



# **Business Responsibility Report**

08 July, 2020

## 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 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, including 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 incorporation of global education into its school curriculum and innovative 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

The Godrej Group's Workplace Giving programme 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 2 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 3,000 alumni impacting another 1,50,000 children.

## Godrej Good & Green

In line with our vision of brighter living for all stakeholders, we have developed a long-term vision for creating a more inclusive and greener India called 'Godrej Good & Green'. This vision is based on the shared value principle of adopting policies and practices that enhance the Company competitiveness 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 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 4,165 women and helped them expand their business

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

Over the years, we have aligned our sustainability efforts with national priorities and the needs of our local communities to deliver high-impact programmes that are easy to scale up, which are as follows:

1. Our skill-building initiatives are linked to the National Skill Development Mission. Our flagship programme trains girls and women in the beauty and wellness industry.
2. We are associated with the Integrated Watershed Management Programme under the Ministry of Rural Development. Our large-scale integrated watershed project in drought-prone regions helps restore the ecological balance through harnessing, conserving, and developing degraded natural resources, thus promoting sustainable livelihoods in the region.
3. In line with the Swachh Bharat Mission, we are running several community waste management projects across India with local municipalities. In addition, we run an intensive community awareness and behaviour change programme to combat malaria in regions with a high Annual Parasitic Index through our Elimination of Mosquito Borne Endemic Diseases (EMBED) programme.

Furthermore, our community development initiatives in the areas surrounding our manufacturing units are focussed on improving education, health and sanitation, and access to water.

We also run 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 and / or their beneficiaries on a project basis. Volunteering team members accomplish this by using their professional skills and expertise to develop relevant, implementable, and sustainable solutions for organisations with which they work. Moreover, it serves as a channel through which our team members can connect with and learn more about Good & Green.

## 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](http://www.godrejcp.com)**
- Email: **[investor.relations@godrejcp.com](mailto:investor.relations@godrejcp.com)**
- Financial Year Reported: **2019-20**
- 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: ₹102.23 crore
2. Total Turnover: ₹5,361.23 crore (Standalone Net of GST)
3. Total Profit after Taxes: ₹1,179.89 crore (Standalone)
4. Total Spending on CSR as a Percentage of Profit after Taxes: The Company has spent ₹19.49 crore, which is 1.54 per cent of average net profit of the past three financial years calculated in the manner specified in Section 135 of the Companies Act, 2013 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 are as follows:
  - 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 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 the 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 Director(s) responsible for the 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: [vivek.gambhir@godrejcp.com](mailto:vivek.gambhir@godrejcp.com)

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

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No. Principle-wise Policies

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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 address matters with relevant government bodies. It is a member of FICCI and other trade associations.

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No. Principle-wise Policies

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	Employee Wellbeing	Shareholder Wellbeing	Human Rights	Environment	Regulatory Policy	Equitable Development	Customer
C2	Has the policy been formulated in consultation with 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 policy implementation?	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

Sr No.	Principle-wise Policies	P1	P2	P3	P4	P5	P6	P7	P8	P9
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

i. 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.**

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

**The Company publishes a BR and an Integrated Report annually. The web link to view these reports is <https://www.godrejcp.com/investors/annual-reports>**

## 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 abusing 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 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 and shareholders, and the community and for environmental protection
- Exercise your duties with due and reasonable care, skill, and diligence and exercise independent judgement
- Do not get involved in a situation that they may have a direct or indirect interest that conflicts or may possibly conflict with the interest of the Company
- Do not achieve or attempt to achieve any undue gain or advantage for either yourself or your 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
- Do not assign your office, and any assignment so made shall be void
- Not indulge in corruption or any form of bribery including improper offers of payments or gifts.
- Avoid any contracts that might lead to, or suggest, a conflict of interest between personal activities and business and should not have any non-official cash, cheque, loans, or other similar transactions under any circumstances with customers, vendors, third parties.
- Protect the Company's assets and properties including physical assets, information and intellectual rights and not use the same for their personal gain.

- Not give gifts or offer entertainment and neither give or accept (directly or indirectly) hospitality, gifts or donations that are intended for the purpose of obtaining business or might appear to incur an obligation.

#### Applicability of the Code of Conduct:

This Code of Conduct (Code) applies to the Directors of GCPL. Moreover, it 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, which is available at <https://www.godrejcp.com/sustainability/codes-and-policies>. 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 ending on March 31, 2020.

The Board and senior management are expected to strictly adhere to 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 employment termination and such action as may be permissible under the law. For the reporting year, there were no breaches to our Code of Conduct.

Additionally, all team members are 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, he / she is liable to strict disciplinary action, which could also include employment termination. 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 local requirements prevailing in the country of operation. Moreover, the Company encourages its business partners to follow the Code.

#### **How many stakeholder complaints were received in the past financial year, and what percentage was satisfactorily resolved by the management?**

There were no complaints outstanding at the beginning of the year, and we received 163 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 raw materials sourcing to technologies that we use at our plants, we are ensuring that our overall manufacturing approach is 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 completed life cycle assessment (LCA) of one of our personal wash products and one of our household insecticide products. We aim to carry out LCA for more products to identify hotspots and to improve upon.

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 2019-20, we reduced the packaging of Expert Powder Hair Dye and saved 9 MT / annum of material. With Cinthol, we saved 19 MT / annum of material through reduction in the thickness of soap wrapper. Furthermore, we redesigned the Cinthol Deo spray cap and saved 8 MT / annum of material.

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

In India, our demand-driven supply chain has led to mutually beneficial relationships with our suppliers and dealers. We have extended this to include partnerships with key modern trade players. We have always laid emphasis on procuring raw materials responsibly. As a best

practice, our procurement team looks at not only the initial cost but also the life cycle cost. Among available alternatives, we prefer procuring materials with the lowest life cycle cost.

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, which was released in 2016. You can view the Sustainable Procurement Policy at <https://www.godrejcp.com/sustainability/codes-and-policies>.

We have also onboarded an external agency to assess the sustainability performance of our suppliers on an annual basis in line with the policy. We help the suppliers to identify improvement opportunities through the annual assessment process.

Through the policy, we aim to have the following:

- Year-on-year an average 10 per cent improvement in score for all suppliers who have participated in the previous year's assessment.
- Suppliers covering 70 per cent of the procurement spend volume are included in the Sustainable Procurement Policy by the fiscal year 2021-22.
- 100 per cent of Sourcing & Procurement team members to undergo periodical training on Sustainable Procurement Policy after the assessment of suppliers.

Of the over 600 suppliers we work with, at the end of the fiscal year 2019-20, we have evaluated 132 suppliers so far (accounting for 67 per cent of our procurement spends). 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.

We source 80 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 its workplace?**

**If yes, what steps have been taken to improve the capacity and capability of local and small vendors?**

Yes. Eighty 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 to get a better understanding of the vendor's facilities and processes.

After evaluating the questionnaire, we request to audit the vendor. At the audit, we categorise the vendor 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 re-audit. Furthermore, the vendors are requested to provide a corrective and action report on our audit findings. 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. Also, some of our team members have 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 materials and our products' overall 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 2019-20.

As a part of Extended Producer's Responsibility in India, we have collected post-consumer plastic packaging waste in several states such as Maharashtra, Telangana, Gujarat, Punjab, Karnataka, Madhya Pradesh, Tamil Nadu, Chhattisgarh, Rajasthan, Uttar Pradesh, Kerala, Chandigarh, Goa, and Pondicherry. In total, we have collected over 8,000 MT of post-consumer plastic waste during the fiscal year 2018-19 and have sent it for environment friendly processing in line with our EPR plan submitted to CPCB.

We are committed for 100 per cent of EPR compliance and plan to cover pan-India in the fiscal year 2020-21.

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

#### **Code of Conduct**

At GCPL, 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 subscribe 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.

Of our total workforce (including both blue-collar and white-collar), women form 8.6 per cent of workforce. We have 25.9 per cent female representation in all management



positions. In junior management positions females form 11 per cent of all junior management positions. In top management, females form 22.4 per cent of all top management positions. Further, females in management position in revenue-generating functions form 20.9 per cent of all revenue-generating management positions.

## **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.

We recently reconstituted our Internal Complaints Committee in accordance with the act to ensure that women are protected against sexual harassment at their 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. Moreover, we 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.

With the COVID-19 outbreak, we have enabled work from home for all our office employees. At our manufacturing plants, we are following strict protocols of safety, hygiene, social distancing, and cleanliness.

### **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. Furthermore, we 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.

**Mental wellness:**

Our Employee Assistance Programme offers a confidential service to enable mental wellness. We have partnered with 1to1help and have a mix of reliable self-help resources and personalised counselling sessions to choose from.

**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. Moreover, we have been recognised among the Best Workplaces in Asia based on 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. Furthermore, we provide 3 months' adoption leave and benefits, besides a paternity leave and benefit 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. 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 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:**

The leadership team has multiple contact points 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. 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 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. Moreover, it has resulted in improved team dynamics and an incredibly 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, others, and business. GCPL's Sustainable Procurement Policy 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 94.6 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 no complaints in the past year. For the fiscal year 2019-20, we have not received any complaints.

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

Percentage of permanent employees who are members of a recognised employee association	94.6*
Total permanent employees	2,768
Male	2,529
Female	239
Employees with disabilities	17
Contract employees	4,224

\*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)	78	92	100	100	86	90	90	96
Permanent female employees (per cent)	91	100	100	96	91	90	100	94
Employees with disabilities (per cent)	100	NA	NA	100	100	NA	NA	100
Casual / temporary / contractual employees (per cent)	100	100	100	92	100	100	100	88

## 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 various 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.

In the fiscal year 2019-20, we carried out an extensive materiality exercise by engaging a third party, enabling a thorough understanding of the relationship of the material issues with our business risks, objectives, and value creation. We analysed material issues based on identification and prioritisation methodology. We followed a systematic step-wise process of primary and secondary research to gather relevant insights and carry out necessary calculations to arrive at the materiality matrix. Primary inputs were collected through direct stakeholder engagement, with discussions on material issues with various stakeholder groups. We used surveys to reach out to employees and gather information at scale. Our secondary research is primarily a documented analysis of various sector trends, sustainability reports, and select peer analysis. These issues are further rated based on the level of importance by us and our stakeholders. On identifying a broad list of material issues, we interacted with each key stakeholder group. These included our beneficiaries and NGO partners in line with our goal to build inclusive and prosperous communities.

In the past, we have 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 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 working in partnership with the government, people of villages, 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 these categories.

#### Key Highlights:

1. To sustain affirmative action in GCPL, the unit head interviews every SC / ST / PC candidate applying for a job before the final decision is taken. This 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 5,350 people, and through our needs assessment we identified that education, water, sanitation, and healthcare are some of the priority needs of the village.

The list of initiatives in the fiscal year 2019-20 is as follows:

- 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. We helped construct a boundary wall, a garden, and a playground with facilities to play; furthermore, we provided saplings to the school authority. This encourages parents to send their children to school and increases attendance and retention.
- We aid 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 1,100 students and teachers joined in enthusiastically. We ended these day-long activities with prize distribution to winners and meritorious students.
- In line with our global initiative, our team members volunteered on Godrej Global Volunteering Day, December 5, 2019, on the theme of eliminating single-use plastic. In total, 40 of our employees actively volunteered in the clean-up initiative in this village and

collected more than 40 kg of single-use waste plastics and sent them for recycling. An awareness session was conducted for middle-school children on plastic waste management.

- To improve the employability of youth, we partnered with schools, colleges, and industries to create awareness on quality concepts, entrepreneurship, environment, and safety based on Godrej's experience.
- Singwari has a population of approximately 5,350 people; however, the village is deprived of basic medical facilities. To fill this gap, we provide free medical aid to the villagers along with a consulting doctor who visits thrice a week. We have been running this free clinic since 1991.
- On June 5, World Environment Day, we participated in an environment awareness rally at Gwalior organised by Madhya Pradesh Pollution Control Board. On the same day, we organised an environment awareness training programme in partnership with experts of Jiwaji University for our plant officers and contractual employees. Furthermore, we organised a poster competition for the Singwari school children and completed the day with a plantation drive by the teachers and students of the primary and middle schools in Singwari.
- 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 2019-20, and we provided school supplies to top 18 students from class nursery to standard 8.
- We are working to include SC / ST and PC people in our recruitment process. We provide sustenance allowance to our PC team members who form 1.08 per cent of our workforce. SC / ST category forms 14.50 per cent of our workforce. 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 engage them in various activities, such as volunteering day and women empowerment programme, which help them enhance their soft skills.
- We are implementing a 'Youth ki awaaz' programme, a water, health and sanitation behaviour change programme that works with young people to drive change. This initiative will impact over 740 households across four villages.





Our Malanpur plant team members participating in a clean-up drive around the community as part of Godrej Global Volunteering Day

### **North manufacturing cluster:**

- We organised various activities for World Environment Day between June 5 and June 11, 2019:
  - We organised a cleanliness drive in and around our Jammu manufacturing site. In total, 46 volunteers from our plant picked up roadside trash and cleaned the area through its appropriate disposal.
  - We planted saplings along the road near our Coil 11 Jammu plant.
  - To reduce our plastic waste, we replaced all plastic-made drinking water bottles with steel bottles in our offices. In total, we replaced 46 bottles in Jammu plants and 104 bottles in Baddi plants.
- We celebrated the Joy of Giving Week from October 2 to October 8, 2019 and hosted various activities:
  - 38 volunteers participated across five units in Baddi and Jammu and contributed 100 volunteering hours during the Daan Utsav Week.
  - Our team members fundraised ₹27,961 and purchased food and hygiene essentials for children in orphanages and for senior citizens in old age homes.
  - Employees donated warmers and leggings, clothes, blankets, and bed sheets, among other things. They were distributed among the school students of a nearby slum.

- Together, we reached out to approximately 300 beneficiaries.
- Our team celebrated Godrej Global Volunteering Day from November 28 to December 5, 2019. The theme of the event was to eliminate single-use plastic, and we organised various activities:
  - We organised a clean-up drive within our plants in Jammu and Baddi and in the vicinity.
  - We supported students at the Chandigarh Institute of Performing Arts to perform a street play on creating awareness on the ban on single-use plastic in Baddi School and Baddi Truck Union.
  - Our volunteers helped run awareness sessions in schools around our Jammu plant.
  - Together, 1,010 volunteers participated from Baddi and Jammu.
- The following community development initiatives were undertaken in different locations of North Cluster in the fiscal year 2019-20:
  - Thana Baddi: We supported repair of toilets and washrooms and installation of a sanitary napkin vending machine in a local school; furthermore, we supported construction of HP Police playground.
  - Katha Baddi: We levelled the assembly area of a government school and installed a sanitary napkin vending machine.
  - Kathua, Jammu: We donated utensils for mid-day meal preparation, installed water lifting pump, RO, and water cooler, cemented and covering drinking water area and waste water drainage, covered windows with mesh for mosquito protection, covered open lobby with grill, and installed drain pipes from roof in a local government school.
  - Bari-Brahmana: We renovated two kindergarten classrooms, repaired stairs, and installed water filter, cooler, and a sanitary napkin vending machine.
- We celebrated road safety week from January 11 to January 18, 2020. We organised awareness sessions for truck drivers and transport vehicle drivers around our Jammu and Baddi plants.

#### **North east manufacturing cluster:**

- As a part of our community development initiative, we had identified that Pasi LP School in Sikkim 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 fencing throughout the school to secure the campus and safeguard the children and the school infrastructure.

- To improve the sanitation facility at the Pasi LP School, Sikkim, we constructed two bio-toilets separately for boys and girls. With improved access to sanitation with the aim of fewer children dropping out from the school.
- To enable effective and engaging digital literacy and learning, we donated four desktops to Mamring High School, Sikkim.
- 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.

#### **South manufacturing cluster:**

- We undertook desilting of three water channels in Karaikal as part of our CSR initiative as per the Collectorate's request. We desilted three channels under the guidance and supervision of PWD. One channel supplies water to 100 acres of agricultural land, and the other two channels prevent water logging and mosquito breeding. This project has benefitted five nearby villages around our Kurumbagaram Unit, Karaikal. The Puducherry Chief Minister and the Governor appreciated our support.
- Following a request from the local authority Nedungadu Constituency where our Coil unit-6 is located, we provided borewell materials to the Commune Panchayat of Nedungadu. This has enabled the supply of drinking water to five local villages in the community. Furthermore, we installed a rain water harvesting system at Bahoor Commune Panchayat Office, Pondicherry, which is a part of our Kattukuppam Unit, Pondicherry.
- Our women team members in partnership with an NGO led the awareness session on menstrual hygiene for all girl students of the Puducherry Government Women's College. Moreover, we distributed reusable cotton napkin pads to the girls.
- To enable smooth digital learning, we donated two desktop computers to the students of Government Primary School, Kattukuppam, Pondicherry.
- 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, Kirumambakkam, and Kannikoil Government Primary Schools.
- We conducted a summer camp for children at Kattukuppam village spanning from May 15 to May 17, 2019 to develop bonding with the villagers. In collaboration with a local NGO, we organised sessions on various subjects, and close to 40 students participated.
- We celebrated World Health Day on May 23, 2019 at our Conso Unit, Kattukuppam. We raised awareness on work-life balance, mental and physical healthcare, healthy diet, and women's hygiene and sanitation. Approximately 80 of our women contract workers benefitted from this workshop.
- We celebrated World Environment Day on June 5, 2019 across all our South cluster units. We conducted awareness on waste management through various activities for our team members.
- We organised a Roof Garden awareness programme for our employees on June 13, 2019 to enable our employees to produce and consume fresh vegetables and herbs in a self-

sustainable manner. The agriculturist provided a practical guide to get started, and 30 of our employees participated in this event.

- In July 2019, our team members volunteered to engage with kids at a nearby government school to create awareness on saving water. On Children's Day, our team members volunteered with a nearby orphanage and spent time engaging with kids with mental disabilities.
- We celebrated Global Godrej Volunteering Day in our South cluster from November 27 to December 5, 2019. In total, 100 of our team members volunteered towards eliminating single-use plastics. We organised awareness rallies and clean-up drives. Together, we collected 211 kg of plastic waste and sent it for recycling.

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

Yes. In the fiscal year 2019-20, we carried out an extensive materiality assessment by engaging a third party, enabling a thorough understanding of the relationship of material issues with our business risks, objectives, and value creation. We analysed material issues based on identification and prioritisation methodology. We followed a systematic step-wise process of primary and secondary research to gather relevant insights and carry out necessary calculations to arrive at the materiality matrix.

The material issues were further rated based on their level of importance by us and our stakeholders. On identifying a broad list of material issues, we interacted with each key stakeholder group, including employees, leadership team, suppliers, distributors, consumers, investors, NGO partners, beneficiaries, and industry associations.

### **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 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 300 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 time availability and convenience. Furthermore, we organise short-term volunteering activities that help in addressing a non-profit organisation and / or its beneficiaries' needs.

## **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 developed a Human Rights Policy, which was released in June 2017. The policy can be viewed here: <https://www.godrejcp.com/sustainability/codes-and-policies>

Post-releasing the policy, we have conducted a training for key HR personnel on human rights to institutionalise the process. Furthermore, 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 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 mitigation 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.

Additionally, we are 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 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 2020 against the fiscal year 2010-11.

### **Energy**

Goal: Reduce specific energy consumption by 30 per cent.

Performance: We have reduced our specific energy consumption by 27.7 per cent.

Goal: Increase renewable energy portfolio to 30 per cent.

Performance: We have increased our renewable energy portfolio to 30 per cent.

## Emission

Goal: Become carbon neutral.

Performance: We have reduced our specific GHG emissions by 37 per cent.

## Water

Goal: Become water positive.

Performance: We have reduced our specific water consumption by 32 per cent.

## Waste

Goal: Achieve zero waste to landfill.

Performance: We have reduced our specific waste to landfill by 99.5 per cent.

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 2019-20.



GCPL is now a part of the DJSI leadership index for emerging markets 2019

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 our Fiscal Year 2019-20 Integrated Annual Report [here](#) -> Building a more inclusive and greener world))

**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 600+ 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 132 suppliers who account for 67 per cent of our procurement spends. 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- and long-term targets for emission reduction. 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 adopting 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. In the past, we have collaborated with the Hyderabad and Kalyan-Dombivali Municipal Corporations for urban waste management. Moreover, we are working with a social enterprise in Guwahati to convert plastic waste into fuel. Furthermore, we are partnering with an enterprise in Assam that is recycling forest and agri residue into briquettes for bio-fuel. We are also partnering with Pondicherry Municipality to implement a solid waste management project. Together, through these projects, we aim to process upto 100 MT of solid waste per day.

As part of our Extended Producer Responsibility, we have collected and processed over 8,000 MT 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 and the NGO PEACE to help restore the ecological balance of the region and mitigate the risk of climate change for the local farmers. Our efforts are designed to recharge groundwater and make more water available for irrigation over a total area of more than 3,300 hectares by the fiscal year 2021-22. In the fiscal year 2019-20, we have treated 870 hectares of land and carried out over 3 lakh direct seeding and over 38,000 direct sapling plantation. We have worked with over 300 farmers to build their capacity on sustainable farming and livelihood diversification. We have also captured about 1 million KL of water in the region in the fiscal year 2019-20.

You can find more details about our initiatives on <https://www.godrejcp.com/sustainability/csr>

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

Yes. Potential aspects related to the environment are identified and evaluated for their impact based on severity, scale, and probability. 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 and will mitigate 6,84,000 MT of CO<sub>2</sub>e over the period of 20 years, which is equivalent to 34,000 MT of CO<sub>2</sub>e 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 70 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 2019-20 are as follows:

- In Malanpur, installed another water-based vacuum system by replacing a steam-based vacuum system. This helped reduce fuel consumption by 48 MT. Also, replaced the old chiller with a new, efficient one that helped save 1.4 lakh kWh. Installed a new energy-efficient compressor, which reduced energy consumption by 2.8 lakh kWh.
- In the North cluster, replaced old motors with new IE4 motors that helped save 82,000 kWh. Also, reduced roll mill frequency, which saved 27,000 kWh.
- In the North East cluster, VFDs and capacitor banks installed at the Meghalaya coil plant helped save over 1 lakh kWh. Optimised compressed air pressure and installed limit switch, motion sensor, and timer control, which saved 35,000 kWh.
- In the South cluster, replaced pneumatic cylinders with servo motors that saved 1.5 lakh kWh. Also, installed energy-saving devices for air conditioning.

**Are the emissions / waste generated by the Company within 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 that 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, IMC Chamber of Commerce and Industry, Bombay

Chamber of Commerce, and Waste Efficient Collection and Recycling Efforts (WE CARE). The total membership fees paid to the association during the fiscal year 2019-20 is ₹5,26,325. These associations regularly engage with relevant government bodies on various policy-related matters and provide inputs or comments on behalf of the members.

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 our operation efficiency, 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 <https://www.godrejcp.com/sustainability/codes-and-policies>. Additional details about the programmes are available at <https://www.godrejcp.com/sustainability>. We run five key programmes addressing critical needs of the country and the communities we operate in. Four 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. Employability and livelihoods**

At Godrej, we collaborate with non-profit organisations and social enterprises to design and run several employability training programmes for youth from low-income sections of society. We aim to improve the earning potential of our trainees by building their skills and empowering them. Apart from core domain skills, our programmes also focus on life skills training, entrepreneurship development, and post-placement support.

As of March 2020, we have trained over 4,33,435 young people in skills that will enhance their earning potential. 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. Our learnings from CSR programmes in skills and livelihoods development are detailed in our [report](#). Further, in the fiscal year 2019-20, we placed 28 per cent of Salon-i trainees with an average annual salary of ₹62,808, which is ~75 per cent of their average annual household income (₹83,392). A majority of them were first-time entrants in the workforce.

We 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 2020, we have trained 4,165 beautypreneurs and helped them expand their business. The average annual net revenue of Beautypreneur is ₹60,828, which is ~25 per cent of their annual household income (₹2,41,596). In a month, 52 per cent of Beautypreneurs earn between ₹3,001 and ₹7,500, and close to 20 per cent earn between ₹7,501 and ₹15,000. In 2019, we had 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.

(For more details about the Livelihood programme, please visit the Fiscal Year 2019-20 Integrated Annual Report [here](#) -> Building a more inclusive and greener world)

## 2. Public health

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. In the fiscal year 2019-20, we expanded our footprint to 11 districts across Madhya Pradesh, Uttar Pradesh, and Chhattisgarh and are currently covering 830 villages and close to 7.5 lakh people. An independent SROI study of the programme revealed that every ₹1 invested in the programme created a social impact worth ₹8.38.

Against the target of 80 per cent villages being malaria free in 3 years, at the end of the fiscal year 2019-20, 83 per cent of 220 villages in year 3 of the programme became malaria free; 50 per cent of 210 villages in year 2 of the programme became malaria free. In total, 400 new villages where EMBED has just started year 1 of the intervention continue to report cases, and malaria free outcomes will be observed in years 2 and 3.

(For more details about the Public Health programme, please visit the Fiscal Year 2019-20 Integrated Annual Report [here](#) -> Building a more inclusive and greener world)

### 3. 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 MT 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.

In the past, we have collaborated with the Hyderabad and Kalyan-Dombivali Municipal Corporations for urban waste management. Moreover, we are working with a social enterprise in Guwahati to convert plastic waste into fuel. Furthermore, we are partnering with an enterprise in Assam that is recycling forest and agri residue into briquettes for bio-fuel. Together, through these projects, we aim to process upto 100 MT of solid waste per day.

(For more details about the Waste Management programme, please visit the Fiscal Year 2019-20 Integrated Annual Report [here](#) -> Building a more inclusive and greener world)

### 4. Watershed management

Currently, groundwater levels in Siddipet, Telangana 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.

We partner with NABARD and PEACE, a local NGO, to work with local communities to ensure they buy-in and create civil structures to capture rainwater at appropriate places, build capacity of local communities in water management, and train on sustainable agricultural practices.

Our efforts are designed to recharge groundwater and make more water available for irrigation over a total area of more than 3,300 hectares by the fiscal year 2021-22. As of March 2020, we have treated 870 hectares of land and carried out plantation through 3 lakh seed dibbling and over 38,000 saplings. We have worked with over 300 farmers to build their capacity on sustainable farming and livelihood diversification.

## 5. Community initiatives

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.

**(For more details about the Community initiatives, please visit principle 4 of this report, pages 23-28)**

We encourage our team members to volunteer their time for our communities. Our annual Godrej Global Volunteering Day is a platform for our team members to connect with our communities more meaningfully. In 2019, over 1,760 of our GCPL team members across seven countries volunteered in clean-up drives. We collected over 4,000 kg of solid waste of which 2,800 kg of plastic waste was sorted and sent for recycling.

### **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 of 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 1.54 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 past 5 years and pending as on the end of this financial year? If so, provide details thereof in approximately 50 words.**

None.

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

Yes.