



# **BUSINESS RESPONSIBILITY** REPORT



## BUSINESS RESPONSIBILITY REPORT OF GODREJ AGROVET LIMITED

[Corporate Identity Number (CIN): L15410MH1991PLC135359]

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

Godrej Agrovet Limited (“**the Company**”) is pleased to present this Business Responsibility Report for the Financial Year (F.Y.) 2018-19, 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 23% (twenty-three percent) 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 school at Vikhroli, Mumbai, Maharashtra, 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 Godrej 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



**Ensuring  
Employability**



**Creating a  
Greener India**



**Innovating for  
Good & Green  
Products**

non-profit partners and/or their beneficiaries. It also 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 Giving” for all stakeholders, the Godrej 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 Godrej 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 1/3<sup>rd</sup> (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 (CSR) INITIATIVES:**

The Company is one of India’s foremost diversified agribusiness companies, mainly engaged in the business of Animal Feed, Crop Protection, Oil Palm, Dairy Business and Poultry and Processed Foods. 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 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](http://www.godrejagrovvet.com)
- E-mail ID:** [gavlinvestors@godrejagrovvet.com](mailto:gavlinvestors@godrejagrovvet.com)
- Financial Year reported:** From April 1, 2018 to March 31, 2019
- 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	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, processed chicken and value-added vegetarian and non-vegetarian products.

- 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> Khanna (Punjab), Miraj (Maharashtra), Sachin (Gujarat), Kharagpur (West Bengal), Kondapalli (Andhra Pradesh), Tumkur (Karnataka), Hajipur (Bihar), Erode (Tamil Nadu), Chandauli (Uttar Pradesh), Khurda (Orissa), Unnao (Uttar Pradesh), Medchal (Andhra Pradesh)</li> <li><b>Agri Inputs:</b> Jammu (Jammu &amp; Kashmir), Lote Parshuram (Maharashtra)</li> <li><b>Aqua Feed:</b> Hanuman Junction (Andhra Pradesh)</li> <li><b>Oil Palm:</b> Pothepally (Andhra Pradesh), Chintampalli (Andhra Pradesh), Seethanagaram (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.

- 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.) 2018-19	Amount
Paid-up Capital (in ₹)	1,92,02,87,390
Total Turnover (₹ in Crore)	4,344.60
Net Profit After Tax (₹ in Crore)	207.88
Total Spending on Corporate Social Responsibility (CSR) (₹ in Crore)	4.7

The list of activities in which the CSR expenditure mentioned above has been incurred is as follows:-

In compliance with the CSR norms as per Companies Act 2013 and the Companies (Corporate Social Responsibility Policy) Rules 2014, the Company has undertaken various projects in line with activities mentioned under Schedule VII to the Companies Act 2013, 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 9 (nine) subsidiaries as on March 31, 2019, in or outside India, which includes

5 (five) direct subsidiaries and 4 (four) step down subsidiaries.

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

1. Godvet Agrochem Limited
2. Astec LifeSciences Limited
3. Behram Chemicals Private Limited (step down subsidiary - a subsidiary of Astec LifeSciences Limited)
4. Astec Europe Sprl (step down subsidiary - a subsidiary of Astec LifeSciences Limited)
5. Comercializadora Agricola Agroastrachem Cia Ltda (step down subsidiary - a subsidiary of Astec LifeSciences Limited)
6. Creamline Dairy Products Limited
7. Nagavalli Milkline Private Limited (step down subsidiary - a subsidiary of Creamline Dairy Products Limited)
8. Godrej Tyson Foods Limited (with effect from March 27, 2019)
9. Godrej Maxximilk Private Limited (with effect from March 27, 2019)

#### 2. Participation of Subsidiary Companies in the Business Responsibility (BR) Initiatives of the Parent Company (GAVL):

Out of the subsidiaries of the Company specified above, 3 (three) subsidiaries which are required to comply with Section 135 of the Companies Act, 2013, viz., Astec LifeSciences Limited, Godrej Tyson Foods 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, 2019):-

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	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 2 (two) Meetings of the CSR Committee during the Financial Year 2018-19 (i.e., on May 14, 2018 and November 5, 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?  If yes, has it been signed by MD/ Owner/CEO/Appropriate Board Director	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.  Yes, however not all policies as it is not a mandatory requirement.								
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 (BR):

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

The Corporate Social Responsibility (CSR) Committee and the Board of Directors assess various initiatives forming part of the Business Responsibility (BR) 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:**

Yes, the Business Responsibility Report forms part of the Annual Report.

The same can be viewed on the website of the Company viz., [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. Managing Committee;
- vii. Strategy 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, 2019.

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

The same can be viewed on the website of the Company [www.godrejagrovet.com](http://www.godrejagrovet.com)

#### **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.

There were no Stakeholders' Complaints outstanding at the beginning of the Financial Year (F.Y.) 2018-19.

205 Stakeholders' Complaints were received during the Financial Year (F.Y.) 2018-19. All the complaints have been resolved and no complaint remained outstanding as on March 31, 2019.

**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 small holder 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 include promotion of gender diversity, equal opportunities, prevention of sexual harassment, safety and health of employees.

The details of the Company's workforce as on March 31, 2019 are given in the table below:-

Total number of permanent employees	2,687
Total number of employees hired on temporary / contractual / casual basis	3,482
Number of permanent women employees	125
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	482
Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment and discriminatory employment in the Financial Year 2018-19 and pending, as on the end of the said Financial Year, i.e., March 31, 2019	As regards complaints relating to child labour, forced labour, involuntary labour and discriminatory employment : No.  Sexual Harassment: 2 (two) complaints were received and resolved.
Percentage of employees who were given safety and skill upgradation training during the Financial Year 2018-19	66.31%



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 work-life 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:**

The Company has a 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 the 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.

shareholders, to include all its stakeholders beyond its employees.

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.

The Company gives high priority to communities around our plant locations. In order to develop programmes that meet the needs of these communities, 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 and local village communities. This approach helps the Company to distribute accountability and ensure long-term impact of its community development initiatives.

**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 internal

- **Integrated Rural Livelihoods Programme:**

The Company endeavors to build capacities of marginalised farmers in agriculture and livestock development along with enterprise management in the states of Maharashtra, Bihar, Andhra Pradesh, Chhattisgarh, West Bengal, Karnataka and Madhya Pradesh. 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 is actively engaged with 7,392 households across 51+ villages in 7 states and has trained 4,859 beneficiaries to introduce new farming techniques, package of practices and awareness and knowledge building for this program. The Company has engaged with 8+ credible and result oriented non-profit partners at the field to implement the program.

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 ecosystem 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 2018-19, 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 5,350 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 Green House Gases (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 1,276 farmers across 15 villages in these two states.







- **Renewable energy for electrification:**

For the last 60 years, Sophia College, Mumbai has been committed to responding to the changing needs of women in our society. These women are going to be the change for sustainable and inclusive development. In an effort to bring in sustainability to education institutes and optimize energy utility, the Company has installed a solar rooftop power plant with a capacity of 64.02 kW at Sophia College which is expected to generate

around 1 lakh units of electricity per year. This will also reduce the GHG footprint of the college by 75 Tons of CO<sub>2</sub>. This is not only going to reduce the amount spent on energy at Sophia College but is a step towards making the educational institute more environmental friendly.

- **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 / labour shortage. While the mouths to feed in the country are growing at a fast pace, the hands to work on farm lands are 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 7,000 young students from 41 schools in Satara, Maharashtra and one block in Gujarat. The purpose is to acquaint 2,000+ 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.

- **Future of Farming Conclave:**

In December 2018, the Company hosted its first ever 'Future of Farming' conclave. The theme of the conclave was on shaping the future of Indian agriculture with a focus on doubling farmer income, women farmers, and the role of millets and proteins in nutrition and income generation. The Company hosted a series of exciting panels with speakers from agri business, government, non-profits, social enterprises, food industry, academia and media, with over 150 audience participants. In one of the sessions, we brought together women farmers to talk about whether it is even possible to double farmer income.

#### **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 2018-19.

#### **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, '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.

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

At the Company's manufacturing plants there is a relentless focus on productivity and environmental sustainability. To strengthen its approach, the Company has invested in a robust technology solutions that has revolutionized the speed and accuracy of our data monitoring and work towards achieving our targets. The Company is continuously working on energy efficiency and trying to get the best possible technology available in the market. The Company's efforts for energy conservation have resulted in reducing our specific energy consumption by 3% from last year. The Company identified high-energy consumption equipment and replaced them with cost effective energy efficient equipment. The Company monitored the operations and build capacity optimization of pumps, compressors, motors and other utilities. The Company implemented many innovative technologies like Continuous sterilizer, High Pressure condensate recovery, Pneumatic cooling and conveying system etc.

#### **Oil Palm Business Steam Saving Initiative:**

This year, the Company has implemented Continuous Sterilization technology in Oil Palm Processing Plant (in India for first time). Through this technology, the Company will save 6300 MT of steam per annum.

#### **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 2018-19, more than 65% of the total energy consumed by the Company was through renewable sources with businesses such as Oil Palm having 99.8% of its energy derived from renewable sources.

Along with using renewable fuel like biomass briquette at Company's manufacturing plants, the Company has also started buying green power through open access and assessing the feasibility of solar roof top for various locations.

#### **Becoming Carbon Neutral and Water Positive:**

The Company's specific GHG emission has reduced substantially from the Financial Year 2010-11. The Company achieved this through





various environment friendly projects such as replacing of fossil fuel with biomass for boilers and buying green power. The Company has watershed projects which are going to be a carbon sink to make it water and carbon positive.

**Water conservation project:** The Company's subsidiary Creamline Dairy Products Limited (CDPL) has installed a boom tube technology water treatment plant.

CDPL is one of the Company's most water intensive businesses. While all CDPL plants have water treatment facility as per the regulatory requirement, CDPL will go a step further to keep our freshwater consumption as low as possible. CDPL is Keshvaram plant successfully commissioned Aquatron water treatment plant based on Boom Tube technology - a first of its kind instalment across GILAC. It works on the principle of 'high intensity shortwave resonance'. The 150 KLD capacity instalment will treat ETP water with a pulse fed through the Boom Tube Reactor, with a suitable pulsating pump. The

Boom Tube reactor's continuous circular motion will cause flow turbulence. The treated water is drinkable as IS-10500 standard and will help CDPL reduce its freshwater intake.

CDPL's Keshvaram plant installed a 150 KLD capacity water treatment plant that will treat ETP water and make it drinkable.

- **Reducing Waste to Landfill:**

The Company segregates its waste at source and follows the 5R principle to minimize its waste. This year, the Company has also developed 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.



The Company also celebrates World Environment Day on 5th June and Energy Conservation week from 7th December to 14th December every year. This year, the Company celebrated the same across all our manufacturing plants. The Company organised various environmental sustainability related activities such as tree plantation, cleanliness drives at a beach in Mumbai and in communities around our plants, recycling workshops, and awareness sessions in schools.

### **Awards and Accolades:**

This year, the Company's Oil Palm plant at Chintampalli was awarded 'Energy Efficient Unit' at the Confederation of Indian Industry's (CII) National Awards for Excellence in Energy Management 2018.

In addition, the Company's Subsidiary Astec LifeSciences Limited, Mahad Plant was awarded CII Environmental Best Practices Award 2018 in the category of Resource & Material Conservation. The project BacComber Cooling Tower - a chemical free system was recognised as an innovative project of the year.

### **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 2018-19, the Company has trained more than 4,859 beneficiaries in skills that will enhance their earning potential. Through the agri vocational skilling program, 7,000 students across 41 schools of Maharashtra and 10 schools in Gujarat have been trained.

Since the inception of these programmes, the Company today has trained over 38,000 plus 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. The Company's 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 2018-19.

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 Agrovet Limited**

**N. B. Godrej**  
**Chairman**

(DIN: 00066195)  
Mumbai, May 6, 2019