local NGO and raised awareness on how to take precautions and where to approach or file a complaint.
- To encourage academic performance of the children of our contract workers, we granted scholarships and awards to candidates who had scored 80 per cent and above marks in the SSLC and +2 exams on November 3, 2018.
- Our team members volunteered to engage with kids at the nearby government schools on Children's Day.
- We celebrated Global Godrej Volunteering Day on December 5, 2018, and 35 of our team members volunteered to help kids explore their dreams and aspirations through various activities. We reached out to over 589 students in seven local schools around our manufacturing sites.
- We organised health awareness drives in collaboration with the Government Primary Health Centre and nearby private schools to enhance knowledge on dengue. The dengue awareness initiative impacted nearly 250 school students and the local villagers.
- We hosted several road safety awareness sessions in various locations in January, 2019. We organised awareness activities such as rallies, street play, and engagement with school children and college students to make them aware of road

safety. These events were telecasted in local channels and also published in local newspapers.

- We also worked on cultural issues like building awareness on making a deeper sense of respect and awareness of Tamil language among the college students and to promote the 2019 theme of 'Linguistic diversity and multilingualism count for sustainable development'. We had celebrated 'International Mother Language Day' at the nearby college and organised various competitions such as elocution, drawing, and quiz competition.
- Our team members volunteered to contribute relief material to Kaja Cyclone-affected areas of Karaikal.
- In Karaikal, where our GCPL Puducherry Coil units are located, the infrastructure condition of the government schools was in dire need of attention. The Karaikal Government High School has 150 students enrolled including children from kindergarten. The school serves mid-day meals to the students but does not have a dining area for students. During the heavy monsoons, the layout of the school makes it extremely difficult for children to get their meals without getting drenched. When the Good & Green team organised a community needs assessment, the school authorities requested the need of a dining space. Our Coil unit team shared the school's proposal to us and worked to get permission and sanctions from the local authorities and education department and completed and handed over to the school in presence of all key stakeholders including the contractors, school authorities, and our team members. As a region that receives heavy rainfall, the wear and tear of the infrastructure is accelerated. The maintenance of the facility will be the responsibility of the school authorities, and the Coil unit team will make periodic visits to ensure the space is maintained.



Karaikal Government High School's dining hall inauguration

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. 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.

In addition, our team members volunteer their time through Brighter Giving, our structured volunteering platform, and 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 270 Godrejites complete their volunteering projects in six cities. We partner with a non-profit that helps us to connect our team members to relevant projects as per their own time availability and convenience. 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 2018, close to 1,970 of our GCPL team members across 16 countries volunteered in 38 educational institutions and reached out to 5,239 children to help them explore their dreams and aspirations.

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 key HR personnel on human rights to institutionalise the process. Further, we have embedded human rights principles into our Code of Conduct for all employees.

Our audit team has internalised processes on identifying and complying with key labour laws. The team has categorised risks on non-compliance ranging from low risk to super critical risks. The team ensures timely assessments are carried out for ensuring we have no child labour on our site, we have no forced labour, we follow no discrimination, and have freedom of association for all eligible employees. We also audit on health and safety systems and ensure fair wages, leaves, and working hours.

All of GCPL's manufacturing sites in India and exclusive third-party sites are mapped and audited with mitigations plans in place.

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. We are improving our productivity to reduce our specific water

consumption while deploying rainwater harvesting system in all our manufacturing plants to further reduce our freshwater consumption. We have also undertaken several initiatives at our manufacturing facilities to reduce waste generation and divert the waste from landfill to gainful applications.

Here is our green performance as on March 2019 against the fiscal year 2010-11.

Energy

Goal: Reduce specific energy consumption by 30%

Performance: We have reduced our specific energy consumption by 28.7%

Goal: Increase renewable energy portfolio to 30%

Performance: We have increased our renewable energy portfolio to 30.7%

Emission

Goal: Become carbon neutral

Performance: We have reduced our specific GHG emissions by 41.6%.

Water

Goal: Become water positive

Performance: We have reduced our specific water consumption by 26.3%.

Waste

Goal: Achieve zero waste to landfill

Performance: We have reduced our specific waste to landfill by 99.6%.

We comply with all the requirements of the Central Pollution Control Board and State Pollution Control Boards. There have been no violations of any environmental laws and requirements for the fiscal year 2018-19.



Our Malanpur plant won the Excellent Energy Efficient Unit award at CII's National Awards 2018

We have created detailed checklists for compliance and continuously emphasise on improving productivity and plant utilisation. We have set targets for improvement in our environmental short-term and long-term performance.

(For detailed performance of our green goals, please visit Annual Report pages 114-120. Alternatively you can [view on the microsite here](#))

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, healthcare, 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. Till date we have worked to implement the policy for our top 135 suppliers. We conducted baseline assessment and communicated the baseline scores to the suppliers. We are now working closely with our suppliers to develop their voluntary targets.

We 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 focussed, and 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 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 two locations in the country with the largest being in Hyderabad in partnership with the Greater Hyderabad Municipal Corporation. We have a similar project with the Kalyan–Dombivali Municipal Corporation. This will help process 25 MT of waste per day from landfill at each location. As part of our Extended Producer Responsibility, we have collected and processed over 4,500 tonnes of post-consumer plastic waste. Please find details in Principle 2.

Globally, climate change is affecting seasonal weather patterns, leading to either intense precipitation or drought-like events. In the fiscal year 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 3,300 hectares of area and will aim to recharge groundwater and make more water available for irrigation, and we aim to plant approximately 4,00,000 saplings. Full-scale implementation of the project will start in the beginning of the fiscal year 2019-20. 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 tCO₂e 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 62 energy-dark 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://www.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. The project is currently under the validation phase. The project will mitigate 684,000 tonnes of CO₂e over the period of 20 years, which is equivalent to 34,000 tonnes of CO₂e per annum.

Has the Company undertaken any other initiative 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 the fiscal year 2018-19 are as follows:

- We mostly use biomass briquettes as fuel across plants.
- In Malanpur, we continue to install water-based vacuum systems by replacing steam-based vacuum systems. This has helped reduce steam consumption by 500 kg/hr.
- In Thana and Katha, we replaced the fixed speed air compressor with variable-speed drive.
- We implemented several other energy-efficient measures globally, including converting to energy-efficient air conditioning, installation of energy-efficient LED lighting and motion sensor lighting, optimisation of pumps and motors, and automation panels to prevent idle running of machines.
- In Thana, we replaced the water cooled at 250 CFM fixed air compressor with a 150 CFM variable-speed drive type that will help save 200 KL of water per annum.
- In our Coil 9 unit in Puducherry, we are reusing 6,200 KL per annum of treated sewage water for plant processes and domestic purposes.

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 the end of the financial year.

Nil.

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

Is your Company a member of any trade and chamber or association? If yes, name only 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 Bombay chamber of Commerce. The total membership fees paid to the association during the fiscal year 2018-19 is ₹2,87,000. No contributions to any political organisations or lobbyists were made during the year.

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.

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. 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>. We run six key programmes addressing critical needs of the country and the communities we operate in. Five of our programmes are across India and one initiative is in communities around our manufacturing sites. The following is a list of our current CSR programmes:

1. LIVELIHOOD

Salon-i and beautypreneur

Our flagship social initiative, Salon-i, is a vocational training programme for women. It is designed entirely in-house to train young women in basic skills of beauty, skin, hair care, and mehendi application. In addition, life skills and entrepreneurship development modules enable women to take up jobs or pursue self-employment depending on their unique skill sets and circumstances. As of March 2019, we have trained close to 2,22,000 young women and helped them enhance their income. Over 50 per cent of our trainees have taken up some form of employment.

We also reached out to women micro-entrepreneurs in the beauty and wellness sector in various parts of the country and set up the 'Beautypreneur' platform. Beautypreneur aims at developing beauty and wellness enterprises led by women, thereby enabling them to start training other girls. This is in addition to their regular salon business and thus helps them expand their enterprise. As of March 2019, we have trained 1,500 beautypreneurs and helped them expand their business. We carried out a Social Return on Investment (SROI) study by an external agency and found that the programme yields a return of ₹6.4 for every rupee invested.

We have also set up a project to identify and train unemployed women and youth in entrepreneurship skills to ensure stable livelihoods. Youth are primarily provided training in different aspects of rural retail business and entrepreneurship. This is to train them to be mobile retailers or door-to-door salespeople. In two years, over 1,270 youth have been trained as part of this project in West Bengal and Tamil Nadu.

(For more details about the Livelihood programme, please visit Annual Report pages 122-126, 128. Alternatively you can [view on the microsite here](#))

2. PUBLIC HEALTH

Elimination of Mosquito-Borne Endemic Diseases

We started EMBED following a feasibility study on Indian states that had a high incidence of vector-borne diseases, such as malaria and dengue. On analysing the problem, we realised that specifically, households and people at the bottom of the pyramid suffer from vector-borne and other diseases.

To address this, we collaborated with non-profit organisations and the state government to run intensive behaviour change programmes in nine districts of Madhya Pradesh. As of March 2019, the programme has reached out to 3.5 million people and addresses 45 per cent of the malaria burden of the state across nine districts.

(For more details about the Public Health programme, please visit Annual Report page 129. Alternatively you can [view on the microsite here](#))

3. WASTE MANAGEMENT

Community waste management

Today, waste disposal has become a monumental problem that results in hazardous impacts on the environment and society alike. Over 1,50,000 tonnes of municipal solid waste is generated in India per day. To address this, we have commissioned and introduced community waste management projects by using circular economy principles. We have collaborated with Hyderabad and Kalyan-Dombivali Municipal Corporations to implement community waste management projects. The projects have helped divert over 25 MT of waste per day from landfill at each location. We are tackling different waste streams and demonstrating effective waste management solutions.

(For more details about the Waste Management programme, please visit Annual Report page 130. Alternatively you can [view on the microsite here](#))

4. RURAL ELECTRIFICATION

Decentralised, off-grid renewable systems

While access to electricity has improved over the years, in several of India's remote locations, severe shortage of electricity continues to hinder daily life and full-fledged development. We have provided decentralised, off-grid renewable energy systems through community-level installations in rural India. Although the initiative is primarily aimed at domestic electrification, a few micro-grids also provide energy for water pumps, which enables marginal farmers to grow more than one crop and almost double their income within 1-2 years. We have helped power 62 energy-dark villages in Andhra Pradesh by mini- and micro-grids.

(For more details about the Rural Electrification programme, please visit Annual Report page 131. Alternatively you can [view on the microsite here](#))

5. WATERSHED MANAGEMENT

Integrated watershed development

Currently, groundwater levels in Siddipet, Telengana are lower than 400 ft in many areas; as a result, farmers are under acute pressure. Our integrated watershed development project will help restore the ecological balance in the drought-prone district of Siddipet.

Our efforts are designed to recharge groundwater and make more water available for irrigation over a total area of over 3,300 hectares and plantation of approximately 4,00,000 saplings. We have completed the capacity building phase and will begin full implementation in the fiscal year 2019-20.

We are partnering with NABARD and PEACE, a local NGO, to work with local communities to ensure their buy-in create civil structures to capture rainwater at

appropriate places, build capacity of local communities in water management, and train on sustainable agricultural practices.

6. COMMUNITY INITIATIVES

Community development initiatives around our manufacturing sites

After receiving valuable stakeholder input from third-party community needs assessments at our priority plant locations, we are now implementing a range of high-impact community development programmes covering both social and environmental aspects. These are focussed on improving education, water, sanitation, and skill-building initiatives across eight villages in and around our manufacturing facilities.

Our primary emphasis has been on education programmes, where we strive to improve the quality of education in government and schools through both infrastructural and academic interventions. In the fiscal year 2018-19, we focussed on boosting the educational infrastructure of schools in the vicinity of our plants and supported the construction and repair of classrooms, toilet construction, and drinking water facilities and provided furniture and equipment for teaching and learning.

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. We have carried out detailed impact assessments and SROI studies of our Salon-i programme, Beautypreneur initiative, and EMBED programme. You will find details of the assessment in the respective programme details shared above.

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

In the year, the Company spent 2.003 per cent 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, 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 a 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 the financial year?

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

Does the Company display product information on 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.