



# **BUSINESS RESPONSIBILITY** REPORT



## BUSINESS RESPONSIBILITY REPORT OF GODREJ AGROVET LIMITED

[Corporate Identity Number (CIN): L15410MH1991PLC135359]

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

Godrej Agrovet Limited (“the Company”) is pleased to present this Business Responsibility Report for the Financial Year (F.Y.) 2017-18, in accordance with sub-regulation (2) of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Circular No. CIR/CFD/CMD/10/2015 dated November 4, 2015 issued by the Securities and Exchange Board of India (SEBI), to describe the initiatives taken by the Company from an environmental, social and governance perspective. This Report is prepared in accordance with the ‘National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business’ (NVGs) notified by the Ministry of Corporate Affairs (MCA), Government of India, in July 2011.

The Company recognizes the underlying idea of NVGs that a corporate needs to act as a ‘Responsible Business’ and ensure that its economic growth is socially and environmentally sustainable. The concept of parting with a portion of one’s surplus wealth for the good of the society is a part of the Indian tradition over the centuries, prevalent in the business community as well. Further, there is an increasing concern from all stakeholders, who are demanding that businesses of all types and sizes should function with fairness and responsibility.

This Business Responsibility Report describes the activities of the Company under each of the following 9 (nine) principles as outlined in the NVGs:



**PRINCIPLE 1**

Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

**PRINCIPLE 2**

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

**PRINCIPLE 3**

Businesses should promote the well-being of all employees.

**PRINCIPLE 4**

Businesses should respect the interests of, and be responsive, towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

**PRINCIPLE 5**

Businesses should respect and promote human rights.

**PRINCIPLE 6**

Businesses should respect, protect and make efforts to restore the environment.

**PRINCIPLE 7**

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

**PRINCIPLE 8**

Businesses should support inclusive growth and equitable development.

**PRINCIPLE 9**

Businesses should engage with and provide value to their customers and consumers in a responsible manner.

**ABOUT THE GODREJ GROUP & ITS PHILANTHROPIC EFFORTS:**

The Company is a part of the “Godrej” Group, one of the largest professionally run private-sector groups in the country which has emerged as a major industrial and agricultural conglomerate acclaimed for the excellent quality of its products and services. “Godrej” Group has a well-established presence in varied businesses ranging from foods and consumer durables to chemicals and real estate. The Group has completed over 100 years of service to the nation and is amongst the admired business groups

in India, delivering quality products and services to its customers at competitive costs, with highest international standards of customer care.

It is important to note that the Godrej Group has been at the forefront of philanthropic and social activities for several decades, including but not limited to environmental protection, healthcare and education.

In the words of Mr. N. B. Godrej, the Chairman of the Company, the sustainability efforts by the Godrej Group can be described as:



***Much benefit can be seen  
From our program Good and Green  
Society and business gain  
From all the people that we train  
We thought we'd have to pay a price  
For green energy but it's very nice  
The costs have fallen very low  
And every day our savings grow!***



About twenty-four per cent of the shares of the Godrej Group are held in trusts that invest back in initiatives that support the environment as well as improve the quality and availability of healthcare and education. Through investment and oversight by the trust, a large tract of mangrove forests in Mumbai (Maharashtra) have been protected, developed, and maintained for several years and serve as a second set of lungs for the city. The Godrej Group has continually supported education and supports the Udayachal pre-primary and primary schools, which focus on the all-round development of children. The Udayachal high school has been accredited with the International School Award in recognition of the school incorporating global education into its curriculum and innovation into classroom teaching. In addition, the Godrej Group has supported initiatives in healthcare

through the Godrej Memorial Hospital at Vikhroli, Mumbai (Maharashtra), which aims to provide quality healthcare at affordable costs. One such initiative is our partnership with 'Smile Train', a US-based NGO, which helps in performing corrective cleft lip and palate surgeries for children from low-income families. The Group offers surgery and hospitalization to the patients free of cost.

All the businesses in the Godrej Group are inspired by the Brighter Giving philosophy and have imbibed Godrej values. "Brighter Giving" is a structured, skill-based, long-term volunteering programme or platform through which the employees can offer their time, knowledge and skills in meaningful, volunteering projects. This programme has a long-term goal of seeking to enable and drive meaningful initiatives for the Godrej Group's non-profit partners and/or their beneficiaries. It also



**Ensuring  
Employability**



**Creating a  
Greener India**



**Innovating for  
Good & Green  
Products**

serves as a channel through which the employees can connect with and learn more about “Good & Green”. In conjunction with the Godrej Group’s vision for “Brighter Living” for all stakeholders, the Group has developed a long term vision of “Godrej Good & Green” for playing an active part in creating a more inclusive and greener India.

Operationalizing Good & Green is founded on shared value initiatives. The concept of “shared value” is defined as policies and operating practices that enhance the competitiveness of a company while simultaneously advancing the economic and social conditions in the communities in which it operates. As part of Good & Green, the Group aspires by 2020, to create a more employable Indian workforce, a greener India and innovate for good and green products.

Godrej Group-level ambitious targets or goals till the year 2020 are as follows:-

- Train 1 (one) million rural and urban youth in skilled employment;
- Achieve zero waste to landfill, carbon neutrality, and a positive water balance along with reducing our specific energy consumption and increasing the proportion of renewable energy use; and
- Have one-third of our portfolio revenues comprise good and/or green products and services, defined as products that are environmentally superior or address a critical social issue (e.g. health, sanitation, and disease prevention) for consumers at the bottom of the income pyramid.

**ABOUT GODREJ AGROVET LIMITED & ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:**

The Company is one of India’s foremost diversified agribusiness companies, mainly engaged in the business of animal feed, crop protection and oil palm. The Company’s mission is to improve the productivity of Indian farmers by innovating products and services that sustainably increase crop and livestock yields. The Company has nurtured a close relationship with Indian farmers across the length and breadth of the country, by

bringing world class farming practices and techniques to them and offering end-to-end solutions for issues faced by them, thereby enabling them to enhance their financial gains. In its journey of growth, the Company has set new standards of corporate performance, reliably and consistently delivering excellent quality products and services to all our customers at competitive prices.

The Company, as a part of the larger Godrej Group, shares the Group’s vision and initiatives in creating a more employable Indian workforce, a greener India and innovating for good and green products by 2020.

The Company has a comprehensive Corporate Social Responsibility (CSR) Policy in place, which is posted on the Company’s website [www.godrejagrovvet.com](http://www.godrejagrovvet.com). The CSR Policy outlines programmes and projects which the Company undertakes to create a positive impact on its stakeholders. The CSR Committee reviews, monitors and provides strategic inputs for our sustainability efforts. Over the years, the Company has aligned its sustainability efforts with the priorities of the nation and the needs of local communities to deliver high-impact programmes that are easy to scale up.

**ABOUT THIS BUSINESS RESPONSIBILITY REPORT:**

This Business Responsibility Report of the Company is divided into the following 5 (five) sections, as per the format prescribed in SEBI Circular No. CIR/CFD/CMD/10/2015 dated November 4, 2015:-

|                    |  |
|--------------------|--|
| <b>Section A :</b> | General Information about the Company    |
| <b>Section B :</b> | Financial Details of the Company         |
| <b>Section C :</b> | Other Details                            |
| <b>Section D :</b> | Business Responsibility (BR) Information |
| <b>Section E :</b> | Principle-wise Performance               |

## SECTION A:

### GENERAL INFORMATION ABOUT THE COMPANY:

- Corporate Identity Number (CIN):**  
L15410MH1991PLC135359
- Name of the Company:** GODREJ AGROVET LIMITED
- Registered Office Address :** Godrej One, 3<sup>rd</sup> Floor, Pirojshanagar, Eastern Express Highway, Vikhroli (East), Mumbai - 400 079, Maharashtra, India.
- Website:** www.godrejagrovvet.com
- E-mail ID:** gavlinvestors@godrejagrovvet.com
- Financial Year reported:** From April 1, 2017 to March 31, 2018
- Sector(s) that the Company is engaged in / List of three key products / services that the Company manufactures / provides (as in the Balance Sheet, industry activity code wise):**

| Sr. No. | Name and Description of Main Products | National Industrial Classification (NIC) Code of the Product (as per NIC 2008) |
|---------|---------------------------------------|--|
| 1.      | Animal Feeds                          | 10801, 10802, 10803  |
| 2.      | Agricultural Inputs / Crop Protection | 20121, 20211, 20213, 20219   |
| 3.      | Vegetable Oils                        | 10402  |

Moreover, the Company has subsidiaries and Joint Ventures engaged in the business of agrochemicals,

pharmaceuticals intermediates, dairy products, poultry, chicken processing and value-added vegetarian and non-vegetarian products.

### 8. Total Number of Locations where Business Activity is undertaken by the Company:

|  |  |
|--|--|
| <b>Number of National Locations</b>      | <p>The Company has plants at various locations across the country, including the following:-</p> <ul style="list-style-type: none"> <li><b>Animal Feed:</b><br/>Khanna (Punjab), Ikolaha (Punjab), Miraj (Maharashtra), Dhule (Maharashtra), Sachin (Gujarat), Kharagpur (West Bengal), Khurda (Orissa), Hanuman Junction (Andhra Pradesh), Kondapalli (Andhra Pradesh), Tumkur (Karnataka), Hajipur (Bihar), Erode (Tamil Nadu), Chandauli (Uttar Pradesh)</li> <li><b>Agri Inputs:</b><br/>Jammu (Jammu &amp; Kashmir), Lote Parshuram (Maharashtra)</li> <li><b>Oil Palm:</b><br/>Pothepally (Andhra Pradesh), Chintampalli (Andhra Pradesh), Ariyalur (Tamil Nadu), Valpoi (Goa), Kolasib (Mizoram)</li> </ul> |
| <b>Number of International Locations</b> | ACI Godrej Agrovvet Private Limited, a Joint Venture of the Company, is a company incorporated and operating in Bangladesh.  |

### 9. Markets served by the Company (Local / State / National / International):

The Company has spread its wings both in the domestic market and to some extent in the international markets.

## SECTION B:

### FINANCIAL DETAILS OF THE COMPANY:

| Financial Year (F.Y.) 2017-18                                       | Amount         |
|---|----------------|
| Paid-up Capital (in ₹ )   | 1,92,02,87,390 |
| Total Turnover (₹ in Lakh)  | 5,23,772.60    |
| Net Profit After Tax (₹ in Lakh)                                    | 25,103.78      |
| Total Spending on Corporate Social Responsibility (CSR) (₹ in Lakh) | 438.97         |

In compliance with the CSR norms as per Companies Act, Godrej Agrovet has undertaken various projects in line with activities mentioned under Schedule VII, as follows:

- Rural development
- Livelihoods enhancement
- Water conservation
- Promotion of Agriculture & Animal husbandry
- Promotion of Education,
- Promotion of Sports and games
- Environmental Sustainability
- Promotion of Sanitation, health and hygiene

## SECTION C:

### OTHER DETAILS:

#### 1. Subsidiary Companies:

The Company has 7 (seven) subsidiaries as on

March 31, 2018, in or outside India, which includes 3 (three) direct subsidiaries and 4 (four) sub-subsidiaries.

The list of subsidiaries of the Company is given below:-

1. Godvet Agrochem Limited
2. Astec LifeSciences Limited
3. Behram Chemicals Private Limited (a subsidiary of Astec LifeSciences Limited)
4. Astec Europe Sprl (a subsidiary of Astec Life Sciences Limited)
5. Comercializadora Agricola Agroastrachem Cia Ltda (a subsidiary of Astec LifeSciences Limited)
6. Creamline Dairy Products Limited
7. Nagavalli Milkline Private Limited (a subsidiary of Creamline Dairy Products Limited)

#### 2. Participation of subsidiary companies in the Business Responsibility (BR) Initiatives of the parent company:

Out of the subsidiaries of the Company specified above, 2 (two) subsidiaries which are required to comply with Section 135 of the Companies Act, 2013, viz., Astec LifeSciences Limited and Creamline Dairy Products Limited have their own CSR projects.

#### 3. Participation and percentage of participation of other entity/entities (e.g. suppliers, distributors, etc.) that the Company does business with, in the Business Responsibility ( BR) Initiatives of the Company:

The other entities with whom the Company does business, viz., suppliers, distributors, etc. do not participate in the business responsibility initiatives of the Company.

## SECTION D:

### BUSINESS RESPONSIBILITY (BR) INFORMATION:

#### 1 (a) Details of Director / Directors responsible for implementation of the BR policy/ies:

The Board of Directors of the Company has constituted a Corporate Social Responsibility (CSR) Committee pursuant to the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, comprising of the following Directors as its Members (as on March 31, 2018):-

| Sr. No. | Name                | Position in the Committee                        | Director Identification Number (DIN) |
|---------|---------------------|--|--------------------------------------|
| 1.      | Dr. R. A. Mashelkar | Chairman (Non-Executive, Independent Director)   | 00074119                             |
| 2.      | Mr. N. B. Godrej    | Member (Non-Executive, Non-Independent Director) | 00066195                             |

|    |                         |  |          |
|----|-------------------------|--|----------|
| 3. | Mr. B. S. Yadav         | Member (Executive, Non-Independent Director) | 00294803 |
| 4. | Ms. Roopa Purushothaman | Member (Non-Executive, Independent Director) | 02846868 |

The CSR Committee of the Board of Directors is responsible for approving and overseeing the CSR projects implemented by the Godrej Good & Green team and reports to the Board of Directors of the Company.

The CSR Committee has formulated and recommended to the Board and the Board has approved a CSR Policy, which outlines the Company's strategy to bring about a positive impact on society through various CSR activities and programmes. This Policy focuses on addressing critical social, environmental and economic needs of the marginalized / underprivileged sections of the society. Through this Policy, the Company aligns its CSR strategy with the Godrej Group's Good & Green vision and goals. The Company adopts an approach that integrates the solutions to these problems into the strategies of the Company to benefit the communities at large and create a positive social and environmental impact.

There were two Meetings of the CSR Committee during the Financial Year 2017-18 (i.e., on May 12, 2017 and February 7, 2018).



**(b) Details of Business Responsibility (BR) Head:**

Name : Mr. B. S. Yadav  
 Designation : Managing Director  
 Telephone : 022 - 2519 4437  
 Email id : bs.yadav@godrejagrovet.com

**2. Principle-wise [as per National Voluntary Guidelines (NVGs)] Business Responsibility Policy(ies):**

**(a)Details of Compliance [Reply in Yes (Y) / No (N)]:**

| No. | Questions   | P1  | P2             | P3                    | P4                    | P5           | P6          | P7                            | P8                    | P9                      |
|-----|---|---|----------------|-----------------------|-----------------------|--------------|-------------|-------------------------------|-----------------------|-------------------------|
|     |   | Business Ethics, Transparency & Accountability  | Sustainability | Employees' Well-being | Stakeholders' Welfare | Human Rights | Environment | Influencing Regulatory Policy | Equitable Development | Customer Responsibility |
| 1   | Do you have a policy/ policies for ....   | Y   | Y              | Y                     | Y                     | Y            | Y           | Y                             | Y                     | Y                       |
| 2   | Has the policy being formulated in consultation with the relevant stakeholders?   | The Company has formulated the policies and adopted best practices in its own volition, while being sensitive to the interest of all stakeholders.      |                |                       |                       |              |             |                               |                       |                         |
| 3   | Does the policy conform to any national / international standards? If yes, specify? (50 words)                            | The Company's policies are aligned with the Godrej Group policies incorporating the global best practices.  |                |                       |                       |              |             |                               |                       |                         |
| 4   | Has the policy being approved by the Board?   | Since all the policies are not required to be approved by the Board of Directors, the approval of the Board has been obtained wherever it is mandatory. |                |                       |                       |              |             |                               |                       |                         |
| 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 policies formulated and adopted by the Company are available on the website of the Company <a href="http://www.godrejagrovvet.com">www.godrejagrovvet.com</a> . |   |   |   |   |   |   |   |   |
| 7  | Has the policy been formally communicated to all relevant internal and external stakeholders?  | Internal stakeholders are made aware of the policies. External stakeholders are communicated to the extent applicable.  |   |   |   |   |   |   |   |   |
| 8  | Does the company have 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?                                 | The working of all the policies is internally monitored. Audit / evaluation by external agencies is carried out wherever mandatory.                                 |   |   |   |   |   |   |   |   |

### 3. Governance related to Business Responsibility:

**(a) Frequency with which the Board of Directors, Committee of the Board or the Managing Director assess the Business Responsibility Performance of the Company:**

The Corporate Social Responsibility Committee and the Board of Directors assess various initiatives forming part of the Business Responsibility performance of the Company twice in a year.

**(b) Whether the Company publishes Business Responsibility Report or Sustainability Report and if yes, the hyperlink to view the Report and frequency of publication:**

Financial Year 2017-18 is the first year when the Company is publishing its Business Responsibility Report as a part of its Annual Report. The same can be viewed on the website of the Company [www.godrejagrovvet.com](http://www.godrejagrovvet.com).

## SECTION E:

### PRINCIPLE-WISE PERFORMANCE:

The following are the updates for the Company on each of the Principles stated in the National Voluntary Guidelines on Social, Environmental & Economic Responsibilities of Business issued by the Ministry of Corporate Affairs (MCA).

## **PRINCIPLE 1:**

### **BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH ETHICS, TRANSPARENCY AND ACCOUNTABILITY:**

The Company pursues good Corporate Governance by ensuring regulatory compliance, transparency in disclosures, efficient operational practices, strong internal controls, risk management systems, and by engaging and operating with fairness and integrity with all its stakeholders, namely, shareholders, customers, employees, suppliers, regulatory authorities and general public.

The Company, as a responsible corporate citizen, is fully aware of its obligations to make appropriate and timely disclosures as mandated under various laws. The Company also refrains from engaging in any practices that are abusive, corrupt or anti-competition.

#### **Organization Structure:**

At the apex, is the Board of Directors headed by a non-executive Chairman and having half of its composition as Independent Directors. The Board provides guidance and support to the management in terms of broad strategy, direction, governance and compliance. The Company's Board of Directors has the following 6 (six) mandatory / non-mandatory committees:

- i. Audit Committee;
- ii. Nomination & Remuneration Committee;
- iii. Stakeholders' Relationship Committee;
- iv. Corporate Social Responsibility (CSR) Committee;
- v. Risk Management Committee;
- vi. Management Committee.

These Committees have clearly defined areas of

operation and they operate as empowered by the Board. These Committees monitor and provide direction to the senior leadership team. This ensures greater focus on specific aspects of corporate governance and expeditious resolution of issues of governance if and when they arise.

#### **Code of Conduct:**

The Board of Directors and Senior Management of the Company comply with the Code of Conduct. An annual confirmation affirming compliance with the Code of Conduct from Board Members and senior management has been obtained for the Financial Year ended March 31, 2018.

The Company also has a Code of Conduct which is applicable to all employees the Company.

#### **Whistle Blower Policy & Mechanism:**

A Whistle Blower Policy has also been put in place by the Company. The purpose of this Policy is to allow employees to raise concerns about unacceptable, improper or unethical practices being followed in the organization, without necessarily informing their supervisors. A Whistleblowing Officer has been designated for the purpose of receiving and recording any complaints under this Policy. The Policy provides adequate safeguards against victimization of persons who use Whistle Blower mechanism and make provision for direct access to the Chairman of the Audit Committee, in appropriate or exceptional cases.

3 (Three) stakeholder complaints were received under the Whistle Blower Mechanism during the Financial Year 2017-18.

#### **Dealings with Business Partners:**

The Company encourages its business partners, viz., group companies, joint ventures, suppliers, distributors, contractors, etc. to follow ethics, transparency and accountability in their dealings with the Company.

**PRINCIPLE 2:****BUSINESSES SHOULD PROVIDE GOODS AND SERVICES THAT ARE SAFE AND CONTRIBUTE TO SUSTAINABILITY THROUGHOUT THEIR LIFE CYCLE**

The Company believes that in order to function effectively and profitably, the Company needs to endeavor to improve the quality of life of people and to ensure this, the Company is required to thoroughly work upon all stages of the product life cycle, right from design to final disposal of the goods after use.

Godrej Group's Good & Green vision supports the development of goods which are environmentally sustainable. As part of the vision, the Company aspires to develop products which consume fewer resources (energy, water), emit fewer greenhouse gases and include recyclable, renewable, and/or natural materials to the maximum possible extent, through extensive research.

The Company aims to bring in world class farming practices and techniques to Indian farmers and to

offer end-to-end solutions for issues faced by them, thereby enabling them to enhance their financial gains. The Company works closely with Indian farmers to develop over 61,700 hectares of smallholder Oil Palm Plantations to bridge the demand and supply of edible oil. Innovation is a key driver of our strategy. The Company is constantly engaged in experimentation and looks for research-based solutions to improve farm productivity and thereby, the profitability of farmers.

The Company stays committed to making environmental sustainability a key part of its manufacturing processes. At the Company's factories, there is a relentless focus on productivity and environmental sustainability. To strengthen this approach, the Company has invested in a robust technology solution that has revolutionized the speed and accuracy of data monitoring and work towards achieving the targets. The Company is continuously working on energy efficiency and trying to get the best possible technology available in the market. The Company is moving from low efficient to high efficient



utility. Technologies implemented by the Company are not only energy efficient but also more reliable. This has helped the Company to reduce down time, enhance productivity and build a more sustainable business. The Company recognizes the fact that over-consumption results in unsustainable exploitation of the planet’s resources, and therefore, it is necessary to promote sustainable consumption of resources, including recycling of resources.

The Company endeavours to raise consumer awareness through appropriate labelling and helpful marketing communication. While being vigilant about protection of the Company’s own intellectual property, the Company respects the rights of other owners of intellectual property rights in the society at large.

**PRINCIPLE 3:**

**BUSINESSES SHOULD PROMOTE THE WELL-BEING OF ALL EMPLOYEES**

The Company has amicable employee relations at all locations and would like to place on record its sincere appreciation for the unstinted support it continues to receive from all its employees.

The Company constantly makes concerted efforts towards creating learning and development opportunities on a non-discriminatory basis, that continually enhance the employee value in line with the organizational objectives. Also, the safety and health of employees is utmost important to the Company and the Company is committed to building and maintaining a safe and healthy workplace. There are several policies formulated for the benefit of employees, which promote gender diversity, equal opportunities, prevention of sexual harassment, safety and health of employees.

The details of the Company’s workforce are given in the table below:-

|   |   |
|---|---|
| Total number of permanent employees   | 2598  |
| Total number of employees hired on temporary / contractual / casual basis   | 3450  |
| Number of permanent women employees   | 88  |
| Number of permanent employees with disabilities   |   |
| Whether the Company has an employee association that is recognized by management  | Yes   |
| Percentage of permanent employees of the Company who are members of recognized employee association/s   | 19%   |
| Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment and discriminatory employment in the Financial Year 2017-18 and pending, as on the end of the said Financial Year, i.e., March 31, 2018 | As regards complaints relating to child labour, forced labour, involuntary labour, sexual harassment:<br><ul style="list-style-type: none"> <li>• No such complaints were received during the Financial Year 2017-18</li> <li>• No such complaints were pending as on March 31, 2018</li> </ul> |
| Percentage of employees who were given safety and skill upgradation training during the Financial Year 2017-18  | 27%   |

All employees who join the Company demonstrate their commitment to follow the Code of Conduct by

signing in their acceptance to adhere to the same.

Some of the measures / initiatives taken at the Company-level or at Godrej Group-level are as follows:-

#### **DIVERSITY AND EQUAL OPPORTUNITIES:**

The Company values diversity and is committed to offering equal opportunities in employment. The Company does not discriminate against any team member or applicant for employment on the basis of nationality, race, colour, religion, caste, creed, gender, gender identity / expression, sexual orientation, disability, age, or marital status and always allows for equal opportunities for all team members. Diversity and inclusion initiatives are taken care of at the corporate level by the 'Diversity & Inclusion' team, and are supported by the Diversity Council comprising of business leaders and HR representatives from across businesses in the Godrej Industries Limited & Associated Companies (GILAC) Group.

Some of the initiatives taken by our Diversity & Inclusion Team include the following:-

- **Godrej Careers 2.0:**

The Careers 2.0 programme offers live business projects of 6-9 months duration to women who are currently on a career break. This programme is designed to integrate women back into the workforce who have taken a break due to various reasons.

- **Godrej Women's Leadership Network:**

The Godrej Women's Leadership Network provides women at Godrej several opportunities to network, learn and grow.

- **Godrej Alliance for Parents [GAP]:**

Godrej Alliance for Parents is a great resource for working parents and their spouses to share experiences and discuss issues ranging from

childcare to children's education and their own worklife balance.

- **Diversity Sensitization Workshops:**

A special diversity sensitization workshop focusing on gender inclusion is being conducted for all people managers across the GILAC group. The workshop focuses on unconscious biases and how managers can tackle them in the workplace to create an inclusive culture.

The Company is committed to creating and maintaining an atmosphere in which all employees can work together, without fear of sexual harassment, exploitation or intimidation. A gender-neutral policy on prevention of sexual harassment has been in place for years. The existing policy was further strengthened by adoption of a Policy and constitution of Internal Complaints Committee at Head Office (HO) as well as at regional levels under Sexual Harassment of Women at Workplace (Prevention, Prohibition And Redressal) Act, 2013 and the Rules framed thereunder.

All employees are required to go through mandatory training on prevention of sexual harassment.

#### **HEALTH & SAFETY:**

- **On-campus:**

We have canteen facility at Head Office (HO) and certain locations, where food and refreshments are provided to ensure that hygienic and healthy food is available at the premises. All Company premises are non-smoking zones. Smoking is strictly prohibited in the campus. Initiatives like fire safety training are also regularly undertaken.

- **Health Check-up:**

The Company has initiated a policy for annual health checkup of employees.

**GOOD WORKING ENVIRONMENT:**

- Progressive Human Resource (HR) Policies:

The Company prides itself as a great place to work, a fact recognized and acknowledged externally as well. HR policies like flexible working hours, work from home arrangements, part-time work, leave and benefits, adoption leave and benefits, extended maternity leave and benefits, paternity leave and benefits - to name a few - go a long way in ensuring that the employees successfully strike a work-life balance.

- **Engagement Forums:**

There are multiple touch points for leadership team to interact with employees through forums like long range plan, annual operating plan, engagement surveys, HR connect sessions, etc. The organization invests in functional training for all employees in line with their current and future career aspirations. The learning suite encompasses functional training, leadership development programs and behavioral training geared towards leading self, leading others and leading business.

**PRINCIPLE 4:**

**BUSINESSES SHOULD RESPECT THE INTERESTS OF, AND BE RESPONSIVE, TOWARDS ALL STAKEHOLDERS, ESPECIALLY THOSE WHO ARE DISADVANTAGED, VULNERABLE AND MARGINALIZED**

The Company recognizes that it has the responsibility to think and act beyond the interests of its shareholders, to include all its stakeholders.

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 of high concern for the Company in its quest to be sustainable. The Company identifies key stakeholders on the basis of their influence on the Company's operations and the Company's impact on them. The Company has already identified and prioritized key stakeholders and continues its engagement with them through various mechanisms such as consultations with local communities, supplier / vendor meets, customer / employee satisfaction surveys, investor forums, etc.

In order to align the Company's community development programmes to United Nations' (UN) sustainable development goals, a detailed community needs assessment in priority plant locations was carried out through an external third-party consultant. The team followed a three-step approach, where they connected with the plant and corporate office, held extensive field based assessments, backed by thorough secondary research to validate key facts and add on additional information available from official sources. The result is a comprehensive report of the community, their needs, gaps in the system and the Company's way forward. The Company is now in the process of implementing high impact community development programmes based on the recommendations from the assessment.

The Company is working in partnership with the government, people of the village and local village communities. This approach helps the Company to distribute accountability and ensure long-term impact of its community development initiatives.

- **Integrated Rural Livelihoods Programme:**

The Company endeavours to build capacities of marginalised farmers in some of the poorest districts of the country. The programme aims to work with primarily women and marginalized groups to diversify their income streams,

enhance their access to government schemes and thereby help reduce their vulnerability to climate change. The programme is a long term participatory engagement with community non-profit partners and local communities to ensure local needs are addressed and indigenous knowledge is harnessed.

The Company strongly believes in supporting education, health and sanitation in these communities and supports local institutions with their present infrastructure gaps that prevent them from creating an enabling, holistic eco system for education and health provision.

- **Integrated Watershed Management:**

Around the world, climate change is affecting seasonal weather patterns, leading to either intense precipitation or drought-like events. In 2016-17, the Company initiated an integrated watershed management programme in the drought prone district, Magadi, Karnataka and Bharwani, Madhya Pradesh. The Company is 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 projects cover over 5350 hectares of land and will aim to recharge groundwater and make more water available for irrigation. The Company is also working to support farmers in adopting sustainable farming practices, and mitigating the impact of climate change. It estimates that the project will offset GHG emissions to the tune of 35,000 tCO<sub>2</sub>e and restore 2.5 million kl of water. The Company has reached out to 1164 farmers across 11 villages.

- **Renewable energy for electrification:**

Rural electrification is a major challenge today for India given the spread of the country. The Company is working in the energy dark villages of the rural India to address the shortage of energy supply. Through this project, renewable energy is provided through decentralized, off-grid renewable energy systems through community-level installations. These mini and micro-grids are being installed in 27 energy-dark villages, illuminating upto 830 households in Khargone region of Madhya Pradesh. In addition, we are also training the local youth and building awareness on the potential of renewable energy systems for meeting rural energy needs







- **Disaster Relief:**

India saw one of the worst floods in August 2017 and the states of Assam and Gujarat were the most affected with thousands of homes destroyed and lakhs of people displaced from their habitat. The Company and its employees through a non-profit partner reached out to the affected people to provide relief and rehabilitation to the displaced citizens.

- **Agri-vocational training:**

The agriculture sector in India today faces a major manpower/labor shortage. While the mouths to feed in the country are growing at a fast pace, the hands to work on farm lands is reducing drastically. The Company aspires to see a change in the mindset of the young students towards farming and dairy management and for the said purpose has attempted to gather its expertise and knowledge of agriculture and animal husbandry in a curriculum and share it with young students from 41 schools in Satara, Maharashtra.

The purpose is to acquaint 2000+ students each year with the basic know how of agriculture and animal husbandry. By engaging them each year in various projects and building their knowledge and hands on learning on subjects like growing vegetables, milking animals, constructing small irrigation channels in the agricultural plots.

**PRINCIPLE 5:**

**BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS**

The Company strongly believes in the principle of respect for human rights of all, which imbibes its spirit from the Constitution of India.

The Company has in place, a Human Rights Policy which demonstrates the Company's commitment to respect human rights and treat people with dignity and respect in the course of conduct of its business.

Further, the Company's Code of Conduct covers aspects like diversity, anti-discrimination, equal

opportunity, compliance with the law and integrity which all contribute to respecting and promoting human rights.

The Company also has policies like Whistle Blower Policy, Policy on Prevention of Sexual Harassment at Workplace, which encourage respect and promotion of human rights.

Any violation of the Code of Conduct or the aforesaid policies can result in stern disciplinary action including termination of employment and / or other appropriate actions as permissible under the law.

The Company encourages its business partners to respect human rights.

No complaints pertaining to violation of human rights were received by the Company during the Financial Year 2017-18.

## **PRINCIPLE 6:**

### **BUSINESSES SHOULD RESPECT, PROTECT AND MAKE EFFORTS TO RESTORE THE ENVIRONMENT**

Godrej as a group believes in conserving the various resources of Mother Earth. As part of its Good & Green vision there is a specific commitment at Godrej Group to create a "Greener India". The details of the Company's strategy are available on [www.godrejgoodandgreen.com](http://www.godrejgoodandgreen.com).

The Company focuses on 5 (five) major areas related to climate change, i.e.:

- Energy Conservation
- Water Conservation
- Use of Renewable Energy
- GHG Mitigation
- Waste Minimization

A dedicated team of 'Good & Green' has been set up

to identify the risks and opportunities for individual manufacturing facilities. After identifying the risks and opportunities, the team proposes necessary action to be taken. Several measures proposed by the 'Good & Green' team have been implemented which yielded excellent benefits. The Company is proud to share that the emissions / waste generated by the Company are within the permissible limits given by Central Pollution Control Board (CPCB) / State Pollution Control Board (SPCB) for the Financial Year 2017-18.

#### **Specific Efforts Energy Conservation:**

At our manufacturing plants we have a relentless focus on productivity and environmental sustainability. To strengthen our approach, we have invest in a robust technology solutions that has revolutionized the speed and accuracy of our data monitoring and work towards achieving our targets. We are continuously working on energy efficiency and trying to get the best possible technology available in the market. Our efforts for energy conservation have resulted in reducing our specific energy consumption by 2.9% from last year. We identified high-energy consumption equipment and replaced them with cost effective energy efficient equipment. We monitored the operations and build capacity optimization of pumps, compressors, motors and other utilities.

- **Increasing Use of Renewable Energy:**

During Financial Year 2010-11 itself, the Management identified the need of mitigating the GHG emissions, and the Company agreed to off-set its emissions by 2020 and to become a carbon neutral company. In line with this vision, every year the Company adopts various projects such as clean technologies, low carbon technology, and promoting renewable energy.

Since last 3-4 years, the Company has been switching from fossil to renewable applications and high carbon to low carbon intensive initiatives.

Renewable energy usage as a percentage of overall energy used has increased substantially over the years. During the Financial Year 2017-18, more than 68% of the total energy consumed by the Company was through renewable sources with businesses such as OPP having 99.8% and Animal Feed having 68% of its energy derived from renewable sources.

- **Becoming carbon neutral and Water positive:**

The Company's specific GHG emission has reduced substantially during the Financial Year 2010-11. The Company achieved this through various environment friendly projects such as replacing of fossil fuel with biomass for boilers. The Company has watershed projects which are going to be a carbon sink to make it water and carbon positive.

- **Reducing Waste to Landfill:**

The Company segregates its waste at source and follows the 5R principle to minimize its waste. The Company is also in a process to develop waste management policy and technical standard.

At Godrej, we believe that employee awareness and engagement is a key factor in driving sustainability. The Company has demonstrated employee engagement in the form of trainings, education, communication, activities and recognition. It has annual training plan for all the manufacturing plants. This annual plan includes training in each aspect of environment for all the categories. The Company also has specific training based on the requirement. From last year, it started celebrating Energy Conservation Week, Water Day, Earth Day, etc. with a lot of passion. The Company started with "Train the Trainer" activities and continues the awareness campaign

for one week, "Environment Quiz", "Posters and Slogans competitions" etc. which help to engage the employees and increase the awareness at various levels on sustainability.

### **PRINCIPLE 7:**

#### **BUSINESSES, WHEN ENGAGED IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A RESPONSIBLE MANNER**

For any policy advocacy, the Company ensures that it does so with the highest degree of responsible and ethical behaviour and also works with collective platforms such as trade and industry chambers and associations to take up matters with the relevant government bodies.

The Company is a member of Bombay Chamber of Commerce and Industry (BCCI), Confederation of Indian Industry (CII) and Federation of Indian Chambers of Commerce and Industry (FICCI).

### **PRINCIPLE 8:**

#### **BUSINESSES SHOULD SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT**

The Company recognizes the fact that corporate growth and equitable development are interdependent and that the Company owes a responsibility to play its role in the social and economic development agenda of the country.

The 'Good & Green' vision inspires each one at Godrej Agrovet Limited to continue to work towards building a brighter, greener and more inclusive India. Sustainability is intrinsically linked not just to the Company's growth strategy, but also to its legacy and values. The Company strongly believes that it is accountable to the communities while the Company

continues to drive shareholder value. This helps the Company to improve the lives of those at the base of the pyramid, preserve and protect the environment, improve efficiency of operations and generate innovations.

As a part of sustainability strategy 'Good & Green', the Company addresses a critical need of enhancing livelihoods of low-income group youth. It collaborates with non-profit organizations and social enterprises to design and run a number of livelihood training programmes for marginal farmers from low-income communities. The focus of these programmes is to improve the earning potential of trainees, by building their skills and empowering them. The Company builds vocational skills and also provides post-training support.

The Company works in collaboration with Non-Governmental Organizations (NGOs) and social enterprises to design and run a number of employability or livelihoods training programmes across the Company. The focus of these programmes is to improve the earning potential of small holder farmers' men and women both. Through a third party assessment conducted with the beneficiaries, the following was reported:

- 83% reported increase in milk production
- 75% reported cattle free from illness
- 16% reported increase in rate/litre (rate at which milk is sold seen to be static given market factors)

During the Financial Year 2017-18, the Company has trained more than 7720 farmers in skills that will enhance their earning potential. Through the agri vocational skilling program, 15000+ students across 41 schools of Maharashtra have been trained.

Since the inception of these programmes, the Company has trained over 30,000 farmers.

## PRINCIPLE 9:

### BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CUSTOMERS AND CONSUMERS IN A RESPONSIBLE MANNER

The Company has a customer-centric approach and greatly values the trust, satisfaction and loyalty of its customers. Its primary focus is delighting customers, both external and internal. The Company honours the freedom of choice of its customers and does not restrict free competition in any manner.

The Company continues to invest significantly in Research & Development (R&D) to develop newer products or variants to suit the needs of the customers at competitive prices. The Company is investing significantly in cutting-edge R&D to support our innovation pipeline. In 2015, the Company has set up the Nadir Godrej Centre for Animal Research and Development in Nashik, Maharashtra; a one-of-its-kind animal husbandry research centre in the private sector in India. Our focus will be to leverage



capabilities at this centre, to develop cost effective solutions to improve animal productivity.

There are no undisputed customer complaints pending as at the end of the Financial Year 2017-18.

The Company does display or disseminate adequate and truthful factual information to enable safe and effective usage of its products, which is over and above what is mandated by the applicable laws. The Company does not indulge in any kind of misleading or confusing advertisement.

There are no cases filed against the Company regarding unfair or anti-competitive trade practices during the preceding 5 (five) Financial Years.

The Company regularly conducts customer surveys to know the customer satisfaction trends.

**For and on behalf of the Board of Directors of  
Godrej Agrovvet Limited**

**N. B. Godrej**

**Chairman**

(DIN: 00066195)

Mumbai, May 14, 2018