



SUSTAINABILITY REPORT 2016-17

Our commitment towards a more inclusive and greener world

Contents

4	Message from our Managing Director	13	Materiality	34	People
5	Message from our Executive Director and President	15	Stakeholder engagement	44	Environment
7	About us	18	Sustainability and corporate governance	54	Communities
9	Our products	26	Economy	57	Awards
11	About this report	29	Our supply chain	58	GRI Index

Message from our Managing Director



Dear Stakeholders,

At Godrej, sustainability is an integral part of who we are as a company and how we do business. Godrej Industries (Chemicals) is one of the oldest businesses of the Godrej Group. We are proud to have pioneered the manufacturing of oleochemicals in India, back in 1963 and today, we are one of India's leading oleochemical and specialty chemical players and are constantly expanding our product portfolio. Along with innovation in our products, we are at the forefront of adopting green technology that helps solve the environmental problems of the planet.

In FY 2011, the Godrej Group formulated the 'Good & Green' sustainability vision for 2020, our first set of 10-year goals. More than half way through the period, we have made significant progress in our journey and are actively investing in energy efficiency, waste and water management, and sustainable materials. We are not only reducing our own environmental footprint but also helping our customers reduce their greenhouse gas emissions through the use of our products. We are also promoting worker health and safety and aggressively driving diversity initiatives to strengthen our workforce.

We are working in collaboration with our customers, partners, communities and stakeholders to understand everyday sustainability challenges. We continue to focus relentlessly to build sustainability throughout our value chain to positively impact our triple bottom line. We are investing in building green products that bring the environmental mindset in our material inputs, product design, packaging, transport, and end use.

Sustainability is ever evolving and we realise that businesses now have a larger role to play in the

communities they operate in. Over the years, we have aligned our goals to the United Nations Sustainable Development Goals and the national priorities of the region to stay ahead of the curve and build a responsible business.

We have come a long way since we started, and have set even more ambitious plans going ahead. Over the next few years, we will continue to reduce our operational footprint and incorporate global best practices, deliver high value-add products to our customers, and build sustainable communities in our areas of operation. I am confident that our continued focus will help us further accelerate our sustainability efforts.

I would love to hear your feedback on our performance and future plans. Do write to me with your views.

Nadir Godrej
Managing Director,
Godrej Industries Limited

Message from our Executive Director and President



Dear Stakeholders,

I am pleased to present to you our first consolidated sustainability report for FY 2016-17.

We delivered a resilient and reasonably healthy performance after a difficult first half of the year. For FY 2016-17, the Chemicals business recorded an overall revenue growth of 17 per cent over the previous year. Going forward, we will be highly focused on ramping up volumes, improving efficiencies and product contribution, and delivering healthy profits and cashflow. Some of the challenges we faced this year include excess capacity and supply over demand in the oleochemicals industry, aggressive competition from Southeast Asia and high vegetable oil prices, coupled with our shortfall to raise our product prices. To address some of these, new and emerging products continue to be critical for our business, given these will help us in de-risking our business and improving profitability.

At Godrej Industries (Chemicals), our commitment to sustainability is growing every year and this report is taking stock of where we are today in our journey, and where we want to be in the long-term. Besides our focus on economic performance, we continue to direct our efforts on energy, emissions, waste and water reduction, supply chain sustainability, safety of our team members, diversity and equal opportunity, and training and development. Our dedicated efforts over the years have helped us make significant progress in most of these areas, further motivating us to set more ambitious targets.

Godrej Good & Green, is our Group's vision for playing our part in creating a more inclusive and environmentally sustainable world. As part of Good & Green by 2020, we aspire to train 1 million rural and urban youth in skilled employment, work towards environmental sustainability, and innovate for good and green products.

At Godrej Industries (Chemicals), as part of our five environmental goals to tackle climate change, we have set ourselves a target of reducing our specific energy consumption by 30 per cent while increasing our renewable energy portfolio by 30 per cent by the year 2020. Since FY11, we have reduced our specific energy consumption by more than 20 per cent through various process innovations, energy conservation and efficiency projects. During the same time, we have been able to ensure that close to 40% of our energy comes from renewable sources by utilising biomass briquettes and manufacturing by-products in energy production and by adding solar to our energy mix. We will continue to invest in expanding our renewable energy portfolio and explore more ways to reduce our specific energy consumption.

Reducing our emissions and becoming carbon neutral is another important goal for us. Since FY11, we have reduced our specific greenhouse gas emissions by close to 34 per cent through various projects such as replacing fossil fuel with biomass for boilers, and utilisation of pitch in boilers. Wherever possible we have also shifted our mode of transport from roadways to railways and minimised the distance travelled to decrease our Scope 3 emissions.

34%

Reduction in specific greenhouse gas emissions

We recognise the importance of water as a precious natural resource and are adopting various conservation measures at our manufacturing plants. We have reduced our specific water consumption by 25 per cent compared to our FY11 baseline. We are constantly taking measures to reduce our raw water consumption and treating wastewater to reuse in our processes.

40%

Energy from renewable sources

We aim to achieve zero waste to landfill status by the year 2020 and have successfully diverted 74 per cent of waste per tonne of our product from our baseline in FY11. Meanwhile, we are also exploring ways to convert waste to energy that can be used in our processes.

25%

Reduction in specific water consumption

We are also working closely with all our partners, suppliers and vendors to drive sustainability across their operations. In FY 2016-17 we started work on developing a [Sustainable Procurement Policy](#) and a [Sustainable Palm Oil Policy](#), both of which have since been completed and uploaded on our website. In FY 2017-18, we will work towards the implementation of these policies. The policies are benchmarked to internationally recognised standards and outline our expectations on key sustainability performance parameters such as human rights, integrity, health and safety, and environmental sustainability among others.

74%

Reduction in waste to landfill

We believe that our team members are our core strength and we continue to invest in diversity initiatives, equal opportunities, health and safety, and focus on building skills and competencies of our teams. We are proud to report that during the year we had zero fatalities apart from the near misses and first aid cases. In FY 2016-17, we worked on our [Human Rights Policy](#) and made it public in June 2017. The policy is guided by international standards such as the International Bill of Human Rights and the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work.

We plan for the long-term by investing in our communities and supporting development projects that enable us to be a part of a community for decades. We carried out a detailed community needs assessment at our

plant locations to better understand our stakeholders. As a result, we have streamlined our activities and are in the process to implement high-impact community development initiatives that address the priority needs of the communities we operate in.

We encourage Godrejites to volunteer their time through different programmes and initiatives. We have a structured volunteering platform that provides opportunities to our team members who are keen to engage in skill-based, longer-term volunteering projects. Additionally, we facilitate day-long volunteering activities, and fundraising for national disasters and emergencies. One of our initiatives is the Godrej Global Volunteering Day, our annual day of community service, and is celebrated across all our locations worldwide. At Godrej Industries (Chemicals) volunteers from our corporate office, Valia and Ambarnath manufacturing plants volunteer every year in local schools and spend a day coaching students.

We believe that transparent disclosure of our performance will help us evaluate our processes and bridge gaps. We ranked on the CDP India Climate Disclosure Leadership Index for the second time in a row in 2016. Our flagship manufacturing plant in Valia was awarded 'Energy Efficient Unit' for a second time in a row at CII's National Awards for Excellence in Energy Management, 2016. Details of these, along with our other initiatives are described in subsequent sections of this report. I am confident that starting from this report we will further strengthen our internal assessment and accelerate our sustainability efforts in the coming years.

Do write to us with your comments and feedback at: goodandgreen@godrejinds.com

Nitin Nabar
Executive Director and President,
Godrej Industries Limited (Chemicals)



ABOUT US

Godrej Industries (Chemicals) is one of the oldest businesses of the Godrej Group. We are proud to have pioneered the manufacturing of oleochemicals in India, back in 1963.

Our company

100+

Chemicals produced and marketed for use in over 24 applications

80+

Countries import our products

Godrej Industries (Chemicals), is one of the oldest businesses of the Godrej Group. As part of the 120-year-young Godrej Group, we are fortunate to have a proud legacy built on the strong values of trust, integrity and respect for others. Our Group's vision for 2020 is to:

- Be one of the most trusted and innovative Indian brands
- Foster an inspiring place to work
- Create shared value through Godrej Good and Green
- Grow ten times in the next ten years

This vision is strengthened by our values of integrity, trust and respect for others that are integral across all our operations, functions and business activities.

As one of the oldest businesses of the Godrej Group, we at Godrej Industries (Chemicals) take pride in having pioneered the manufacture of oleochemicals in India, back in 1963. Today, we are one of India's leading oleochemicals manufacturer, and produce and market over 100 chemicals for use in over 24 applications. We have our headquarters in Godrej One, Mumbai, and our state-of-the-art manufacturing facilities are located in Valia, Gujarat and Ambernath, Maharashtra, India. We are constantly expanding our reach globally and our products are exported to over 80 countries in North and South America, Asia, Europe, Australia and Africa.

We are constantly innovating and looking for new ways to collaborate and learn from partners from across the globe. We have diversified our product portfolio to include value added specialty products. At the same time, we are also making significant investments in Research and Development to enhance our capabilities to grow our product portfolio. The recently developed Research and Development Centre at Ambernath and a pilot plant at Valia, develop our new range of products. We have also formed a Technology Excellence Group to build on our technical capabilities and help exchange best practices between our factories.

It is very important that besides our financial performance and innovative products, we remain a responsible company. We are also bringing together our passion and purpose to make a difference through our sustainability approach of 'Good & Green', to create a more inclusive and greener planet.



OUR PRODUCTS

We manufacture a wide range of oleochemical products derived from organic materials. Our products are used as raw materials in the home and personal care, pharmaceutical and food industries.

Our range of products



Fatty Alcohol

We are the leading manufacturers of long chain fatty alcohols. Our range of products caters to the home and personal care industry. We have also established a niche in manufacturing and supplying Behenyl Alcohols for use in oil fields, paper and personal care industries.



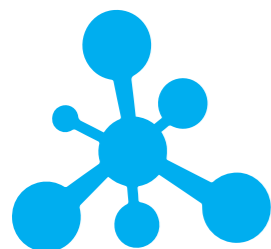
Surfactants

We are pioneers in manufacturing and developing applications of Alpha Olefin Sulphonate (AOS). The unique properties of AOS are effective in a variety of applications in industries ranging from home and personal care to polymers, oil fields and construction chemicals. Over the last decade, we have also started producing Fatty Alcohol based Surfactants that are used extensively in the home and personal care industry.



Specialty Chemical Products

We have expanded our portfolio to include value added derivatives and other specialty chemicals. We are investing in building future-ready capabilities and have commissioned a multi-purpose facility at Valia to focus on these performance-based chemicals. Our range of Oleo Derivative and Specialty products line include Bio-Surfactants, Emulsifying Waxes, Esters Secondary Ingredients, Active/Specialty Chemical and Ready Blends. These products are developed keeping in mind the customer need and consumer trends. We focus on delivering value to our customers by providing more choices through wider range of products.



Fatty Acids

We pioneered the manufacture of the world's first vegetable oil soap in 1918. Today, we manufacture a range of C16 and C18 Fatty Acids that have diverse applications in textiles, rubber, polymers, foods and feeds, and personal care products. Over the last decade, we have diversified our portfolio to include high purity specialty Fatty Acid derived from mustard oil.



Glycerine

Glycerine is a versatile chemical and is used in a variety of applications including food and personal care products among others. Our quality grade meets both domestic and international regulatory requirements including that of the Pharmacopeia, Food Codex and Food Safety and Standards Authority of India.



REPORT PROFILE

The report covers sustainability performance of our state-of-the-art manufacturing facilities in Valia, Gujarat and Ambernath, Maharashtra

Report profile

At GIL Chemicals, we acknowledge the need to communicate our sustainability challenges and achievements to all our stakeholders. Relying on credible reporting systems, we build on the concepts of transparency and accuracy. We present to you our first consolidated sustainability report for FY 2016-17 – a data backed review of our performance, impact and achievements in environmental, economic, social and governance aspects.

Report boundary

This report covers operations that contribute significantly to our actual and potential sustainability impacts. This includes our two major plants, part of GIL Chemicals – at Valia, Gujarat and at Ambernath, Maharashtra. Although the scope of this report does not officially include our Vegetable Oil plant at Wadala, we have made disclosures relating to environmental impacts, for the plant. We have made notes in the relevant sections of the report to reflect the same.

We believe that our economic performance can be better assessed, in terms of transparency and accuracy of disclosures when Godrej Industries Limited is considered as a whole and hence for the ‘Economic Performance’ section of this report, the Standalone numbers of Godrej Industries Limited have been considered. The boundary of this report does not include GIL’s subsidiaries.

Report content

The content of this report is focussed on the material aspects that we have identified through our stakeholder exercise. However, we have also included other relevant disclosures to aid in enhanced comprehension of our sustainability initiatives and performance.

Report data

This report includes data for the reporting period 1st April 2016 to 31st March 2017. Relevant information and data for this report, are collected periodically from the concerned departments at our manufacturing facilities located in India. The data presented is verified through regular internal audits.

GRI application level

For our first official sustainability report, we have chosen to report under the Global Reporting Initiative (GRI) G4 Guidelines – Core approach. These guidelines offer a more focussed approach to sustainability related disclosures. Please refer to the GRI Index at the end of this report.

Contact information

In case of any queries, clarifications, or suggestions, please contact:

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Email: prasad.jakkaraju@godrejinds.com



MATERIALITY

We conduct in-depth interviews with our team members, global business partners, customers, and external stakeholders to review our materiality matrix

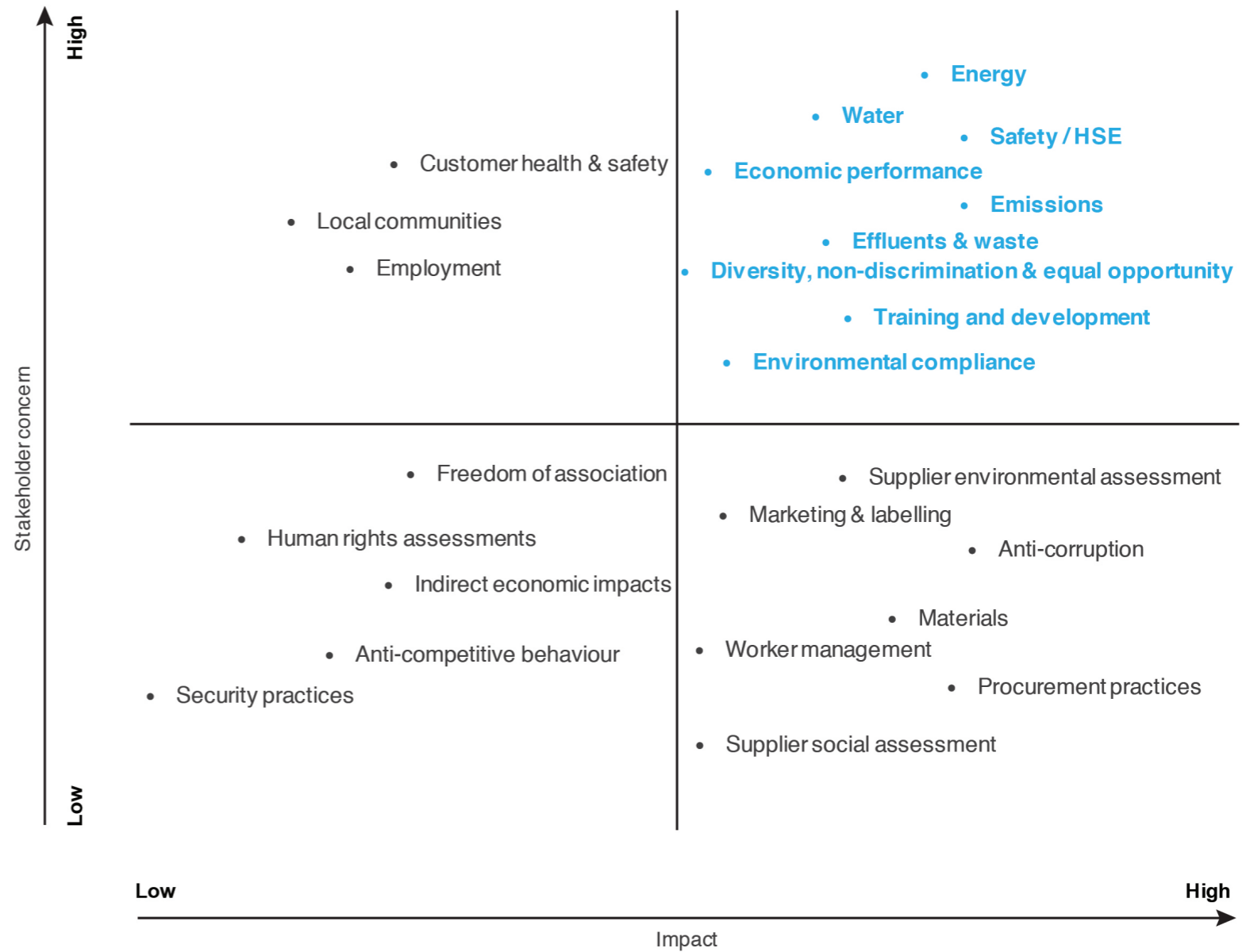
Materiality assessment

Materiality is the guiding principle that ensures reporting is relevant and focused on the issues and impacts that matter to our Company. The process of identifying material aspects at GIL Chemicals is in line with the Global Reporting Initiative (GRI) guidance.

The material aspects we have identified are those that are most relevant to our business in terms of the impact they cause. The materiality of specific topics and indicators was also determined by using internal and external conventions, including United Nations Global Compact Principles on Environment, Human Rights and Corruption. We believe it is important for us to address and report on these material aspects as they guide our effort in developing and implementing a sustainability framework.

We believe it is prudent to identify material issues which are not only of business interest but also reflect stakeholder concerns and expectations. In order to gain a better understanding, we conducted training and interaction sessions with representatives of our stakeholder groups and conducted a materiality workshop. Through this exercise, we obtained information about stakeholder perspectives and feedback. These discussions were documented and they have provided valuable inputs in mapping our materiality matrix.

Materiality Matrix





STAKEHOLDER ENGAGEMENT

To understand the priority needs of the communities we operate in, we interact with key stakeholders around our manufacturing locations

Stakeholder engagement process

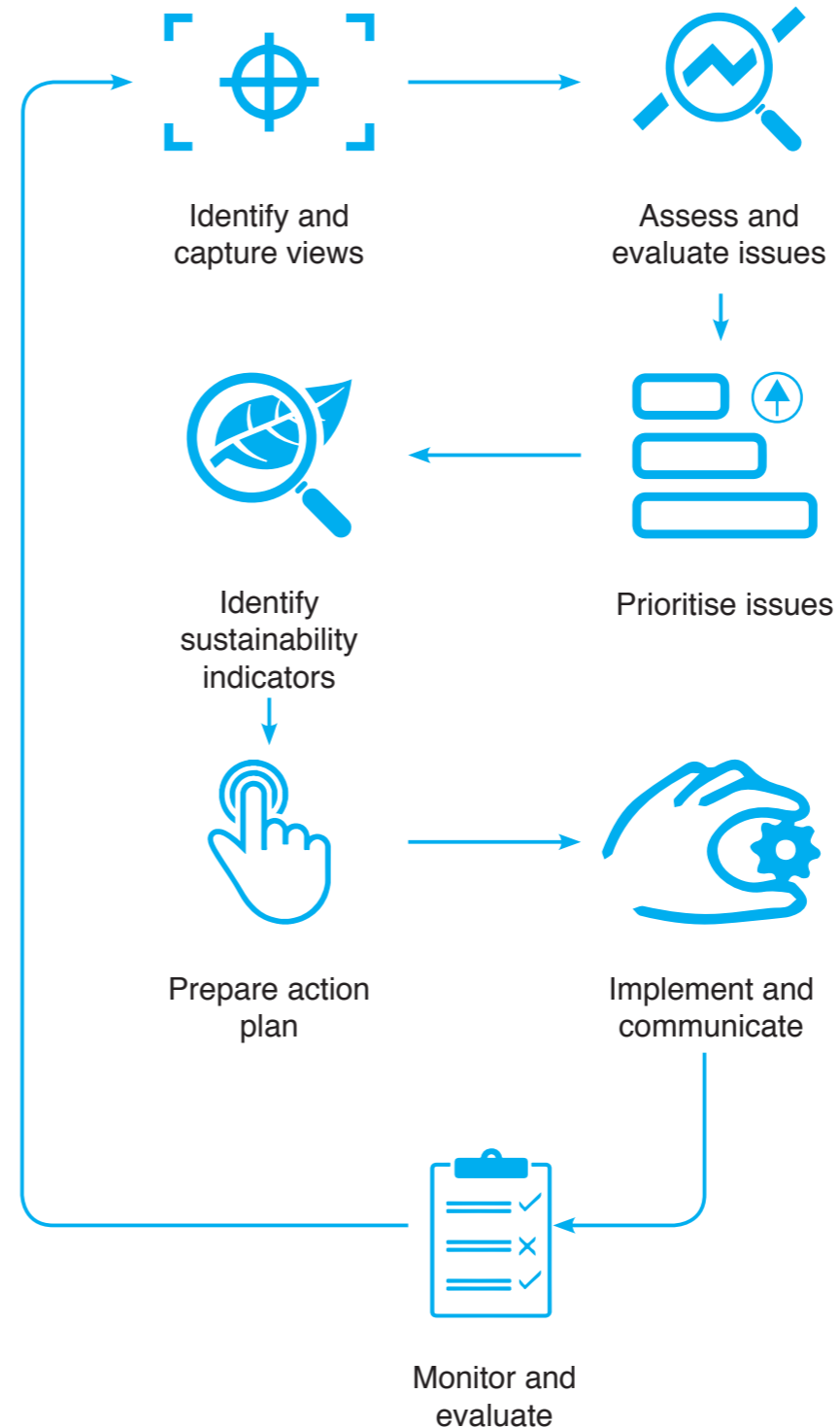
At GIL Chemicals, we believe in collective growth of both our company and our stakeholders. We treat our stakeholders as partners in our development journey towards innovation and excellence by growing together and striving to meet their expectations. Our stakeholders are persons, organisations and communities that we interact the most with and have a direct / indirect impact on, during the ordinary course of our business. Our periodic interactions with these stakeholder groups provide important feedback and guide us, thereby helping us improve our performance and value addition. The nature of our engagement methods can vary from impromptu meetings to long term partnership and is driven by our core values.

We use formal and informal ways of communication to engage with our stakeholders and map their concerns on a regular basis and we develop appropriate actions to address the concerns.

Stakeholder prioritisation matrix

Consult / evolve	Collaborate / empower
<ul style="list-style-type: none"> • Customers • Regulatory bodies 	<ul style="list-style-type: none"> • Shareholders • Team members • Suppliers • Community
Keep informed	Inform / engage
<ul style="list-style-type: none"> • Media 	<ul style="list-style-type: none"> • Competitors • Academics

Our engagement process



Stakeholder engagement summary

Stakeholder group	Engagement module	Frequency of engagement	Key issues of interest	Stakeholder Group	Engagement module	Frequency of engagement	Key issues of interest
Shareholders	<ul style="list-style-type: none"> Quarterly/ Annual results Official press releases Website BSE, NSE 	<ul style="list-style-type: none"> Regular / need based 	<ul style="list-style-type: none"> Business sustainability Economic performance 	Regulatory authorities	<ul style="list-style-type: none"> Meetings Industry associations Events Phone/email communication 	<ul style="list-style-type: none"> Monthly 	<ul style="list-style-type: none"> Compliance Revenue and tax distribution Profitability Safe working environment
Customers	<ul style="list-style-type: none"> Annual meet Trade shows/ exhibitions Customer satisfaction surveys Sales visits 	<ul style="list-style-type: none"> Regular / need based Annual and bi-annual 	<ul style="list-style-type: none"> Quality Delivery 	Community	<ul style="list-style-type: none"> Community meetings Committee meetings 	<ul style="list-style-type: none"> Monthly 	<ul style="list-style-type: none"> Education Welfare, etc.
Team members	<ul style="list-style-type: none"> HR Policy HR Interactions Notices and announcements Career progression and appraisal 	<ul style="list-style-type: none"> Continual Annual and bi-annual reviews 	<ul style="list-style-type: none"> Employee health and safety Training and education Equal opportunity HR policies and Practices Career progression Employee satisfaction 	Media	<ul style="list-style-type: none"> Press conference Telephonic and email communication 	<ul style="list-style-type: none"> Daily 	<ul style="list-style-type: none"> Strategy Outlook Announcements
				Competitors	<ul style="list-style-type: none"> Industry associations Meets Events and conference 	<ul style="list-style-type: none"> Need based 	<ul style="list-style-type: none"> Policies Regulations Knowledge sharing
				Academics	<ul style="list-style-type: none"> Meetings Visits Study tours 	<ul style="list-style-type: none"> Need based 	<ul style="list-style-type: none"> Recruitment Knowledge management R&D activities
Suppliers	<ul style="list-style-type: none"> Contract performance Contract negotiation Seminar Email/phone 	<ul style="list-style-type: none"> Regular/Need based 	<ul style="list-style-type: none"> Quality Delivery Sustainability Cost Complaints and resolution 				



Our leadership team at the Sales and Marketing conference

Our approach to governance

Being a major business unit of Godrej Industries Limited, a public company limited by shares, we at Godrej Industries – Chemicals are guided by our robust Board of Directors and leadership team. We pursue good corporate governance by ensuring regulatory compliance, transparency in disclosures, efficiency in operational practices, strong internal controls and risk management systems. Above all, we engage and operate with integrity with all our stakeholders, ensuring fairness and positive value addition.

Our Board of Directors carries the responsibility of decision making on important aspects across the triple bottom line. It provides guidance and support to our management in terms of broad strategy, direction, governance and compliance.

With an exceptional assemblage of experts in their own fields, and ensuring compliance with the regulations, our Board has:

- Mr. A.B. Godrej as the non-executive Chairman
- Mr. N.B. Godrej as the Managing Director
- Two whole-time executive directors, and
- Nine non-executive directors, out of which six are independent directors.

Board of Directors



Adi Godrej
Chairman



Nadir Godrej
Managing Director



Jamshyd Godrej
Non-Executive Director



Vijay Crishna
Non-Executive Director



Tanya Dubash
Whole-time Director



Nitin Nabar
Whole-time Director



Keki Elavia
Non-Executive,
Independent Director



Kavas Petigara
Non-Executive,
Independent Director



Kersi Dastur
Non-Executive,
Independent Director



Amit Choudhury
Non-Executive,
Independent Director



Saleem Ahmadullah
Non-Executive,
Independent Director



Aspy Cooper
Non-Executive,
Independent Director

Sustainability governance framework

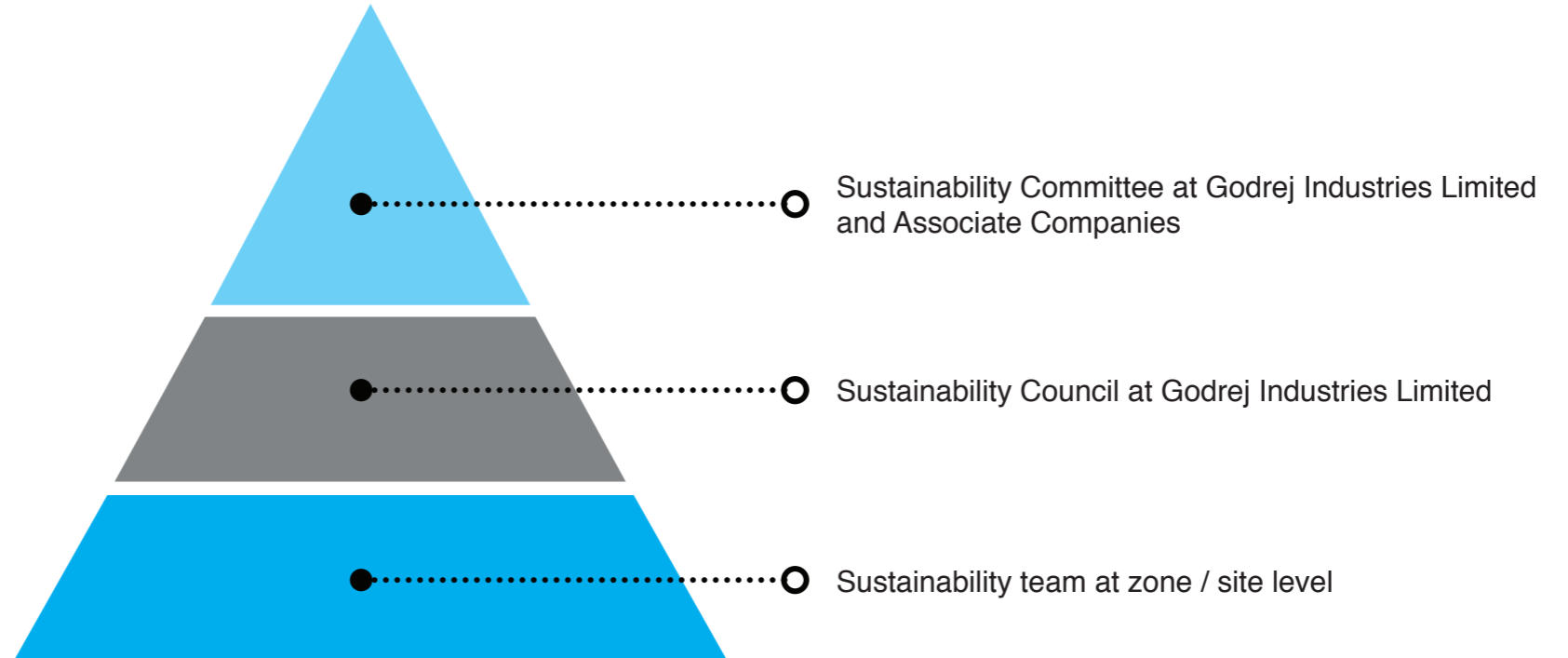
As a part of the Godrej Group, we are deeply committed to the Group's sustainability vision of 'Good & Green' and we are working towards building a more inclusive and Greener India. We have set targets for ourselves for 2020 and are in the process of making sustainability a key part of our manufacturing process and value chain.

Our management and Board's business decisions are in line with our sustainability efforts and help us achieve our targets. Our persistent focus on conservation of energy has been recognised by several industry bodies and we continue to focus our efforts on environmental efficiency and other sustainability aspects.

Our CSR Policy made in accordance with the CSR guidelines focuses on addressing critical social, environmental and economic needs of the base of the pyramid of the society. Through this policy, we align our CSR strategy with the Godrej group's Good & Green vision and goals. We adopt an approach that integrates the solutions to these problems into the strategies of the company to benefit the communities at large and create positive social and environmental impact.

We provide monetary and recognition based incentives for the management of climate change issues, including attainment of set targets, to our Sustainability managers, Chief Operating Officer, Business Unit managers, Environment, health and safety manager, Process Operation managers and to all our team members.

Sustainability framework



Committees of the Board

To ensure greater focus on specific aspects of Corporate governance and expeditious resolution of issues as and when they arise, our Board has constituted various committees in accordance with the Companies Act, 2013 and Securities and Exchange Board of India's Listing Obligations and Disclosure Requirements. Our Board has committees on Audit, CSR, Risk management, Nomination and compensation, Stakeholder Relationship/ Shareholder and Management. These committees have clearly defined areas of operation across environment, economic and social aspects and report to the Chairman of our Board.

Audit Committee

The Audit Committee oversees our financial reporting process and the disclosure of financial information to ensure that the financial statement is correct, sufficient and credible. Amongst other responsibilities, the committee also makes recommendations for appointment, re-appointment and terms of appointment of the statutory auditor and the fixation of audit fees.

Risk Management Committee

This Committee is responsible for drafting the risk policy and its periodic review. It identifies potential risks, create mitigation strategies and monitor the occurrence of risks.

Corporate Social Responsibility Committee

To oversee our Corporate Social Responsibility Initiatives, our Board has set up a CSR Committee. It is responsible to identify areas of opportunity for CSR and makes appropriate recommendations to our Board.

Stakeholder Relationship/Shareholder Committee

This Committee looks into redressal of shareholder complaints regarding transfer of shares, non-receipt of Balance Sheet and non-receipt of declared dividends, as well as those required under the Act and the Listing Regulations.

Nomination and Compensation Committee

At GIL Chemicals, we are committed to equality of opportunity in all aspects of our business. We do not discriminate on the grounds of nationality, race, colour, religion, caste, gender, gender identity or expression, sexual orientation, disability, age or marital status.

We recognise merit and constantly seek to enhance the effectiveness of our Board. We strongly believe that for effective corporate governance, an appropriate balance of skills, experience and diversity of perspectives is important.

We follow a 'Total Rewards' philosophy, which aims at holistically utilising elements such as fixed and variable compensation, long-term incentives, benefits and perquisites and non compensation elements like career development, work life balance and recognition. This rewards framework is integrated with our performance and talent management processes. Our total compensation is made up of three elements – Fixed compensation, flexible compensation and variable compensation.

On the recommendation of the Nomination and Compensation committee, our Board framed a policy for selection and appointment of Directors, Senior Management and their remuneration. In line with this, the Board appointments will be made on merit basis and the candidates will be considered against objective criteria

with due regard for the benefits of diversity on the Board.

Our Board believes that such merit-based appointments will best enable us to serve our stakeholders. Our Board reviews this policy on a regular basis to ensure its effectiveness.

These committees help monitor specific issues and provide direction to our senior leadership team.

Evaluation

At GIL we follow fair performance evaluation and compensation practices:

Performance evaluation

Building on the principles of fair governance practices, we conducted a formal 'Board effectiveness review' to evaluate, identify improvements and hence enhance the effectiveness of our Board, its committees and our directors. Working together with our HR team, our Chairman and the Nomination and Compensation Committee of our Board designed and executed this process. Each of our Board members completed a confidential online questionnaire, providing vital feedback on how the Board currently operates and how it might improve its effectiveness.

Our Board members are highly qualified experts in their respective fields and constantly update their knowledge and skills with the latest developments in the chemical industry, the economy, market conditions, applicable legal provisions and sustainability. We have a familiarisation programme for our directors as part of listing compliance and during the year, our directors were familiarised with the concepts of Goods and Services Tax and on New and emerging products of our company.

Business with integrity

At GIL Chemicals, our business methods are based on principles of transparency and value addition. We operate and engage with the highest levels of integrity with all our stakeholders and place high importance in the way we conduct ourselves.

Along with its other responsibilities, our Board and its various committees are tasked with reviewing and ensuring compliance with Code of conduct as well as serving as a check against any conflicts of interest.

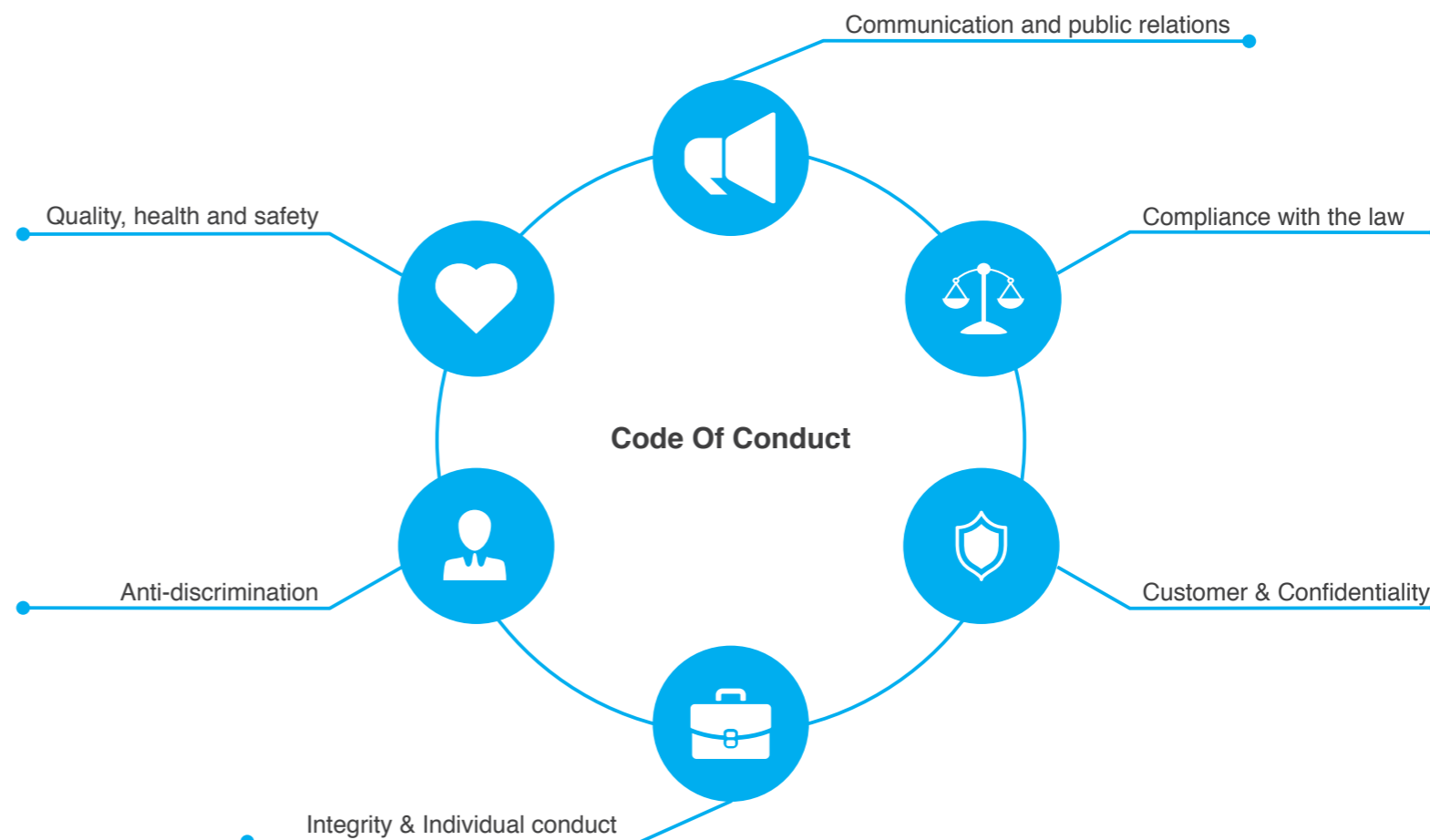
Our Board of Directors and Senior Management comply with the Code of Conduct we have in place. An annual confirmation is obtained from the Board members and from our Senior Management as an affirmation of compliance with the Code of Conduct. Apart from this, we also have a code of conduct which applies to all our team members. We also encourage our business partners to follow this code.

We are an ISO 27001 (information security management system) certified company and place great importance on customer privacy and information security.

While we have a robust and efficient code of conduct, we acknowledge that it is equally important for us to monitor its effectiveness and compliance. In order to ensure that we address all grievances effectively, we have a Whistleblower Policy in place. This allows our team members to raise concerns about unacceptable, improper or unethical practices being followed in the organisation, without necessarily informing their supervisors. A Whistleblower Officer has been designated for the purpose of receiving and recording any complaints under this policy.

We received 95 shareholder complaints in the reporting period which were satisfactorily resolved by our management.

Our comprehensive code of conduct covers a diverse range of aspects shown in the illustration



In order to avoid conflict of interest, we have a policy on related party transactions and a policy on determining material subsidiaries. During the reporting period, there were no materially significant related party transactions with our promoters, Directors or the Management, their subsidiaries or relatives, etc., that may have potentially conflicted with the interests of our Company at large. All related party transactions entered into by us during the financial year were on an arm's length basis and were in the ordinary course of business. All disclosures of transactions with related parties can be found in our Annual report.

Anti-corruption and bribery

At GIL – Chemicals, we comply with our policies and code of conduct relating to ethics, bribery and corruption. All our units are analysed for risks related to corruption and we communicate our policies regarding anti-corruption to all our team members and business partners. As such, there were no cases of anti-competitive behaviour, anti-trust and monopoly practices reported.

Risk management

At GIL Chemicals, we believe in a forward looking approach when it comes to strategy and decision making. While we are constantly working on identifying opportunities that benefit our business and our stakeholders, we also believe that it is as important to pre-emptively identify environmental, economic and social risks that could potentially impact our business and put appropriate measures in place to avoid or overcome such risks. Risk management is a priority when it comes to decision making, to our senior management and Board of Directors.

To achieve this, we have structured an effective risk management framework after a comprehensive review of our risk management process. Bringing in a fresh perspective, our review involved understanding the existing risk management initiatives, zero-based approach to identification and assessment of risks in the various businesses.

We have formed a Risk Management Committee consisting of our Managing Director and the Whole-time Directors. This Board level committee identifies and evaluates business risks and opportunities. This Committee has formulated and implemented a policy on risk management to ensure that our reporting system is reliable and to ensure that we are in compliance with relevant laws and regulations. We have a vigil mechanism – Whistle Blower Policy to deal with instances of fraud and mismanagement, if any.

The Risk Committee periodically reviews the risks in the various businesses and recommends appropriate risk mitigating actions. The major risk areas we identified are:

- Economic conditions
- Climate change
- Seasonal fluctuations
- Compliance, regulatory pressures
- Competitive market conditions
- Supplier and distributor relationship
- Increasing costs of material, transport and storage
- Labour shortage and attrition rate

Commodity based businesses are likely to be affected by vagaries of the weather, demand for edible oil, oilseed production, etc.

Our business is exposed to commodity price risks related to raw materials which account for the largest portion of the costs of our chemicals business. The growth of our chemicals business will also depend on the growth of end user industries like polymer, detergent, cosmetic and personal care.

As a significant employer and chemicals producer, ensuring occupational safety, employment standards, production safety and environmental protection we maintain strict safety, health, environmental protection and quality control programs to monitor and control these operational risks.

Macro-economic factors including economic and political developments, natural calamities which affect the industrial sector generally would also affect our business. Legislative changes resulting in change in the taxes, duties and levies, whether local or central, also impact business performance and relative competitiveness of our business

Opportunities

Post the remonetisation of currency, the demand has improved in India. Our business is now recovering to the performance seen during the pre-demonetisation levels. While there could be some temporary volatility in the channel around the GST implementation date as the trade adjusts to the new tax structure, we are confident that end consumer demand will remain intact. The implementation of GST will be transformative for the Indian economy and will significantly boost consumption and GDP growth. It will also create a level playing field for the organised players in the market, by bringing the tax evaders under compliance. We believe we will be able to leverage the effects of GST implementation.

The outlook for the coming year 2017-18 is good for the value-added fatty acids at this point in time. International demand is showing signs of improvement and procurement of indigenous raw material will be an edge over overseas competition. Overall, we expect stronger demand in FY 2017-18.

Apart from this, at the asset level, the opportunities considered are on how we can drive internal efficiency to reduce our carbon footprint and yield direct benefit in terms of cost and reduced maintenance activities.

Climate change and sustainability

Chemical companies are at the forefront of innovation into products that deliver energy efficiency and GHG reduction across the economy. These benefits are realised through the wide application of chemicals technology, from building products, consumer goods, personal care products, automobile to agriculture. The industry is able to drive efficiency at scale because chemicals are ubiquitous – more than 95 per cent of manufactured products incorporate chemicals (ICCA, 2010). FMCG companies in particular, rely on specialty chemicals to reduce their carbon footprint in their supply chain. Be it fabrics that require less water to wash, powdered shampoo or paints

with low VOC, etc., all these require new processes and raw materials which help these companies achieve their sustainability goals. Manufacturing companies are looking at specialty chemical additives that help in improving the functionality of the product as well as reduce the environmental load. Demand for natural ingredients (especially in food and personal care products) is growing, driving FMCG companies to source bio-based specialty chemicals.

In the backdrop of climate change and the world moving towards energy and resource efficiency and reduced emissions, specialty chemicals have a significant role for companies across varied industries to move towards and achieve their sustainability goals. While we are well aware of the opportunities and responsibilities that we have in the face of climate change, we are also proactive when it comes to tackling the risks it brings along with it.

Climate Change is built in into our business strategy and integrated in our company wide risk management processes. We have a Business Sustainability Plan to analyse risks and opportunities meeting any untoward situation originating from:

- Wild fluctuation in climatic conditions
- Natural / social calamity
- Changes in Regulations,
- Political risks associated with unrest and instability in country
- Exchange rate fluctuation and arbitrage risk, etc.
- Supply chain Sustainability

These risks covering all our manufacturing locations in India, are monitored every six months and the results are reported to our Board or the committees appointed by our Board.

Besides, steep targets have been set to achieve by 2020 at our group level. GIL strives to achieve the goals by

continuous improvement and monitoring the performance of all the units on monthly basis through a sustainability performance management system. The performance of the units is reviewed by the Executive Director on quarterly basis.

Industry association

We at GIL Chemicals, believe that it is vital for businesses to have industry associations and memberships. Such associations can serve as strategic channels to our business development and facilitate response to key industry issues, gain understanding of competition and knowledge sharing. As we strive to adopt the best global practices, we work closely with our industry associations to overcome economic, environmental and social challenges.

For any policy advocacy we ensure that it is done with the highest degree of responsibility and ethical behaviour. We work with collective platforms such as trade and industry chambers and associations to make this possible.

The following are the list of our industry associations:

Indian Chemical Council (ICC):

We are a life time member of ICC. We participate actively in all events of ICC supporting them in sharing of knowledge and perspective of our industry sector.

Confederation of Indian Industries (CII) National Council and CII Western Region:

Godrej is closely associated with CII. Our chairman, Mr Adi Godrej, is also the past president of CII. CII's stand on climate change legislation will be supported by Godrej Industries Limited. CII- Godrej GBC certified GIL Valia Unit with "GreenCo Silver" under the Green Company Rating System. Valia Plant is the first Oleochemical manufacturer to receive this rating. GIL is a signatory to CII's Mission of Sustainable Growth and CII-ASSOCHAM Code of Conduct for Affirmative Action respectively.

Indo-French Chamber of Commerce (IFCCI)

The Godrej Group is one of the founding members of this bilateral chamber between India and France. We are closely associated with the Chamber and regularly participate in all of their knowledge sharing events.

Federation of Indian Chambers of Commerce and Industry (FICCI):

Godrej Industries Limited is an active member of FICCI and it has contributed its views on various policy related issues.



ECONOMIC PERFORMANCE

We have adapted well to the changing Indian and global dynamics and delivered a resilient and reasonably healthy performance after a difficult first half of FY 2016-17

Economic performance

₹ 16,958 Cr

Market capitalisation of GIL as on
31 March, 2017

17%

Growth in revenue

The potential and performance of India's chemical industry, has sealed its position as a major contributor to India's economic growth, with the industry contributions making up approximately 2.11 per cent of the GDP. Between 2000 and 2015, the industry witnessed foreign direct investment worth USD 10.49 billion. Indicating the pace at which the sector is growing, owing to increased consumption, the major players in the sector include bulk chemicals, agrochemicals and specialty chemicals.

With the current size of approximately USD 108 billion, the Indian chemical industry accounts for ~3 per cent of the global chemical industry and having a strong presence in the exports segment, it accounts for nearly 6 per cent of India's total exports.

An important part of achieving our business sustainability is adding economic value to our stakeholders and to our brand. Our business recorded a growth of 17 per cent in revenue in FY 2016-17, continuing its strong focus on cost control and energy efficiencies.

This, coupled with a strategic approach to front-end sales, contributed to the good performance across product categories.

The table shown sums up the economic performance of Godrej Industries Limited as a whole and represents standalone numbers for the financial year 2016-17.

Economic performance of Godrej Industries Limited

Description	Amount in ₹ (crores)
Direct economic value generated	1,691.80
Operation cost	1,289.02
Employee wages and benefits	116.25
Payment to provider of capital	207.86
Payment to the government	224.02
Economic value retained	-145.35

₹ 1,436 Cr

Revenue generated by our
chemicals business

₹ 399 Cr

Export turnover achieved,
accounting for close to 28 per
cent of turnover in FY 2016-17

Employee benefit plans

Our net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that team members have earned in the current and prior periods, after discounting the same.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. Re-measurement of the net defined benefit liability, which comprise actuarial gains and losses are recognised immediately in Other Comprehensive Income. Net interest expenses related to defined benefit plans are recognised in the Statement of Profit and Loss. When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in the Statement of Profit and Loss. Pension plan for eligible team members are considered as defined benefit obligations and are provided for on the basis of an actuarial valuation, using the Projected Unit Credit Method, as at the date of the Balance Sheet.

Minimum wage

We comply with the Local Minimum Wages Act and we do not discriminate in wages on the basis of gender. The entry level salary ratio in India operations is normally higher than the minimum wages as defined by the Minimum wages Act for the respective region.

Financial assistance

We did not receive any financial assistance from the government during the year.



OUR SUPPLY CHAIN

We are committed to ensure sustainable sourcing of the materials we use, as well as work closely with our suppliers to drive sustainable practices across their operations

Sustainable supply chain

To achieve our goals and ensure ethical conduct, we believe that it is important for our suppliers to share our values and vision and raise the sustainability standards in our supply chain.

We recognise that long term sustainable development of our suppliers is critical to our joint success and we value our relationship with suppliers who share the same approach to business.

A significant portion of our raw materials is sourced from local suppliers and at least 65 per cent to 70 per cent of our sales are domestic.

We consume palm oil as a major raw material for our oleochemicals. It is our commitment to switch to consumption of 100 per cent certified sustainable palm products by the end of 2022.

We are a member of the RSPO (Roundtable on Sustainable Palm Oil), and we are in the process of implementing our Sustainable Procurement Policy and our Policy on Sustainable Palm Oil.

Our supply chain

Our suppliers



- As a major manufacturer of chemicals, we consume raw materials, some of which is plant based.
- We place high importance on sustainability across our supply chain and a significant portion of our raw materials are locally sourced.
- In order to streamline this further, we are in the process of developing a policy for Sustainable sourcing of oil palm.

GIL Chemicals



High quality chemical products manufactured at GIL Chemicals

- Fatty acids
- Fatty alcohols
- Surfactants
- Glycerine
- Specialty chemical products

Our customers and end consumers



Fatty alcohol

- Home and personal care
- Oil fields
- Paper industry

Fatty acids

- Textiles
- Rubber
- Polymer
- Food and feeds
- Personal care products

Surfactants

- Home and personal care
- Construction chemicals

Glycerine

- Food
- Personal care

Specialty chemicals

Supplier assessment

100%

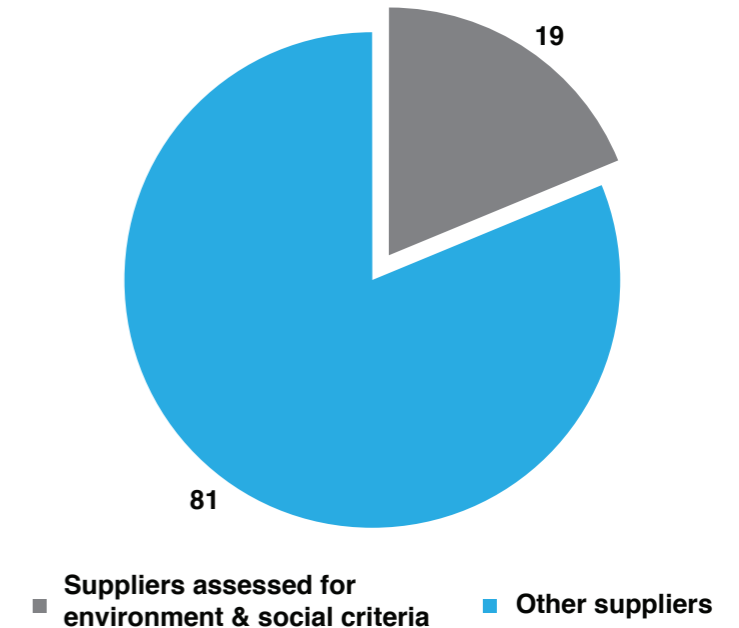
Of the new suppliers we added in the year were assessed for environmental and social criteria

In Q2 FY 2016-17, we took the first step in assessing our suppliers for their sustainability performance. We shared a general questionnaire with all our suppliers to help us assess their environmental and social performance.

The assessment included parameters on environmental management, legal compliance, energy consumption, water usage, waste generation and management, renewable energy, and corporate social responsibility among others. Approximately 19 per cent of suppliers were assessed and we found them to be compliant.

In Q4 FY 2016-17, we started working to develop a Sustainable Procurement Policy, that will be an extension of our values and would apply to all our suppliers. The policy would go beyond just legal compliance by drawing upon internationally recognised standards in order to identify and define best practices from across the globe. The policy would outline our expectations with regards to ethics, business integrity, human rights, health and safety, environment, the local community and quality of product and operations, and human rights aspects like collective bargaining, child labour, and forced labour.

Supplier assessment FY 2016-17 (%)



In September 2017, we launched our Sustainable Procurement Policy. We are now in the process of implementing the policy and working with our suppliers to improve their sustainability performance.

Product innovation and responsible business

At GIL Chemicals, we place high importance on innovation, excellence and quality. Our efforts are focussed on conducting business responsibly, paying attention to aspects of sustainability. In order to ensure safety for all the stakeholders of the environment, responsible care is of paramount importance and industries must adhere to safe and sustainable practices.

As a member of Indian Chemical Council and a signatory of Responsible Care, we pursue the implementation of Codes of management practice, including product stewardship, process safety, employee health and safety, pollution prevention, emergency response and communication and distribution. To this end, we have strong systems in place to help us achieve these codes of management.

Being cognizant of our responsibility towards our team members and customers, we constantly work towards evaluating our performance in aspects relating these two major stakeholder groups.

Customer surveys and our research and development efforts, help us monitor and add value to our product range, quality and sustainability.

Since our products are exported and marketed in the EU, we are required to be in compliance with REACH - a European Union regulation concerning the Registration, Evaluation, Authorisation and restriction of Chemicals. Compliance includes registration with the ECHA - European Chemical Agency, providing 'safe use' documentation and disclosures to customers for certain products etc.

Apart from this, we are a member of Fatty alcohol Consortium which registers all alcohols from C6 to C24 as per pure cuts strategy. A total of six substances are

registered and 40 substances are pre-registered. We have also registered Behenyl alcohol, Palmitic Acid and Behenic Acid.

Bearing constant growth and innovation in mind, there are specific areas in which we carry out Research and Development activities which have strengthened our operations through absorption of technology, adaptation and innovation.

Following are some of the areas where our R&D efforts are focused on:

- Glycerine
- Vegetable oils
- Fatty acids, Fatty alcohols
- Surfactants and Bio-surfactants
- Formulations and Performance Evaluation
- Derivatives of Fatty acids and Fatty alcohols, designed for Personal and Home care industries
- Customer centric support for Home, Personal and Oral Care Products, as well as Oilfield Chemicals

Benefits of this include, premium quality products from alternate raw materials, better comprehension of the impact of raw material quality and manufacturing process on the quality of the finished goods, development of value added products enabling our entry into niche markets and manufacture of specialty chemicals for specific industries.

Shifting our focus to the future, our plan of action includes tailor made products and value addition, in order to enter niche markets and working towards enhancing our knowledge base of product applications and formulations through customer engagement and market information.

Key results of customer survey:

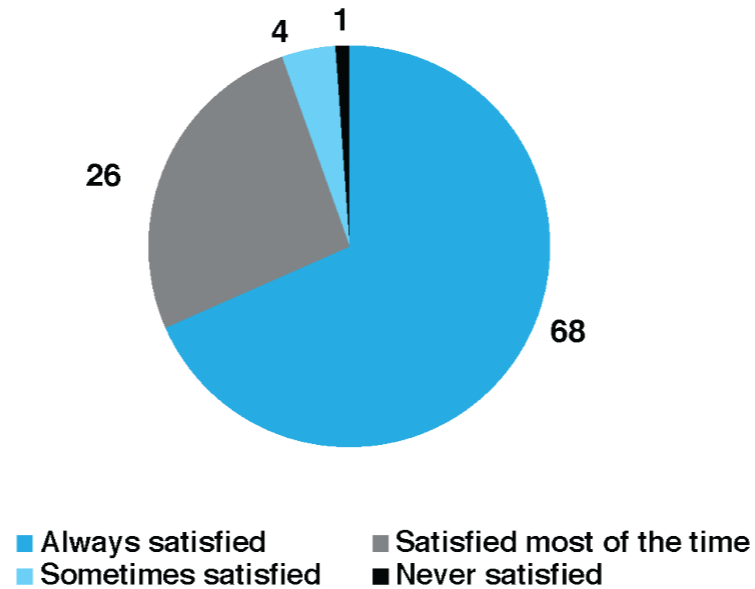
To aid better comprehension of our product quality and service and to gain an understanding of customer expectations, we conducted a customer survey during the year. We shared a questionnaire with our customers where they based their response on four levels – always, most of the times, sometimes and never.

The questions included satisfaction of purchase enquiry handling and follow-up procedures, ability to supply required quantity, quality of products, adhering to shipping schedules, satisfaction with the way the complaints are analysed and with the technical support received and with competitive prices. The survey had about 35 respondents.

As indicated by the key results, we are happy to have delivered satisfactory service and quality always and most of the times. The key development areas we identified through this feedback process are offering competitive prices and providing technical support.

We acknowledge the need to address these issues and we channel our efforts towards solving these complications as a priority.

Customer survey - Key results (%)



GODREJ INDUSTRIES LTD.
CHEMICALS DIVISION



PEOPLE

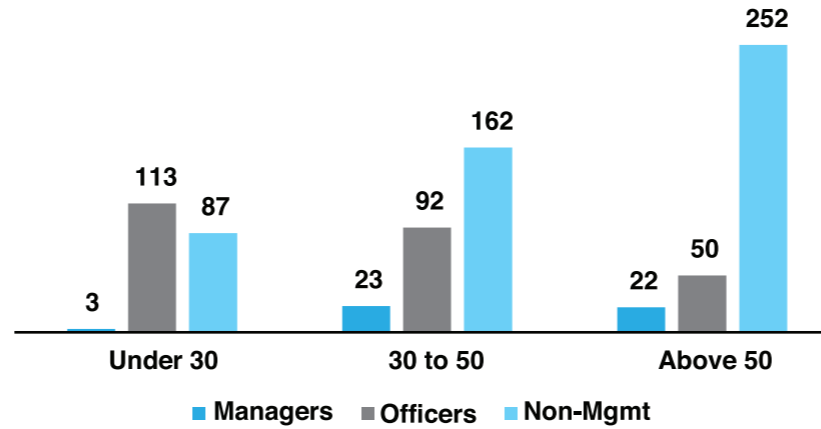
We are committed to diversity and inclusiveness among our workforce. We are building diversity in different ways, such as through our open stance on issues, such as gender and LGBT rights.

Workforce snapshot

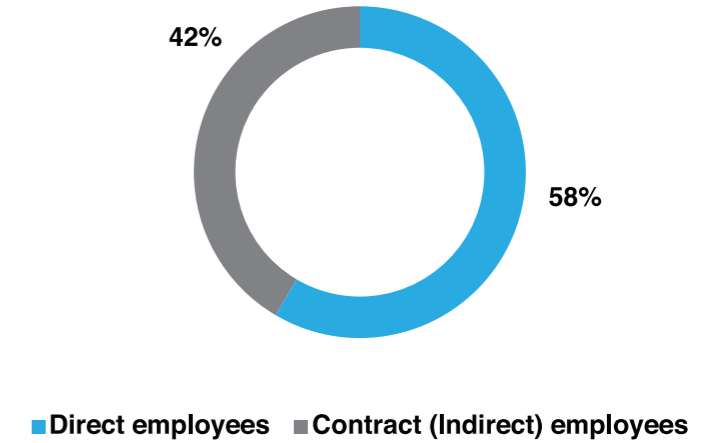
As part of a 120-year-young Godrej Group, we at GIL are fortunate to have been blessed with a legacy that has been built on trust, integrity and respect for others. In keeping with our values, we aim to foster an inspiring workplace which attracts, develops and retains the best talent.

Our workforce has 772 men and 32 women. This year, we had 28 female and 227 male officers, 4 female and 44 male managers and 501 male in the non-management employee cadre. 62% of our workforce is covered under collective bargaining agreements.

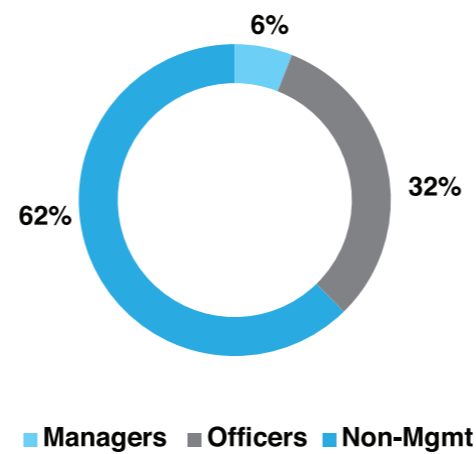
Employees by cadre and age (%)



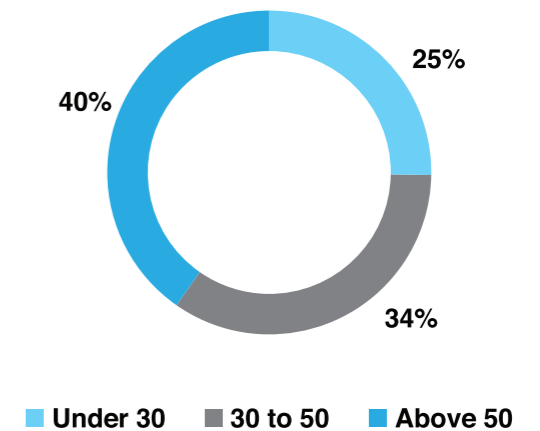
Employee breakdown (%)



Workforce by cadre (%)

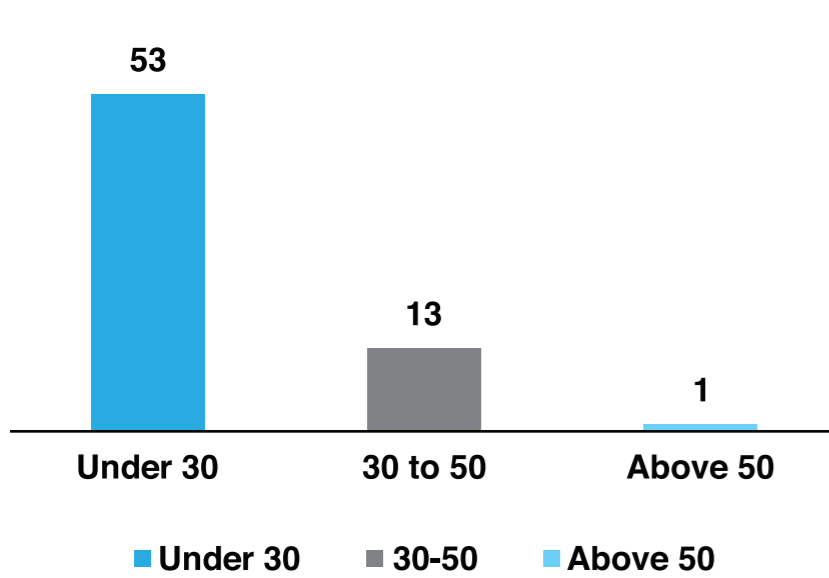


Workforce by age (%)

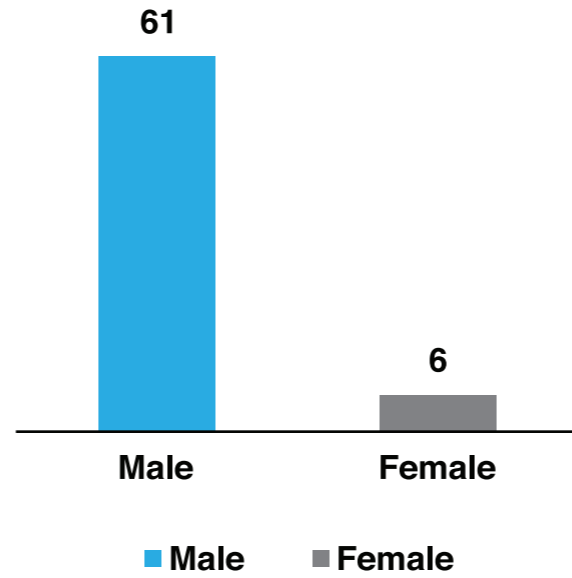


Hires

Number of new hires by age



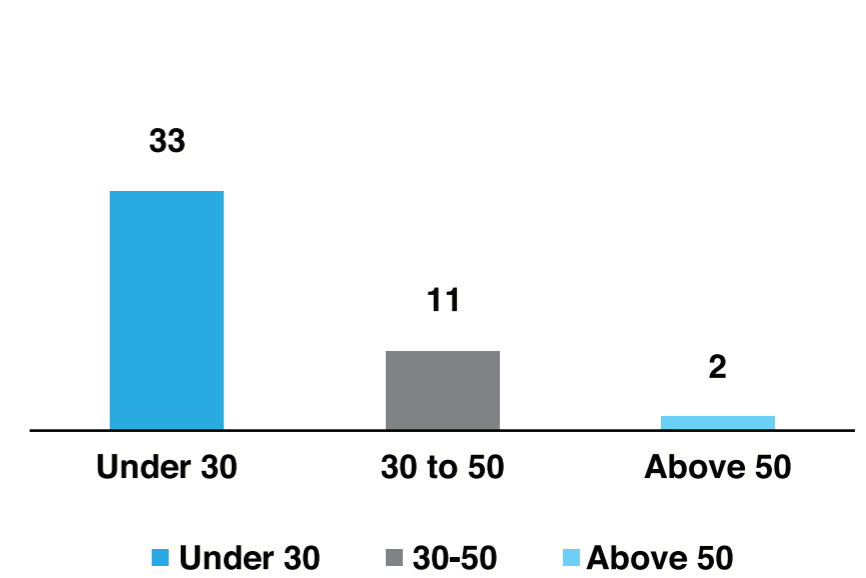
Number of new hires by gender



Turnover

This year we did not see turnover in our female workforce. Turnover by age in our male workforce is shown below.

Turnover by age, in numbers



Our young engineers. Our rate of hire and turnover this year were at 7.72 per cent and 6 per cent respectively.

Diversity and inclusion

As workforce demographics shift and global markets emerge, workplace diversity is becoming a business necessity, while bringing along with it, a number of benefits. Team members reap tangible and intangible benefits whilst working with a diverse workforce and earn respect from co-workers, while bringing business gains. As such, we value diversity at GIL, and recognise merit and perseverance whilst designing our workforce policies.

We do not discriminate on the basis of their nationality, race, caste, gender, gender identity/ expression, religion, colour, sexual orientation, disability, age, or marital status. We always extend equal opportunities to all our team member and pay our male and female team members equally. In addition, we undertake various initiatives that help strengthen the diversity and inclusion in the organisation as a whole.

Godrej careers 2.0

This is designed to encourage and reintegrate women back into the workforce. It offers live business projects of 6-9 months duration to women who have taken a career break due to various reasons

Diversity sensitisation workshops

We regularly conduct diversity sensitisation workshops with a special focus on gender inclusion. These sessions apprise managers of how they can tackle unconscious gender biases within the organisation and facilitate an inclusive culture.

Godrej Alliance for Parents

This is an initiative for working parents and their spouses. It provides a platform for them to share their experiences and discuss aspects such as childcare, education as well as their own work-life balance.

Godrej Women's Leadership Network

The Godrej Women's Leadership Network platform provides our female team members with several opportunities to network, learn and grow.

Ethics and human rights

We are committed to conducting our business in an ethical manner and in upholding the fundamental rights of persons. As such, we strive to completely eliminate any occurrence of child labour, forced labour and harassment of any kind. We have implemented policies and mechanisms in place to help us monitor the work environment and eliminate opportunities for violation of basic human rights.

This includes, inter alia, precautions to prevent child labour using a strict review process during hiring to verify the age of team members. In addition, our security personnel are trained to observe team members and workers entering the facilities and immediately reporting any cases of underage workers. We also monitor and periodically assess our operations to prevent risks of forced labour.

Further, the employment contracts for workers is based on one employee's voluntary agreement and there are no areas within our operations where the right to freedom of association is at risk. We have policies in place to help strengthen our approach to protecting human rights:

Policy on sexual harassment

In addition to the above, for years we have had in place a gender neutral policy for the prevention of sexual harassment. This was extended further to include the Policy on Sexual Harassment of Women at the Workplace Act, 2013, also known as the Vishaka Guidelines. In

addition, all our team members undergo mandatory training on the prevention of sexual harassment. For the implementation of this policy, we have in place a Complaints Committee to address any complaints of sexual nature. This is headed by Ms. Tanya Dubash, Executive Director and Chief Brand Officer.

Whistleblower policy

This policy provides grounds for team members to raise their concerns over unacceptable, improper or unethical practices being followed in the organisation, without necessarily informing their supervisors. A whistleblowing officer has been designated who is responsible for receiving and recording complaints under this policy.

There have been no complaints towards discrimination, child labour, forced labour, involuntary labour and sexual harassment or pending cases during the reporting period.

Rewarding our human capital

At GIL, we believe that reward is as important as recruitment. Offering a competitive salary combined with benefits and perks can prove to be an accommodating business strategy, favouring both our business and our people. It works as an effective combination in promoting improved work habits and reducing employee turnover. Benefits also tend to drive employee engagement while providing a sense of security, encouraging employee retainment. Bearing this in mind, we offer a multitude of rewards, both monetary as well as non-monetary, to our permanent team members, a few of which are:

Spot Awards

Spot Award is a platform to recognize demonstration of boundary less behavior and / or small improvements in work area by an individual and / or team leading to enhancement in process delivery and customer satisfaction.

GIL Chemicals Awards

GIL Chemicals Awards are conducted to award and recognize outstanding performances across GIL Chemicals.

Godrej Awards

The Godrej Awards are conducted to award and recognize outstanding performances across the Group Companies.

Medical Benefit Scheme

Medical benefit scheme and hospitalisation to support team members and their dependents during medical emergencies.

Group Term Insurance

This extends to all our managers and officers.

Maternity Benefits

We extend 6 months maternity leave along with multiple options for women getting back to work, including flexible timings, work from home and part time work for a further 6 months.

Paternity Benefits

We extend leave for ten working days which can be availed in two instalments, up to six months after the birth of the child.

Other benefits include:

- Subsidised meals in the canteen for all team members against Sodexo Coupons
- Discount on Godrej & Boyce products in the campus
- Travel help for reservations, ticketing and visa support through partner agencies
- Vodafone & Airtel corporate mobile connection for team members and their families
- Discounts at Godrej & Boyce shops across the country
- Part-time work
- Support post maternity/adoption
- Work from Home & flexible working
- Uncapped Sick Leave
- Health Centre

Employee engagement and performance review

Bearing growth of our team members and our business in mind, we acknowledge the importance of a two-way communication system. To gauge employee sentiments and expressions, we practice a policy which encourages the spirit of expression and innovation. Driven by this, we make constant efforts to engage with our team members through various mediums such as open house with senior leaders, town halls, employee engagement surveys, skip level meetings by senior leadership and HR connect sessions, etc.

In order to ensure fair compensation, we engage in regular employee performance reviews.

This also enables us to determine the development areas, which help us manage our training programs effectively. All our team members undergo regular performance reviews and the results help us contribute more effectively towards their career development.

We believe in transparency and fair communication with our team members in all instances. In the event of any major operational changes that may affect an employee, we provide notice of a minimum of 5 days.

Workforce training and development

Training and on the job learning present a prime opportunity to expand the knowledge base of all team members, while reducing the occurrence of inefficiencies due to lack of training. Training and development provides both our business and our team members with benefits that enable combined growth, hence making the cost and time a worthwhile investment. Thus, at GIL,

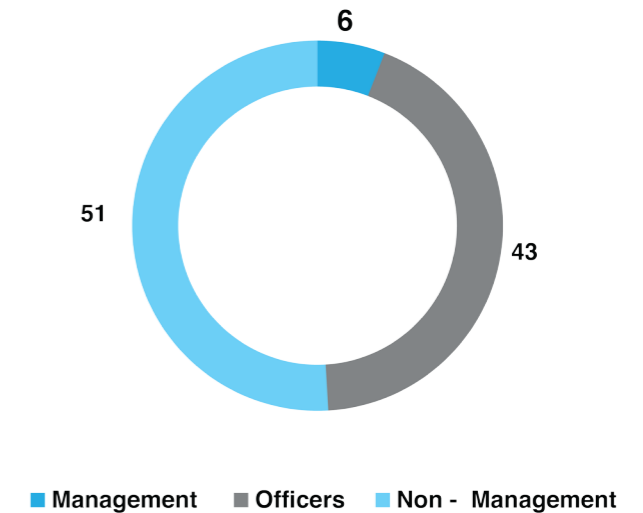
we value employee training as an essential aspect of our operations and regularly conduct various training programs to improve employee skills and expertise for their continued performance. Our philosophy on learning is based on the 70-20-10 principle, where 70 per cent of the learning happens on the job, 20 per cent through feedback, coaching and mentoring and 10 per cent through training, executive programs and online learning. Supervisors play a critical role in facilitating learning and development. We provide continuous skill upgradation and learning opportunities through structures career discussions and individual development plans.

Training at Valia

At Valia, 96 per cent and 4 per cent of our male and female workforce were trained respectively in the following programs.

- ISO 27001 (Information Security) Awareness
- Training on Waste Water Treatment
- Training on Environment Issues
- Safety Induction
- Fire Safety Training
- Workshop on HAZOP
- EHS and Safety induction
- 5-S in Godown
- Energy Saving Awareness
- Green Co Awareness
- Industrial Water Management
- Payroll and Tax Management
- Stress Management
- OHSAS ISO 18001
- Ethics Management
- Training on waste management

Total hours of training provided at Valia by cadre (%)



Training at Ambernath

At Ambernath, 99 per cent and 1 per cent of our male and female workforce were trained respectively.

- Advance fire fighting and emergency control (contractor)
- Behavior safety
- Fire fighting and emergency control (basic)
- Fire fighting and qrt 3 (quick response team)
- First aid
- IMS awareness
- Mock drill
- On the job process training
- Session on safety (safety ki paathshala)

Apart from these programs, we offer our team members a fellowship program designed to enhance their professional growth.

Business projects and ideation

To generate ideas for change and work on critical business projects to help deliver the Godrej Vision 2020.

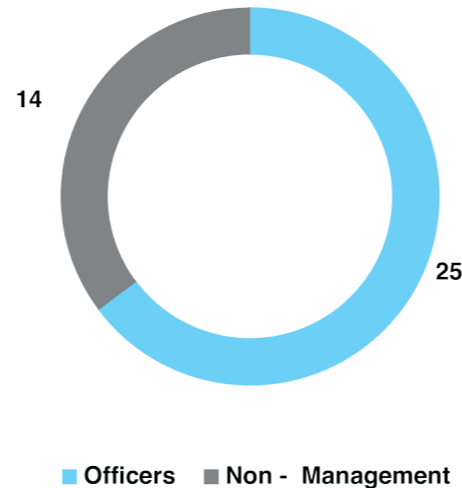
Leadership

Provide opportunities to work on projects and challenging business assignments. All fellows are provided with tutoring and coaching along the way to effectively create and manage the change themselves.

Collaboration

To foster a cross-disciplinary community of like-minded peers who would have a multiplier effect, by taking their ideas and learning on change management to their colleagues during and after the fellowship program.

Total hours of training provided at Ambernath, by cadre (%)



Occupational health and safety

Being a major chemical products manufacturer, we acknowledge the importance of occupational health and safety. Our efforts are focussed on providing a safe working environment and eliminating incidences at the workplace that cause human suffering, loss of production and high medical costs.

All our team members in our manufacturing plants are trained across a diverse range of health and safety areas, including electrical and chemical safety training, fire fighting, administering first aid, wastewater management, and workplace safety. In the reporting period, we provided a total of 818 hours of safety training to our team members.

We conduct regular and routine inspections to monitor the safety performance and provide personal protective equipment wherever necessary. We have a Central Safety Committee and Safety Committees at the plant level. Any cases of injury is recorded and reported on an e-platform. Our safety assessment shows that there are no workers who have a high incidence of occupational risk or disease.

We are proud to report that during the year, apart from the near misses and first aid cases in our male workforce, there were no incidences of work related fatalities (among both male and female workforce) and hence, the injury rate, occupational disease rate, lost day rate, absentee rate and the number of minor injuries were zero for both our permanent and contract workers.

Our health and safety committees at the plant are adequately represented by permanent as well as contract workers. As at the reporting period, the safety committee at our Valia plant had representation of 5 per cent of our permanent team members and 0.5 per cent of our

contract team members. Our Safety Committee at our Ambernath committee had a representations of 3.1 per cent of our permanent team members and 0.4 per cent of our contract team members.

Safety performance at Valia

Type of employee	Near misses	First aid cases
Permanent employees	46	11
Contract employees	11	2

Safety performance at Ambernath

Type of employee	Near misses	First aid cases
Permanent employees	29	13
Contract employees	12	4

Health and safety initiatives

As major stakeholders in the chemical industry, our team members are susceptible to serious injuries and accidents arising from their various activities related to the handling and processing of chemicals. Bearing in mind that these injuries cause irreversible damage and can even be fatal, we at GIL consider health and safety practices of paramount importance. One of the ways in which we do this is by engaging with our team members to integrate good health and safety practices in their day-to-day activities at the plant. Some of these initiatives are described below:

Training and awareness building

We conduct various trainings and awareness programs to benefit all team members which include:

- SCBA demonstration and training
- External first aid training
- Emergency preparedness training
- PPE awareness training
- Hazardous waste handling, storage and troubleshooting
- Integrated Management System (IMS)

In addition, all team members joining us, are trained in health and safety practices. We ensure that these practices are ingrained in these team members by having them undergo mandatory clearances from the HSE department before issuing their gate pass.



Health and safety awareness training at our Valia manufacturing plant

Infrastructural support

To facilitate best practices in safety, it is very essential for our team members to receive all possible infrastructural support. This year, we provided the following infrastructure to address health and safety issues on the factory floor:

- Installation of Safety Retractable Lifeline system to protect team members from falling hazards
- Provision of Diphoterin solution to prevent penetration of chemicals and the development of any chemical related injuries
- Provision of Automated External Defibrillator to deliver first aid during sudden cardiac arrest

In addition, our factory at Valia has:

- Di-electric flooring in front of electrical panels which are dust-free and long lasting
- Convex mirrors installed at blind turns
- First-Aider's display board at the main gate

Celebrating safety week

Every year we celebrate "Safety Week" with our team members. This year too we conducted various programs such as poster and slogan competition for team members, quiz competition, PPE exhibition and safety skits. Our team members also took the safety pledge and participated in the safety rally, raising the safety slogan along all key areas in the plant premises.

However, health and safety awareness building for us doesn't end at the factory floor. We are strong believers of "safety starts from home" and involve family members of our team members in this endeavor. This year we organised a safety themed poster competition for children at Valia colony and received enthusiastic participation from 26 children of our staff.



Safety training at our Ambernath plant. The team members are being trained on how to lift a casualty in absence of a stretcher.



ENVIRONMENT

We continue to make environmental sustainability a key part of our manufacturing process. We are constantly working to optimise inputs, reduce emissions, and ensure safety of our products.

Environmental performance

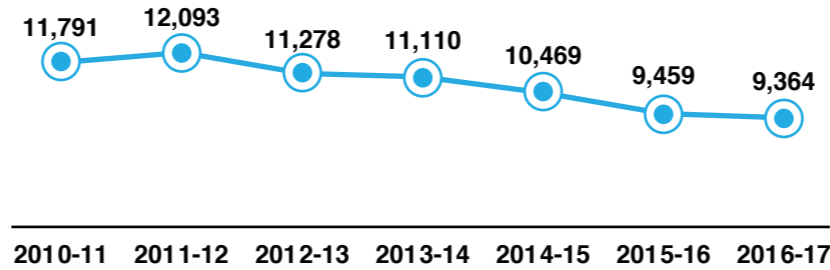
The Godrej Group developed a long term Good & Green vision to contribute its part in the journey to a greener and cleaner India. As part of the vision, we too are committed to creating a more employable workforce, a Greener India and innovating to develop good and green products that consume fewer resources.

Being a part of the Godrej Group, we believe in conservation of resources, emitting fewer gases and increasing the use of renewable and recyclable materials in our products. Thus, we are committed to creating a 'Greener India' by 2020 by:

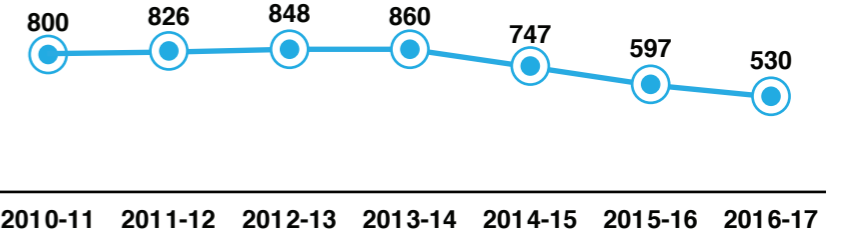
- Reducing our specific energy consumption
- Increasing our renewable energy portfolio
- Becoming carbon neutral
- Becoming water positive
- Reducing waste to landfills

In this fiscal year, we have spent upwards of ₹ 20 Crore towards improving our energy efficiency. Additionally, we have increased our renewable energy portfolio to 41 per cent and we are proud to share that all the emissions and waste generated by the company are within the permissible limits given by CPCB/SPCB. Our environmental performance since the baseline year 2011, is shown in the graphs.

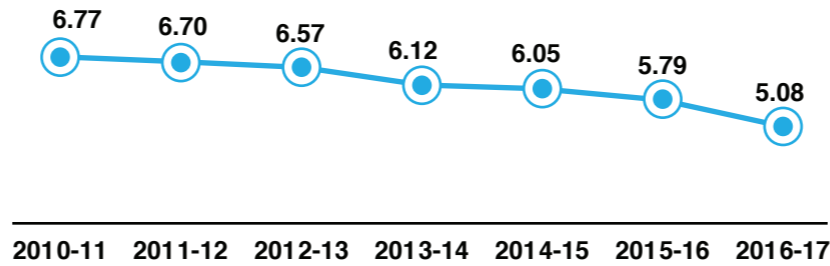
Specific energy (MJ / T)



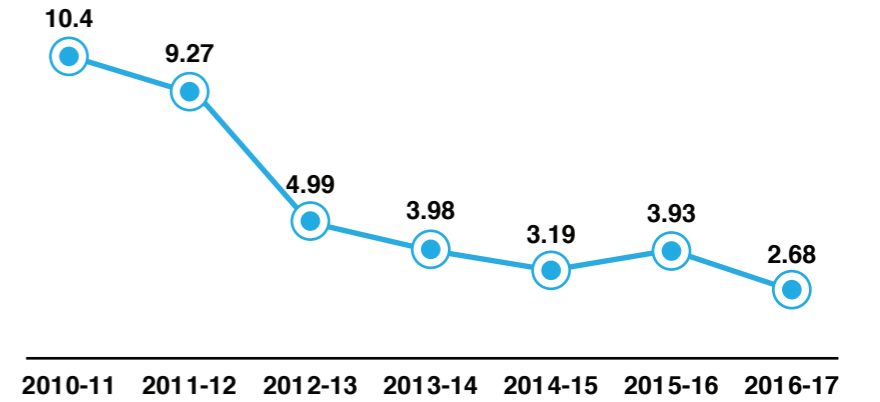
Specific GHG production (kg CO₂ / T)



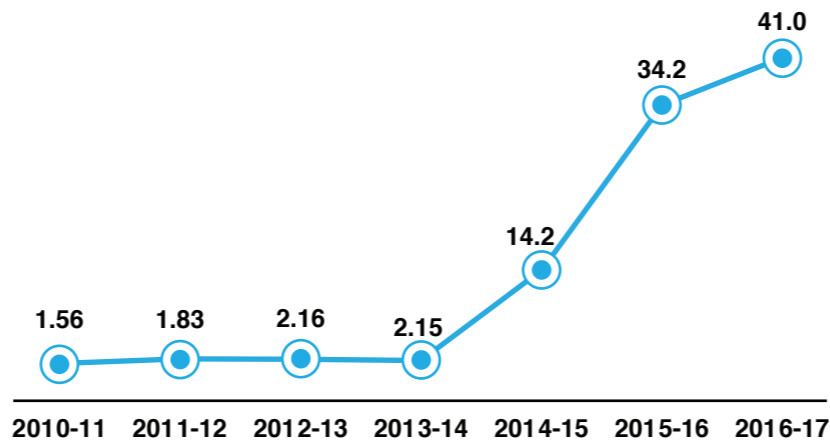
Specific water use (kL / T)



Specific waste to landfill (kg / T)



Share of renewables (%)



Energy

125 kW

Electricity generation with the installation of the screw expander at our Valia factory by using waste steam from our processes. We are the first to adopt this technology in India.

Energy conservation is one of the five major goals of GIL to combat climate change. As part of GIL, our aim is to reduce the energy consumed to manufacture each unit of our product by 30 per cent by the year 2020. We are working towards this goal through various process innovations, energy conservation and efficiency projects. Additionally, we are focusing on reducing usage of natural gas, in line with the group's Good & Green Vision.

GIL Chemical's Valia and Ambernath plants have designated Energy Management Cells to regularly monitor and review the energy performance at these units. Each manufacturing unit has a small team which monitors the specific energy performance daily. This team reports the daily energy performance to the Energy Team at the plant level and they conduct monthly reviews of the same. The Energy team communicates the energy data to the Factory Head as well as to the Energy Manager who also review the data monthly. This information is further communicated to the corporate level where a quarterly review is conducted by Mr. N. B. Godrej and a half yearly review is conducted by the governing council at the group level chaired by Mr. J. N. Godrej and Mr. N. B. Godrej.

The total energy consumption in the year 2016-17 was 1,388.14 TJ at Valia and Ambernath and 18.35 TJ at the Wadala manufacturing unit. Of this, direct, onsite consumption for GIL Chemicals was 1,214.40 TJ while the rest of energy used was in the form of electricity from grid and solar. At Wadala, the direct onsite consumption was 14.55 TJ and the indirect consumption from grid electricity was 3.79 TJ.

Renewable energy

Our renewable energy usage has increased substantially over the years and in this fiscal year, around 41 per cent of the total energy we consumed was from renewable sources. We achieved this by utilising manufacturing by-products in energy production and adding biomass briquettes as well as solar to our energy mix. GIL

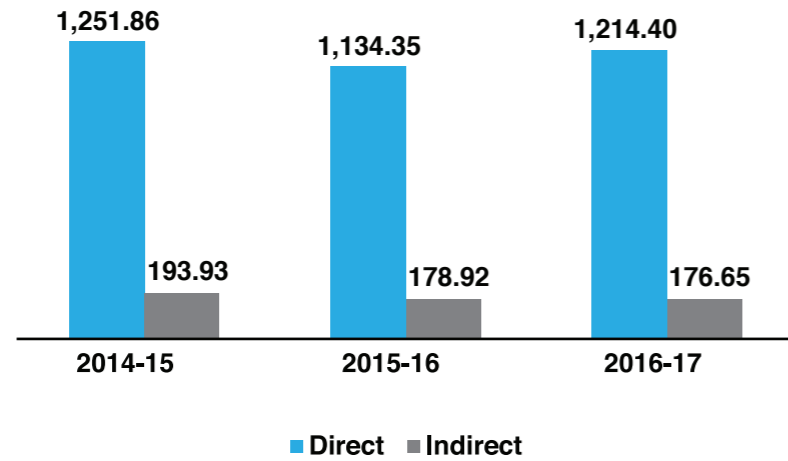
Ambernath installed a 198 kW solar rooftop plant which helps generate 3 lakh units of clean electricity per annum. Additionally, a 189 kW solar rooftop plant was also installed at the GIL Valia manufacturing unit.

Energy conservation

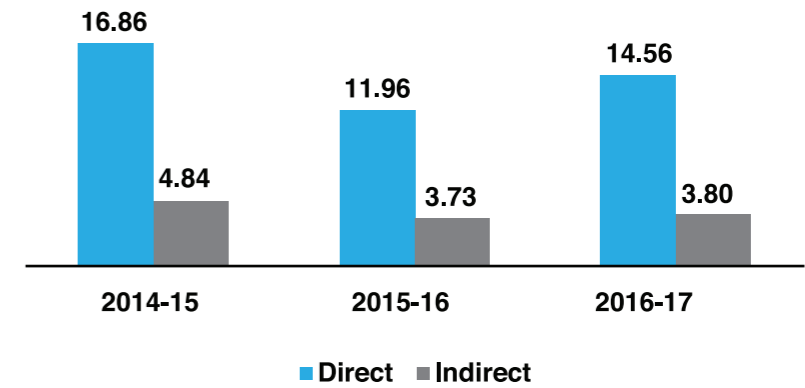
Our efforts towards energy conservation have helped to reduce our specific energy consumption to 9.36 GJ/T of production in FY 2016-17, which is a 20% decrease from our baseline year 2010-11. Some of the major initiatives undertaken this year were:

- We identified high-energy consumption equipment and replaced them with cost effective energy efficient equipment. We also installed heat pumps, heat pipes and screw expanders.
- We monitored the operations and build capacity optimisation of pumps, compressors, motors and cooling tower operations.
- We have installed several heat recovery systems including air preheater and air compressor heat recovery.

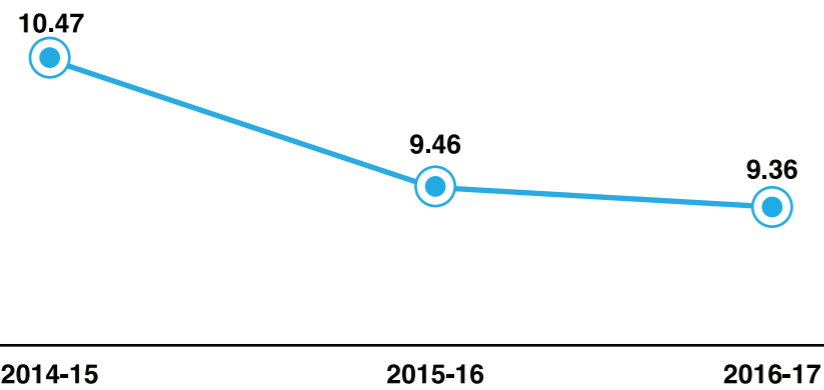
Direct vs indirect energy, GIL Chemicals (TJ)



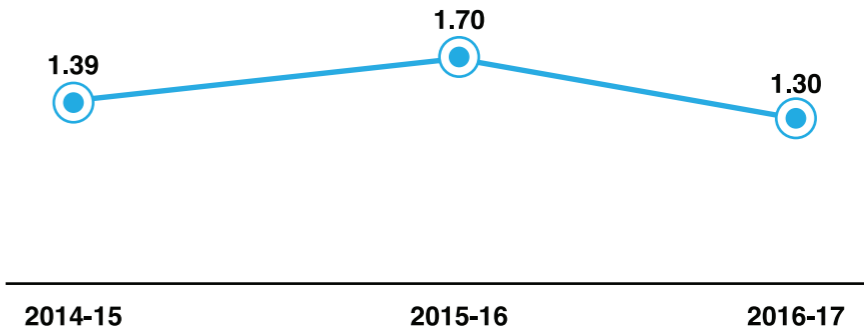
Direct vs indirect energy, Wadala (TJ)



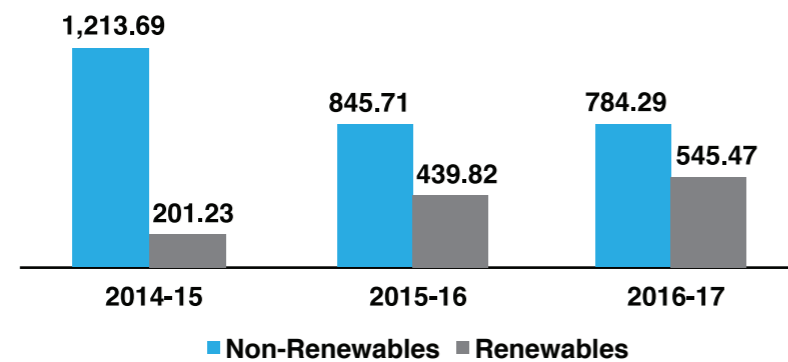
Specific energy, GIL Chemicals (GJ/T)



Specific energy, Wadala (GJ/T)



Share of renewable energy consumption (TJ)



Success story

GIL Valia plant was awarded the 'Energy Efficient Unit' in chemicals sector for the second year in a row by the Confederation of Indian Industries' at the National Awards for Excellence in Energy Management 2016. Further, the Valia plant also won the 'Innovative Project' award for the consistent efforts we put in to adapt new energy efficient technologies into our processes.

Heat pipe

GIL recently installed a Heat Pipe (which has three times higher heat transfer coefficient as compared to other heat exchangers) for extraction of heat from a medium grade source in their spray drier for manufacturing a Sodium Lauryl Sulphate powder/needles. At our Valia plant, this will enable savings of around ₹ 15 Lakhs and 60,000 m³ of NG per annum.

Ambarnath plant has also installed heat pipe in the AOS spray drier and saves around ₹ 12 Lakhs and 50,000 m³ of NG per annum.

Process innovation

Recognising the importance of economically viable material and energy conservation at our Valia plant, we chose to go for De-acidification process for production of distilled fatty acid. The main reason to implement this technology was to reduce product cost and running hours of splitting plant as well as increase availability of splitting plant for RBD and RSO oil. We now produce 0.19MT extra fatty acid for every 100MT PFAD oil and conserve 24 MT of material and 60.84 GJ of energy, which overall translate into ₹ 1.86 Cr of annual savings.



Heat pipe at our Valia Plant's spray drier unit that helps us save over 60,000 m³ of natural gas per annum

In the hydrogenation plant at Ambarnath some process modifications were made after the debottlenecking stage which have enabled us to increase our production from

100 MT to 125 MT. This has directly resulted in reduction in specific energy, annual savings of ₹ 14 to 15 lac per year.

Emissions

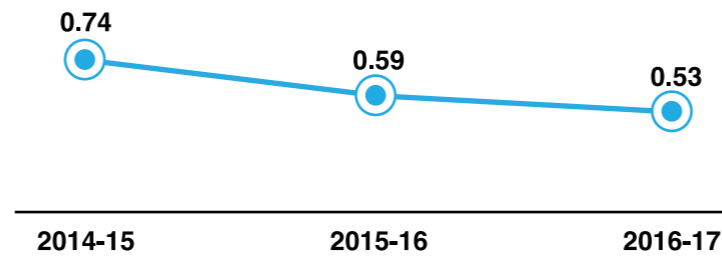
Emission reduction and becoming carbon neutral is an important focus area as part of our Good and Green sustainability vision. Our specific GHG emission has reduced substantially by 36% from our baseline in FY11. We achieved this through various environment friendly projects such as, replacing of fossil fuel with biomass for boilers, utilisation of pitch in boilers that enables organic waste to be reused as fuel and reducing carbon emissions in the plant processes. Our emissions data is verified by TUV India Private Limited, a third party certification body.

We have installed three briquette boilers at Valia for steam generation and the hot oil system. This step was taken to increase the share of renewable in our energy mix. We have also shifted some of our transport from roadways to railways and minimised the distance travelled to decrease our carbon footprint. We are continuously working towards optimising the distance travelled, increasing loading ability of our products and enhancing truck utilisation to reduce our scope 3 GHG emissions.

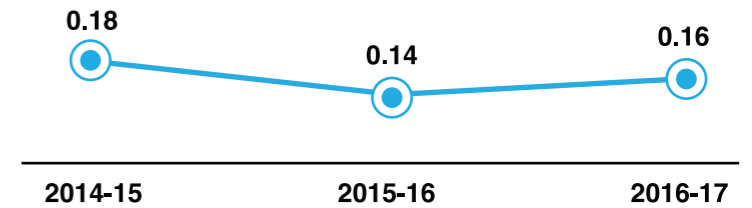
In this year, the total GHG emissions, including both direct and indirect emissions was calculated to be 78,568.61 tCO₂e at Valia and Ambernath, while at the Wadala manufacturing unit, the total GHG emissions were 1,988.76 tCO₂e. The specific emissions for this Fiscal Year was calculated to be 0.530 tCO₂/Ton production. Our total GHG emissions have increased due to an increase in production. However, the energy intensity per unit of production has reduced significantly, over the years, due to our efforts towards improving energy efficiency and introducing renewables into the energy mix. The emission calculations included the manufacturing unit at Wadala along with those at Valia and Ambernath.

Our Scope 3 includes emissions from inbound and outbound logistics. We have reduced our Scope 3 (upstream) emissions by 29 per cent by diverting 53 per cent of our finished goods from Jawaharlal Nehru Port to Hazira Port. This has helped reduce the transportation

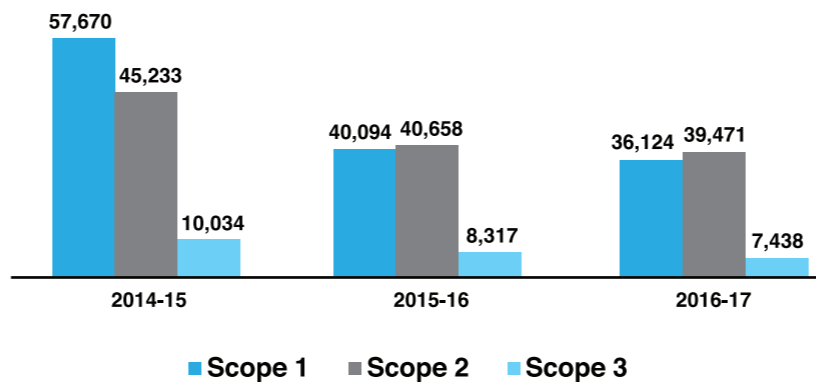
Specific emission, GIL Chemicals (tCO₂e / Ton of production)



Specific Emissions, Wadala (tCO₂e / Ton of production)



CO₂ emissions (in tCO₂e)



distance by 516 Km. Additionally, we have also diverted around 22 per cent of our finished products to rail transport, thus, reducing the Scope 3 (downstream) carbon emissions by 4.3 per cent in our value chain.

Waste

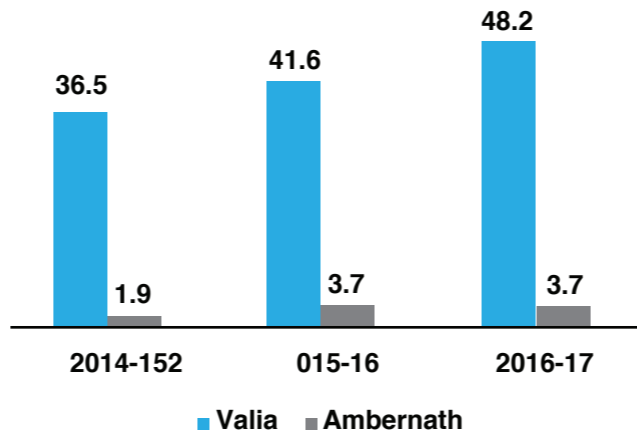
The total waste generated was 4,564.11 tons of which 3133.50 tons was non-hazardous while 1,430.61 tons was hazardous. This section includes data from our production sites at Valia and Ambernath.

At GIL, waste minimisation is one of the five focus areas for climate change mitigation. We are proud to share that the waste generated by the company is within the permissible limits set by CPCB and SPCB. Our businesses have undertaken various initiatives towards minimising waste entering landfills.

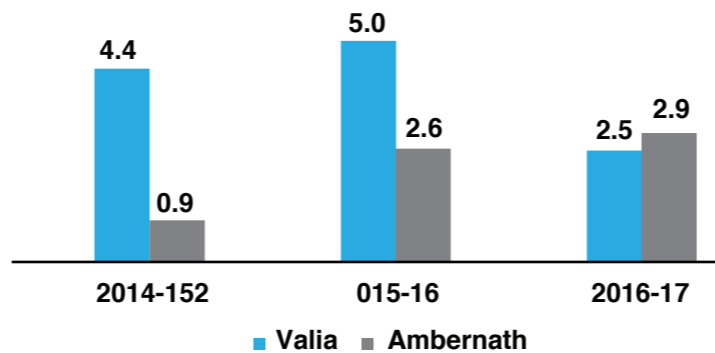
We segregate biological and chemical sludge from ETP. This has reduced the amount of waste going to landfill substantially. Biological sludge is converted into compost and used in gardening. We are also exploring waste to energy technologies to process our industrial waste. We are in the process of exploring trials to convert industrial waste into oil through energy using plasma gasification process. The waste entering landfill per ton of product produced has reduced by 74 per cent from our base-line in FY11.

Since 2013, we have been diverting the ash produced in our processes towards brick making processes.

Waste per ton of product (kg/T)



Waste to landfill per ton of product (kg/T)

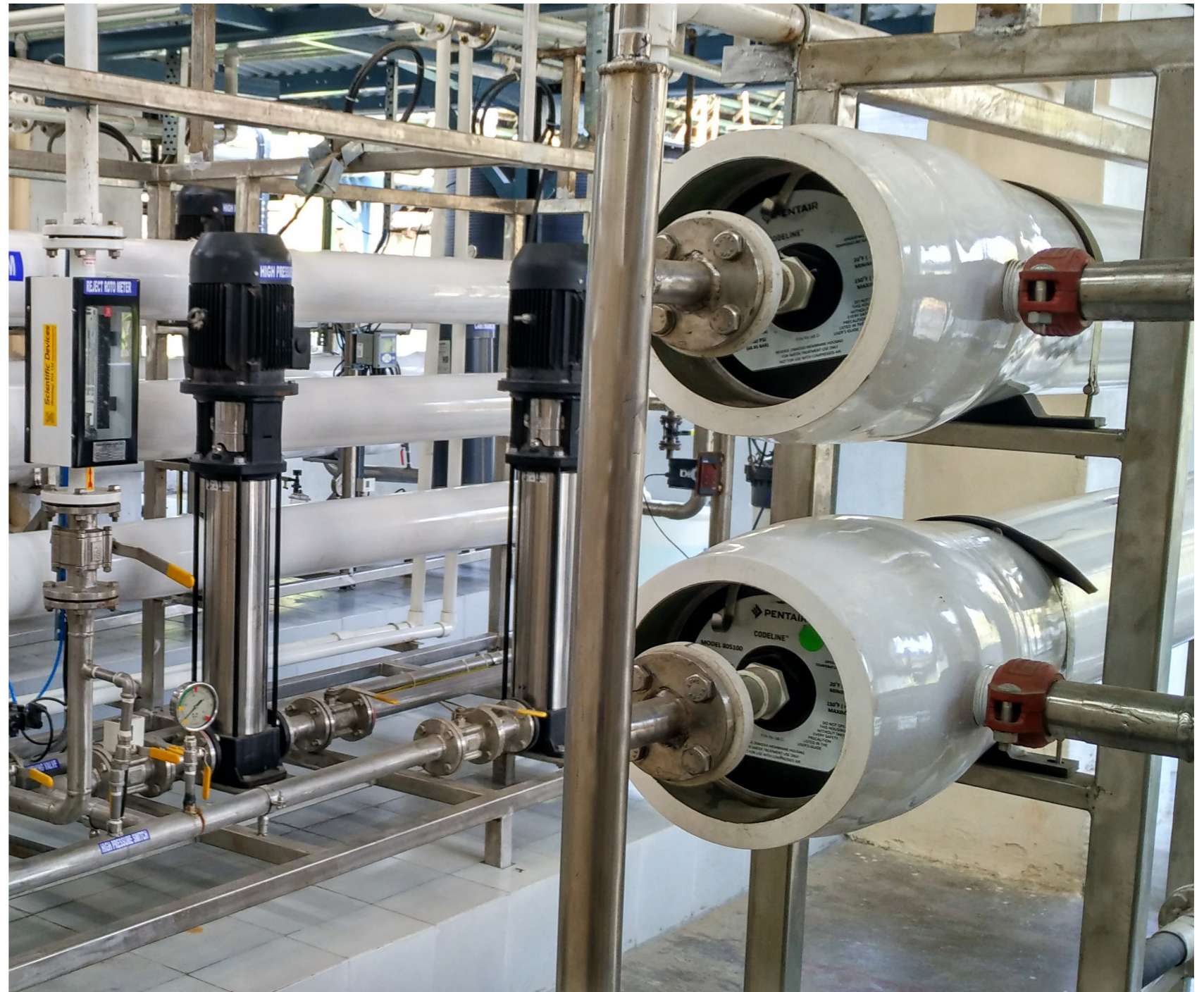


Bricks made using waste generated

Effluents

Becoming water positive is one of the core aims of the Godrej Group in their commitment to sustainability. We at Godrej Chemicals too are working hard towards this goal by minimising effluents and maximising recycling of water. In fact, since 2011, our specific water consumption has decreased by 31 per cent through multiple 'reduce, reuse and recycle' initiatives such as water treatment plants, rainwater harvesting and condensate recovery. We used 140,123 kL of water for irrigation and gardening purposes.

In order to make our Ambernath manufacturing unit a zero liquid discharge plant, an Reverse Osmosis/ Multiple Effect Evaporator (RO/MEE), system was commissioned to utilise water from the already existing Effluent Treatment Plant (ETP). The installation of the 500 m³/d RO system has enabled us to efficiently monitor and control plant level liquid waste. Additionally, a Chlorine Treatment Plant was also installed for pre-treatment of the ETP outlet water to maintain the RO plant's feed quality. The recycled water is used in the plant's boilers and cooling towers.



Reverse Osmosis plant at Ambernath

Material

GIL Chemicals is the market leader in a wide range of oleochemicals as well as alpha olefin Sulphonate in India. We are major producers of Glycerine, Sodium Lauryl Sulphate (SLS) and Sodium Lauryl Ethyl Sulphate (SLES) in the country. We also produce gaseous chemicals, oils and fats, inorganic chemicals, organic chemicals, additives, catalysts, resins and other packaging materials.

In 2016-17, we consumed a total of 257,736 tons of material across all sites in the reporting boundary. Gaseous chemicals and Oils and Fats contributed to more than 90 per cent of the material consumption. Additionally, most of our raw material is locally sourced. The material used at our manufacturing locations is monitored through our online systems.

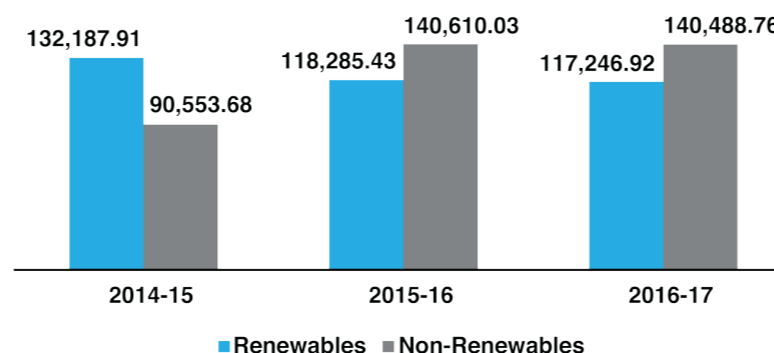
Over the past years we have increased the share of renewables in our raw material mix. We have also worked on increasing recycle and reuse of materials, particularly plastics and packaging.

GIL Chemicals is one of the first Indian entity to become a member of the Roundtable on Sustainable Palm Oil (RSPO) and sources palm products from suppliers who are themselves active members of the Roundtable. Additionally, biodegradable vegetable oils are used as the raw material for the manufacture of fatty acids, glycerine, fatty alcohols and surfactants. We also conducted an LCA of SLS and SLES, which are one of our major products, this year.

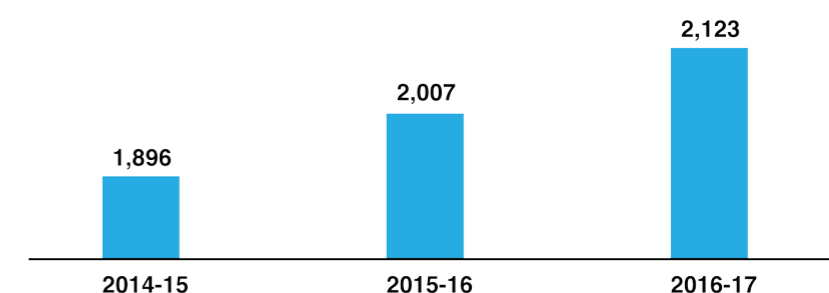
Materials used (in tons)

Materials used	Usage in tons	Materials used	Usage in tons
Gaseous chemicals	1,26,438.76	Other packaging	263.75
Oils, fats(renewable)	1,16,980.56	Metals	80.66
Inorganic chemical	8,096.90	Oil and grease	9.15
Organic chemical	3,160.01	Papers	2.61
Plastic	1,858.62	Additive, catalysts and resins	844.66

Renewables vs non-renewables (in tons)



Material reused/recycled (in tons)



Water

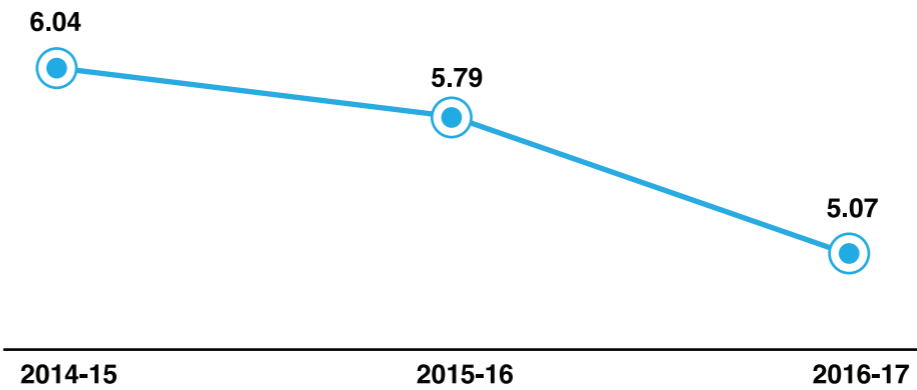
The total water consumption this year was 750,695 kL with specific water use per ton of product at 5.06 kL/T much lower than the previous year and 25 per cent lower than the baseline FY 2011. The majority of our water is sourced from municipal water, while we also have rain water harvesting systems in operation. No major water bodies are affected by our water use activities.

In line with our Greener India goal of achieving water positivity, we are constantly adopting greener alternatives in our manufacturing processes to reduce raw water consumption. We treat wastewater in our water treatment plants and reuse the same in our process. We have also installed condensate recovery systems which enable us to reuse water within our manufacturing processes. This year, 12.5 per cent of the total water was reused or recycled a 35 per cent increase from the previous year.

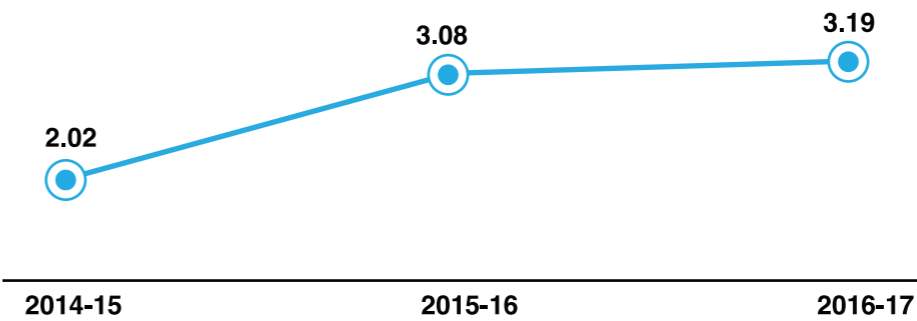
Water withdrawn by source

Source	Total water withdrawn (m ³)
Municipal Water	750,695
Rainwater Harvesting	2,138

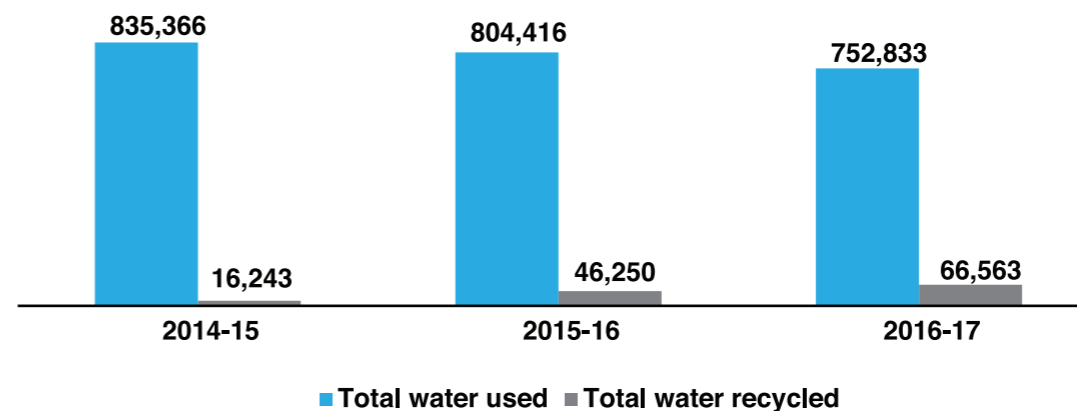
Specific water use (kL / T)



Specific water use Wadala (kL / T)



Water consumption (kL)





COMMUNITIES

We are committed to drive the socioeconomic progress of the communities we operate in

Responsible business

Being a part of a diversified business conglomerate, we at GIL Chemicals are conscious of our responsibilities towards our varied stakeholder group. In 2015, we aligned our community development programs to the United Nations' Sustainable Development Goals by carrying out a detailed third party community needs assessment in our priority plant locations. From the identified needs, priorities and gaps, we designed a framework to streamline our activities relating to Education, Water, Sanitation and Skill-building initiatives in a way that would deliver the highest impact.

Titled as "Good and Green", our mission is to create a more employable Indian workforce, a greener India and innovate for good and green products by 2020. Our social initiatives this year are highlighted further.

Health and sanitation

- At Valia, we work closely with a neighboring village, Kanerao. As part of the community development activities, we have been focused on bettering the overall health and sanitation conditions. Furthermore, we donated an ambulance to the Jayaben Modi Hospital and organised blood donation, eye check-up and other health camps around the year.

Environment and infrastructure

- We have been regularly contributing to the development of areas in and around Valia by donating funds towards various activities such as repair of schools, digging of wells, etc. We also have provided students with school supplies at the beginning of the academic year.
- We have also donated saplings to promote the green cover in the area.



Each year on World Environment Day, Godrejites organise tree plantation drives in the communities around our manufacturing plant, cleanliness drives in collaboration with local panchayat and municipal corporations, and awareness sessions in local schools

Education

- We even identified a primary school in Kanerao to make into a model school. Sports supplies such as cricket kits, footballs, carom boards, etc., were supplied to the school over the year. We also work closely with the school to ensure that the equipment is used regularly and help students

participate in sports tournaments. In other activities, we provided students with school supplies at the beginning of the academic year.

Ambernath

At Ambernath, we have donated a mobile library to improve reading habits and ability at an affordable private school in the vicinity of the factory. In addition, our team members regularly volunteer at this school and provide career counselling sessions.

Mumbai

We supported Dasra, a strategic philanthropy foundation, in publishing four research reports on - Education in Mumbai's Public Schools, Girl Education, Employability and Agriculture. These reports are fundamental to the process of catalysing social change and have the power to direct funding, thereby improving the lives of thousands living in poverty.

Fostering employee volunteering and building an inclusive culture

We actively encourage our team members to volunteer their time towards social causes and donate towards community needs. Volunteering also helps contribute towards their sense of purpose and builds a greater connect with our company and values. Some of the activities carried out during the course of the year are listed below:

- Volunteering: Our structured volunteering platform, Brighter Giving, provides our team members the opportunity to offer their time, and skills to address various needs of the community. Till date over 200 of our team members have been a part of the initiative.
- As part of the second edition of the Godrej Global Volunteering day, over 120 of our team members volunteered at local schools in Mumbai, Valia and Ambernath to improve the teaching and learning experience of students. They organised sessions on storytelling and career counseling for the students.
- Some of our team members participated in the Standard Chartered Mumbai Marathon in January 2017 to support Teach for India to spread awareness



Each year as part of the Godrej Global Volunteering Day, our annual day of community service, our team members volunteer their time to improve teaching-learning experience in local schools around the communities we operate in

and raise funds.

- Workplace Giving: Our team members donated ₹ 4,50,000 lacs through our Workplace Giving programme to Save the Children, Teach for India and World Wildlife Fund for India. The funds go towards enabling these non-profits to enhance their on-going programmes.
- More than 500 Godrejites contributed to the ISCKON foundation for their mid-day meal Programme during the Joy of Giving week and Christmas.
- Like all previous years, this year too we celebrated World Environment Day. Over 120 of our team members participated in a range of environment related activities, planted 230 saplings around our manufacturing plants and also conducted various awareness sessions.
- On the occasion of Energy Conservation Week at Godrej (December 12-16), we organised an awareness campaign on energy efficiency and conservation, across all our locations. We conducted training sessions for all our team members, and organised events such as energy pledges, quizzes, poster and slogan competitions, all around themes of identifying and addressing energy wastage.
- We have been supporting Teach for India (TFI) since its inception in 2009. TFI is a nationwide movement wherein college graduates and young professionals commit two years to teach full-time in under resourced schools. We have directly funded this initiative and encouraged many of our team members to participate by providing them with sabbaticals. We have also provided office space in our campus to TFI to house their India operations.

Awards and Recognition

In recognition of the quality of our products and innovation and excellency in energy efficiency, we have been awarded by several industrial bodies.

Awards received in FY 2016-17

- Award of Excellency from Chemexcil for outstanding export performance
- Our Valia Plant was awarded 'Energy Efficient Unit for a second time in a row at CII National Awards for Excellence in Energy Management, 2016
- Our plant also won the 'Innovative Project' award for the consistent effort in introducing new energy efficiency technologies
- We ranked A- on CDP India's Climate Disclosure Leadership Index (CDLI) for the second time in a row



Valia plant awarded Energy Efficient Unit at CII National Awards 2016

CDP India A List 2016

Company name	Sector	2016 Score	Company name	Sector	2016 Score
Tech Mahindra	Information Technology	A	ITC Limited	Consumer Staples	A-
Wipro	Information Technology	A	Larsen & Toubro	Industrials	A-
Godrej Consumer Products	Consumer Staples	A-	Tata Consultancy Services	Information Technology	A-
Godrej Industries	Materials	A-	Tata Global Beverages	Consumer Staples	A-
IndusInd Bank	Financials	A-	Tata Motors	Consumer Discretionary	A-
Infosys Limited	Information Technology	A-	Tata Steel	Materials	A-

We ranked on CDP India's Leadership Index for the second time in a row

GRI Index

	General standard disclosure	Page no.	Disclosure level	Comments
G4 - 1	CEO's message	3	Reported	
G4 - 2	Description of key impacts, risks, and opportunities.	22, 23	Reported	
	Organisational profile			
G4 - 3	Name of the organisation.	7	Reported	
G4 - 4	Primary brands, products, and services.	9	Reported	
G4 - 5	Location of the organisation's headquarters.	7	Reported	
G4 - 6	Number of countries where the organisation operates, and names of countries where either the organisation has significant operations or that are specifically relevant to the sustainability topics covered in the report	7	Reported	
G4 - 7	Nature of ownership and legal form.	18	Reported	
G4 - 8	Markets served (including geographic breakdown, sectors served, and types of customers).	29	Reported	
G4 - 9	Scale of the organisation	34, 7, 26	Reported	
G4 - 10	Employee Details	34	Reported	
G4 - 11	Report the percentage of total employees covered by collective bargaining agreements.	34	Reported	
G4 - 12	Organisational Supply Chain	29	Reported	

	General standard disclosure	Page no.	Disclosure level	Comments
G4 - 13	Changes in Organisation	58	Reported	No significant changes
G4 - 14	Precautionary Principle	22	Reported	
G4 - 15	External EES Charters subscribed or endorsed	11, 13	Reported	
G4 - 16	Memberships & Associations	21	Reported	
	Identified material aspects and boundaries			
G4 - 17	Entities included/ excluded in consolidated financial statements or equivalent documents	11	Reported	
G4 - 18	Process of defining report content & aspect boundaries process	11	Reported	
G4 - 19	Listing of material aspects during process of defining report	13	Reported	
G4 - 20	Aspect boundary – Inside organisation	11, 13, 16	Reported	
G4 - 21	Aspect boundary – Outside organisation	11, 13, 16	Reported	
G4 - 22	Restatement and reason of information provided in previous reports	58	Reported	No restatements
G4 - 23	Significant changes from previous reporting periods in the Scope and Aspect Boundaries	58	Reported	No significant changes
G4 - 24	List of stakeholder groups engaged by the organization	16	Reported	
G4 - 25	Basis of identification and selection of stakeholders	15	Reported	
G4 - 26	Organization's approach to stakeholder engagement	16	Reported	
G4 - 27	Key topics that have been raised through stakeholder engagement & Organization's approach to addressing them	16	Reported	

	General standard disclosure	Page no.	Disclosure level	Comments
	Report profile			
G4 - 28	Reporting Period	11	Reported	
G4 - 29	Date of recent previous report	59	Reported	This is GIL Chemicals' first Sustainability Report
G4 - 30	Reporting Cycle (annual or biennial)			Annual
G4 - 31	Contact Point for Report	11	Reported	
G4 - 32	GRI Index	11	Reported	
G4 - 33	Organization's policy and current practice with regard to seeking -External Assurance	59	Reported	This is GIL Chemicals' first Sustainability Report and we have chosen to not seek external assurance for the report
	Governance			
G4 - 34	Governance structure of the organization including committees of the highest governance body responsible for decision making on economic, environment and social impacts	18, 20	Reported	
	Ethics and integrity			
G4 - 56	Code of Conduct and Code of Ethics	21	Reported	
	Economic indicators			
G4 - EC1	Direct Economic value generated and distributed (EVGD)	26	Reported	
G4 - EC2	Financial Implications and other risks and opportunities for organization's activities due to climate change	23	Reported	
G4 - EC3	Coverage of the organization's defined benefit plan obligations	27	Reported	

	General standard disclosure	Page no.	Disclosure level	Comments
G4 - EC4	Financial Assistance received from government	27	Reported	
G4 - EC5	Ratio of standard entry level wage by gender compared to local minimum wage at significant locations of operation	27	Reported	
G4 - EC9	Proportion of spending on local suppliers at significant locations of operations	29	Partially Reported	
	Social indicators			
	Labour			
G4 - LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	35	Reported	
G4 - LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	37	Reported	
G4 - LA3	Return to work and retention rates after parental leave, by gender	37	Reported	
G4 - LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	38	Reported	
G4 - LA5	Percentage of total workforce represented in formal joint management worker health and safety committees that help monitor and advice on occupational health and safety programs	40	Reported	
G4 - LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work - related fatalities, by region and by gender	40	Reported	
G4 - LA7	Workers with high incidence or high risk of diseases related to their occupation	40	Reported	
G4 - LA8	Health and safety topics covered in formal agreements with trade unions	-	Not reported	

	General standard disclosure	Page no.	Disclosure level	Comments
G4 - LA9	Average hours of training per year per employee by gender, and by employee category	38	Reported	
G4 - LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	38	Reported	
G4 - LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	38	Reported	
G4 - LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	38	Reported	
G4 - LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operations	38	Reported	
G4 - LA14	Percentage of new suppliers that were screened using labor practice criteria	38	Reported	
G4 - LA15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken	-	Not reported	
G4 - LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms	61	Reported	None
	Human rights			
G4 - HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	-	Not reported	
G4 - HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	61	Partially reported	All employees are trained on human rights as part of GIL's Code of Conduct.

	General standard disclosure	Page no.	Disclosure level	Comments
G4 - HR3	Total number of incidents of discrimination and corrective actions taken	62	Reported	None
G4 - HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights	36	Reported	
G4 - HR 5	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor	36	Reported	
G4 - HR 6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor	36	Reported	
G4 - HR 7	Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations	36	Reported	
G4 - HR 8	Total number of incidents of violations involving rights of indigenous peoples and actions taken	62	Reported	Our operations do not affect indigenous people
G4 - HR 9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments	-	Not reported	
G4 - HR 10	Percentage of new suppliers that were screened using human rights criteria	30	Reported	
G4 - HR 11	Significant actual and potential negative human rights impacts in the supply chain and actions taken	-	Not reported	
G4 - SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	54	Reported	
G4 - SO2	Operations with significant actual and potential negative impacts on local communities	62	Reported	None
G4 - SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	21	Reported	

	General standard disclosure	Page no.	Disclosure level	Comments
G4 - SO4	Communication and training on anti-corruption policies and procedures	21	Reported	
G4 - SO5	Confirmed incidents of corruption and actions taken	21	Reported	
G4 - SO6	Total value of political contributions by country and recipient /beneficiary	63	Reported	None
G4 - SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	21	Reported	
G4 - SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	63	Reported	None
G4 - SO9	Percentage of new suppliers that were screened using criteria for impacts on society	30	Reported	
G4 - SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken	-	Not reported	
G4 - SO11	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms	63	Reported	None
	Environment indicators			
G4 - EN 1	Materials by weight or volume	51	Reported	
G4 - EN 2	Percentage of materials used that are recycled input materials	51	Reported	
G4 - EN 3	Energy Consumption within the organization	45-46	Reported	
G4 - EN 4	Energy consumption outside the organization	63	Reported	We currently do not record energy consumption outside the organization, but we are in process of putting a mechanism in place to monitor energy consumption outside the organization.

	General standard disclosure	Page no.	Disclosure level	Comments
G4 - EN 5	Energy Intensity	45-46	Reported	
G4 - EN 6	Reduction of energy consumption	45-47	Reported	
G4 - EN 7	Reduction of energy requirements in products and services	64	Reported	Since we are a chemicals manufacturing industry, energy reductions on chemicals are not applicable.
G4 - EN 8	Total Water Withdrawal by Source	52	Reported	
G4 - EN 9	Water sources significantly affected by withdrawal of water	64	Reported	No water sources are significantly affected by Godrej's operations.
G4 - EN 10	Percentage and total volume of water recycled and reused	52	Reported	
G4 - EN 11	Operational sites owned/leased/managed/or adjacent to, protected areas and high biodiversity value outside protected areas	64	Reported	No such areas of high biodiversity value are present near our operational areas.
G4 - EN 12	Description of activities in these biodiversity rich areas	64	Reported	No such significant impacts.
G4 - EN 13	Habitats protected or re-stored	64	Reported	We have not restored any habitats around our operational sites, but we are in the process of setting up activities to increase green cover.
G4 - EN 14	Total number of IUCN red list species and national conservation list species with habitats affected by operations, by level of extinction risk	64	Reported	No species effected
G4 - EN 15	Direct GHG emissions (Scope 1)	48	Reported	
G4 - EN 16	Energy Indirect GHG emissions (Scope 2)	48	Reported	
G4 - EN 17	Other Indirect GHG emissions (Scope 3)	48	Reported	

	General standard disclosure	Page no.	Disclosure level	Comments
G4 - EN 18	GHG emission intensity	48	Reported	
G4 - EN 19	Reduction of GHG emission	48	Partially Reported	
G4 - EN 20	Emissions of ozone depleting substance (ODS)	65	Reported	There are no ODS emissions from our operational facilities.
G4 - EN 21	NOx, SOx and other significant air emissions	-	Not reported	We currently don't track our air emissions, but we are in the process of putting a mechanism in place to track air emissions.
G4 - EN 22	Total Waste Discharge by quality and destination	50, 52	Partially Reported	We reuse 12.5% of the wastewater generated from our operational facilities and redirect the rest for other purposes.
G4 - EN 23	Total Weight of Waste by Type and Disposal Method	49	Reported	Our waste is disposed through select vendors based on the waste, and to the landfill.
G4 - EN 24	Total Number and Volume of Significant Spills	65	Reported	No such spills
G4 - EN 25	Weight of transported, imported, exported, or treated Hazardous Waste	49	Reported	Our waste is disposed through select vendors based on the waste, and to the landfill.
G4 - EN 26	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organization's discharges of water and runoff	65	Reported	No habitats affected by our operations.
G4 - EN 27	Extent of impact mitigation of environmental impacts of products and services	45,47,50	Reported	
G4 - EN 28	Percentage of products sold and their packaging materials that are reclaimed by category	65	Reported	We do not reclaim our packaging materials.

	General standard disclosure	Page no.	Disclosure level	Comments
G4 - EN 29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	66	Reported	No such events
G4 - EN 30	Environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce	48	Partially Reported	
G4 - EN 31	Total environmental protection expenditures and investments by type	48	Partially Reported	Our environmental protection expenditures lie in the field of energy efficiency.
G4 - EN 32	Percentage of new suppliers that were screened using environmental criteria	30	Reported	
G4 - EN 33	Significant actual and potential negative environmental impacts in the supply chain and actions taken	66	Reported	No such significant negative impact
G4 - EN-34	Number of Grievances about environmental impacts filed, addressed and resolved through formal grievance mechanisms	66	Reported	No such grievances filed in the reporting period.
	Product responsibility			
G4 - PR1	Percentage of significant products and services assessed for health and safety impacts	66	Partially Reported	We conduct Life Cycle Assessments for our products SLS and SLES. This assessment includes assessment of health and safety impacts.
G4 - PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	66	Reported	None
G4 - PR3	Type and percentage of products and services that require information and labelling	-	Not reported	
G4 - PR4	Total number of incidents of non-compliance for labelling	66	Reported	No such incidents
G4 - PR5	Results of survey measuring customer satisfaction	32	Reported	

	General standard disclosure	Page no.	Disclosure level	Comments
G4 - PR6	Marketing Communications – Sale of banned/disputed products	67	Reported	Not applicable
G4 - PR7	Marketing Communications – Incidents of non-compliance with regulations and voluntary codes incl. advertising, promotion, sponsorship, etc	67	Reported	No such incidents
G4 - PR8	Customer privacy – Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	67	Reported	No such incidents
G4 - PR9	Compliance – monetary value of significant fines	67	Reported	No such incidents



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