

SUSTAINABILITY REPORT 2017-18

Our commitment towards a more inclusive and greener world



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Message from our Managing Director



Dear readers,

I am pleased to present to you our second sustainability report of Godrej Industries (Chemicals). In the fiscal year 2017-18, while the competition is rapidly expanding in the chemical industry, we have continued our strong performance and delivered a healthy year. I am proud of the agility that our team continues to show as we adapt to macroeconomic trends. Our investments in new product development, processes and people has strengthened our position for driving strong growth.

Our focus continues to be on operational excellence and delivering value to our customers through a wide range of products. In the process, being sustainable throughout the value chain is core to our approach. To enable this, we are investing significantly in research and development to enhance our capabilities and cross-pollinating best practices between our manufacturing plants. Along with innovation, we are investing in energy efficiency, waste and water management, and sustainable materials and supply chain management to reduce our operational and environmental footprint.

For us, besides our strong financial performance, it is important we positively impact our triple bottom line. Over the last couple of years, our team has spent time on reflecting and crafting a refreshed version of our purpose and values, called 'The Godrej Way'. We are very fortunate to be able to draw from the incredible legacy of the Godrej Group and the values of trust, integrity and respect that have held us in such good stead for over a century now. Our purpose at GIL Chemicals is to leverage science and technology to create sustainable solution for our customers globally. The Godrej Way is direction we have set for ourselves as a business. It is what centers, inspires and provides meaning to everything that we do. It will be reflected in the choices we make, in our approach to value creation and how we become more 'Good & Green'.

Finally, I would like to thank our committed team members for their relentless effort and contribution. I would also like to thank you for your continued support and belief in our company. My deepest appreciation to the government, our customers, suppliers, business partners and the

communities we operate in. I am confident that our focus on delivering customer value, operational excellence and sustainability will help us further accelerate our performance. I look forward to your valuable support in making GIL Chemicals reach newer heights.

Nadir Godrej
Managing Director,
Godrej Industries Limited

Message from our Executive Director and President



Dear readers,

The fiscal year 2017-18 has been a good year for our Chemicals business despite a challenging macro-economic and Industry-specific challenges. I am happy to share with you that we have performed very well with the revenues of the Chemicals business growing by 16% in the fiscal year 2017-18 as compared to the previous financial year. I am also pleased to share that in line with our philosophy of growing in a profitable and sustainable manner, we have recorded a healthy growth of 18% in the fiscal year 2017-18 over the previous financial year.

Over the years, our Chemicals business has been exporting to over 60 countries and we have had an excellent performance. The fiscal year 2017-18 too has been extremely good for us on the export front, wherein we recorded a growth of 35%. During the year, I on behalf of the Chemicals Business, received the prestigious Trishul Award of CHEMEXCIL from the Hon'ble Minister of State for Commerce, Industry and Civil Aviation, Shri. Suresh Prabhu, for our outstanding export performance.

Our performance for the fiscal year 2017-18 is a result on our continued focus on improving efficiencies especially in energy conservation and other good and green initiatives, being conscious of our capital spends and being efficient in utilization of capital and good management of working capital. We continue in our journey to build our value-added products portfolio, while growing our existing product portfolios.

Going forward, we will continue to keep up this momentum and hope to exceed shareholder expectations and targets. One of our major focus is developing new value-added products that will help us in de-risking our business and improving profitability, while growing in a sustainable manner.

Looking inward, we spent considerable time on reflecting our purpose and values as a business. Our refreshed purpose at GIL Chemicals, called The Godrej Way, is to leverage science and technology to create sustainable solution for our customers globally. We have identified six core values: Trust (It's the most important thing), Be Bold, Create Delight, Own It, Be Humble and Show Respect – that will guide us to live our purpose and raise our bar.

Besides our focus on economic performance, we continue to take important steps in reducing our emissions, waste and freshwater consumption; driving supply chain sustainability; focusing on safety of our team members; promoting diversity and equal opportunity; and training and development of all our employees. Our consistent efforts over the years has helped us make significant progress in most of these areas, and we continue to set more ambitious targets. We are guided by 'Godrej Good & Green' - our Group's vision for building a more inclusive and greener 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.

Environmental sustainability is key to our manufacturing processes and supply chain. We are implementing several initiatives across our manufacturing locations and have set targets to reduce specific energy, specific water consumption, specific waste to landfill, specific greenhouse gas emissions, and increase our renewable energy portfolio. We are happy to share that our manufacturing plants operate on a 'Zero-discharge' basis for effluents by use of RO plants.

In line with our goals, we continue to invest in energy efficient technology and expand our renewable energy portfolio. Since FY11, we have reduced our specific energy consumption by 24 percent through initiatives such as installing heat pipes, briquette boilers, and re-engineering natural gas compressor. These investments have also helped us achieve significant cost savings. Meanwhile, we have increased our renewable energy portfolio by using biomass briquettes and solar energy. Now over 42 percent of the energy we consume is derived from renewable sources. Together this has helped us mitigate our greenhouse gas emissions by 38 percent, compared to our FY11 baseline. We have also started monitoring and working towards reducing our scope 3 emissions. Redirecting our finished goods delivery port, and shifting to railway mode of transport from roadways has helped us reduce our scope 3 emissions by 29 percent.

Our flagship plant is in Gujarat and water is a precious natural resource in the region. We have adopted various conservation measures across all our manufacturing plants such as condensate recovery systems and rainwater



38% Reduction in specific greenhouse gas emissions



42% Energy from renewable sources



35% Reduction in specific water consumption



71% Reduction in waste to landfill

harvesting. We have reduced our specific water consumption by 35 percent since FY11 and over 30 percent of the water we consume is either reused or recycled.

We aim to achieve zero waste to landfill status by the year 2020 and have successfully diverted 70 per cent of waste per tonne of our product from our baseline in FY11. We have a **Waste Management Policy** in place to guide us in achieving our targets. Meanwhile, we are working towards circular economy by exploring ways to convert waste to energy that can be used back in our processes. In addition, we are also reducing our material consumption, especially in packaging where we have increased utilisation of reusable materials. As a practice we source most of our materials locally to minimise the impact of our procurement.

We are also driving sustainability in our supply chain by working closely with our suppliers. We introduced the **Sustainable Procurement Policy** for all our suppliers that highlights our expectations on critical sustainability performance parameters such as health and safety, human rights, integrity, and environmental sustainability. In the first phase, we are helping our key suppliers identify gaps in their processes and set an action plan to achieve it.

Our team members are our core strength and we continue to invest in diversity initiatives, equal opportunities, health and safety, and learning and development. During the reporting year we had zero fatalities apart from the near misses and first aid cases. We have made public our **Human Rights Policy** that is applicable to all our employees, suppliers and to the community that we operate in.

We continue to be invested in the social development of our communities. We have worked closely with our stakeholders to implement high impact initiatives that have led to improved livelihoods, sanitation, and the overall well-being of the region. Our team members also volunteer their time to engage meaningfully with the communities and build lasting relationships. This report details the bigger picture of our work and the impact we are creating economically, socially and environmentally. We are committed to leverage our full potential to create a long-term positive impact on our people, communities and the planet.

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

Headquartered in Mumbai, India, GIL Chemicals is one of the oldest businesses of the Godrej Group. We at GIL (Chemicals) have pioneered the manufacture of oleo-chemicals, venturing into the business in 1963. We remain one of the leading players in India, continually working to expand our business to cover various market requirements.

Our company



80+

Countries import our products



100+

Chemicals produced and marketed for use in over 24 applications

As industry leaders in oleochemicals, we at GIL Chemicals produce a wide range of oleo chemical products derived from organic material. Our products cater to various market segments including personal care, pharmaceutical and food industries. As of today, we market over 100 chemicals that finds myriad applications in over 24 products. Keeping abreast of the evolving market, we have built our state-of-the-art manufacturing facilities located in Valia, Gujarat and in Ambernath, Maharashtra.

We have a strongly established international presence and are further expanding our business to tap unaddressed regional markets. Our products are exported to over 80 countries in North and South America, Asia, Europe, Australia and Africa. Focusing on innovation and best practices, we constantly get involved in collaborative partnerships and learn from stakeholders from across the globe. We continuously build on our product line by including value added specialty products. Furthermore, we also make considerable investments in Research and Development to enhance our capabilities, helping us diversify our product portfolio.

The recently opened Research and Development Centre at Ambernath and a pilot plant at Valia, help us in developing new range of products. A Technology Excellence Group has also been formed to help us build on our technical capabilities. Being a part of the Godrej Group, we adhere to industry best practices and exchange synergies among our other Group companies.

As a Group, we have also championed social responsibility. Sustainability at GIL Chemicals is guided by our Group's Good & Green vision of creating a more inclusive and greener world.

Our products



Fatty Alcohol

We are industry leaders in producing long chain fatty alcohols. We have a robust product portfolio comprising of a wide range of products that are applicable to both households as well as the personal care industry. We have further established a position in producing and supplying Behenyl alcohols for application in industries, oil fields, paper and personal care sectors.



Surfactants

We have pioneered the manufacturing of Alpha Olefin Sulphonate (AOS) in India. The exclusive properties of AOS proves effective in several industrial applications such as home and personal care, polymers, oil fields and construction chemicals. Recently, we have also kick-started the production of Surfactants based fatty alcohols that are extensively utilised in the home and personal care industry.



Oleo Derivatives and Specialty Chemical Products

Adding value to our product portfolio and to customers, we have included products such as value added derivatives and specialty chemicals. Our multi-purpose facility at Valia focuses on manufacturing these performance based chemicals. The Oleo Derivatives and Specialty Chemical Products include bio-surfactants, emulsifying waxes, esters secondary ingredients, active chemicals and ready blends. All products are customised to meet with customer requirements.



Fatty Acids

We spearheaded the production of the world's first vegetable oil soap in 1918. Since then, we have come a long way by developing a wide range of C16 and C18 fatty acids that finds myriad applications in foods and feeds, rubber, textile, polymers and personal care products. Recently, we have expanded our product portfolio by including high purity specialty Fatty Acids derived from mustard oil.



Glycerine

Glycerine is one of the multifaceted chemicals that is being utilised in a diverse range of applications such as food products, personal care products and a lot more. We provide quality grade glycerine capable of catering to various industry requirements. With our quality grade we intend to meet both domestic and international regulatory requirements including that of the Pharmacopeia, Food Codex and Food Safety and Standards Authority of India.

Report profile

We, at GIL Chemicals, understand the importance of involving our key stakeholders in all business activities & decision making processes. We constantly communicate our sustainability challenges and achievements to them. Following credible reporting procedures, we focus on delivering a transparent and accurate reports to increase our transparency. Our second annual sustainability report is focused on our triple bottom line approach – covering environmental, economic, social and governance aspects. Through the report, we have presented organisational material aspects, our performance in relation to each aspect and the management approach in handling the material aspects.

Report boundary

The report showcases our sustainability performance and impacts in key operational areas. It analyses EESG performance of our two major plants - Valia, Gujarat and at Ambernath, Maharashtra. The scope of this report does not officially include our Vegetable oil plant at Wadala, though information is included wherever feasible. Notes have also been made in the relevant sections of the report to reflect the same.

The report boundary only covers Environmental, Social, Economic and Governance Performance in the two plants. Economic performance is based on Standalone Numbers of Godrej Industries Limited. Environmental performance covers material, energy, emissions, waste and water performance. Social performance includes GIL Chemicals contributions to employees and communities. 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 intensive stakeholder exercise. However, we have also included other appropriate disclosures to assist in bringing out enhanced comprehension of our sustainability initiatives and performance.

Report data

This report includes data for the reporting period 1st April 2017 to 31st March 2018. Relevant data and information for making this report, have been gathered periodically from the respective departments at all our manufacturing facilities located in India. The data presented is verified through regular internal audits.

GRI application level

For our second official sustainability report, we have chosen to report under the Global Reporting Initiative (GRI) standards. These standards offer a more centralised methodology to sustainability related disclosures. Please refer to the GRI Index at the end of this report for more information.

Contact information

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

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Materiality

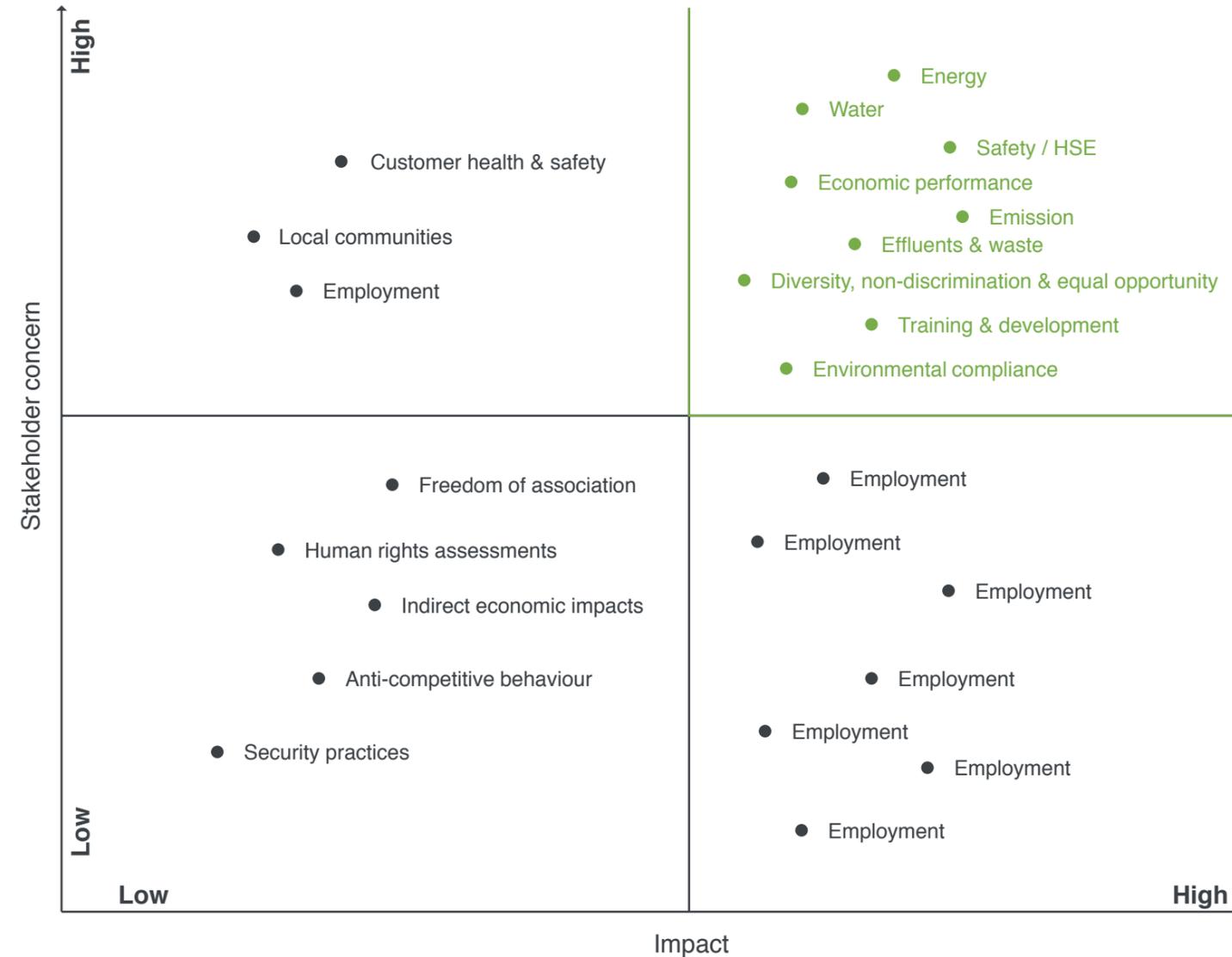
Materiality analysis is a detailed analysis that helps GIL Chemicals identify critical economic, environmental and social issues that are significant to business performance and stakeholder interest. The analysis showcases the significance of ESG topics in relation to influence on stakeholders assessments and decisions. GIL's Chemicals materiality processes are in line with the Global Reporting Initiative (GRI) Standards Guidance.

Identifying key material issues guide us in our efforts to build a strong, resilient and sustainable business. Materiality helps us in developing and implementing an effective sustainability framework. Every two years, we conduct materiality sessions to identify high impact areas. Materiality sessions are conducted with key stakeholders based on environmental, social and economic disclosures as developed by GRI. Material topics are also identified through industry research, benchmarks and internal & external conventions, including United Nations Global Compact Principles on Environment, Human Rights and Corruption.

In 2017-18, our materiality session comprised of detailed training programs and interactive sessions with various stakeholder groups. During this session, we gathered information about stakeholder perceptions and feedback on our sustainability performance. The discussions from this session were used to develop a materiality matrix, showcasing high priority sustainability topics. To build a stronger company, we align our business to focus on these topics.

Following are the key material aspects that influence the performance of the company -

Materiality Matrix



Stakeholder engagement

We firmly believe in parallel growth of both our company and our stakeholders. With a staunch belief in equal partnerships and holistic growth, we welcome stakeholder contributions in our development journey towards developing a culture of innovation and excellence. We respect the interests and expectations of all our stakeholders and strive hard to achieve them. We focus on building strong stakeholder relationships through continuous communication; we use the stakeholder prioritisation matrix to understand key stakeholders to our business and the type of engagement to be carried out with each of them - consult, collaborate, keep informed & engage.

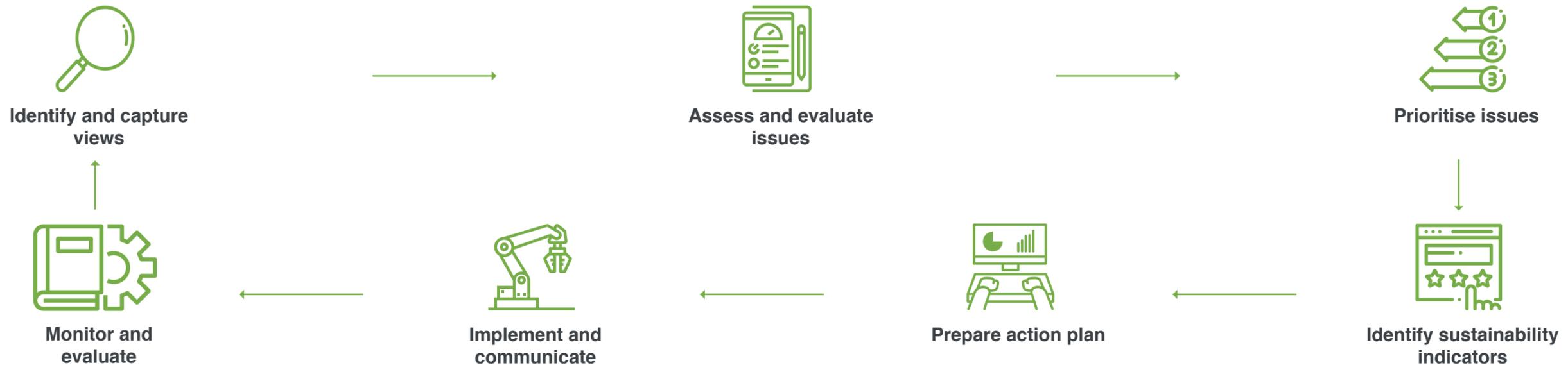
Our constant interactions with stakeholder groups through various engagement modules aid us in collecting important feedbacks, thereby enhancing our performance and value addition. While the kind of our engagement methods can differ from an ad-hoc meeting to long term

partnership, it is always driven by our core values. Our key stakeholder groups comprise of employees, customers, regulatory bodies, shareholders, team members, suppliers, media, competitors, academics and the communities around operational sites. We use formal and informal engagement methods to communicate with our stakeholders through various communication platforms. Through this, we map stakeholder feedback and concerns. Appropriate action plans are also developed to address their expectations. These concerns and expectations form a vital input for our materiality assessment and in developing short and long term business goals. We follow principles in the AA1000 Stakeholder Engagement to develop a robust engagement framework. We abide by the three principles of materiality, completeness and responsiveness to ensure holistic engagement and maximum outreach.

Stakeholder prioritisation matrix

Consult / evolve <ul style="list-style-type: none"> • Customers • Regulatory bodies 	Collaborate / empower <ul style="list-style-type: none"> • Shareholders • Employees • Suppliers • Community
Keep informed <ul style="list-style-type: none"> • Media 	Inform / engage <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	
Shareholders	<ul style="list-style-type: none"> Quarterly/ Annual results Official press releases 	<ul style="list-style-type: none"> Website BSE, NSE 	<ul style="list-style-type: none"> Regular / need based 	<ul style="list-style-type: none"> Business sustainability Economic performance 	
Customers	<ul style="list-style-type: none"> Annual meet Trade shows/exhibitions 	<ul style="list-style-type: none"> 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 	
Team members	<ul style="list-style-type: none"> HR Policy HR Interactions 	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> HR policies and Practices Career progression Employee satisfaction
Suppliers	<ul style="list-style-type: none"> Contract performance Contract negotiations Supplier meets 	<ul style="list-style-type: none"> Seminar Email/phone 	<ul style="list-style-type: none"> Regular/Need based 	<ul style="list-style-type: none"> Quality Delivery Sustainability 	<ul style="list-style-type: none"> Cost Complaints and resolution
Regulatory authorities	<ul style="list-style-type: none"> Meetings Industry associations 	<ul style="list-style-type: none"> Events Phone/email communication 	<ul style="list-style-type: none"> Monthly 	<ul style="list-style-type: none"> Compliance Revenue and tax distribution 	<ul style="list-style-type: none"> Profitability Safe working environment
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. 	
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 	<ul style="list-style-type: none"> Announcements
Competitors	<ul style="list-style-type: none"> Industry associations Meets 	<ul style="list-style-type: none"> Events and conference 	<ul style="list-style-type: none"> Need based 	<ul style="list-style-type: none"> Policies Regulations 	<ul style="list-style-type: none"> Knowledge sharing
Academics	<ul style="list-style-type: none"> Meetings Visits 	<ul style="list-style-type: none"> Study tours 	<ul style="list-style-type: none"> Need based 	<ul style="list-style-type: none"> Recruitment Knowledge management 	<ul style="list-style-type: none"> R&D activities

Organisational structure

As one of Godrej Group's oldest companies, we at GIL Chemicals are cognisant of the role corporate governance plays in facilitating effective, entrepreneurial and successful system of management to deliver long term success to any business. We are incredibly happy to have established a responsible business based on ethics, honesty and integrity. Our Corporate Governance framework is strategised to help us achieve excellence at every stage while keeping in mind the welfare of our stakeholders.

Our Corporate Governance structure is based on the existing Regulation 34(3) of the Listing Regulations. Our Board of Directors are responsible for guiding the corporate governance strategy of our company. The Directors take leadership in guiding us to build a strong and resilient business. In order to develop a robust corporate governance framework, we abide by various regulatory requirements, improve organisational transparency through reporting, improve business strategies and operational practises and develop strong internal controls. We have built a sturdy Business Continuity Management system to further strengthen our business. Deeply valuing our stakeholders, we operate with integrity to ensure maximum satisfaction.

Our able Board of Directors are responsible for high level decision making on important aspects across the triple bottom line. The Board assists in helping us reach our goals through continual guidance, supporting the management in terms of broad strategy, direction, governance and compliance.

All our 12 directors have an exceptional expertise in their own fields. [Read more](#) about our directors.

Board Committees

- Audit Committee
- Risk Management Committee
- Corporate Social Responsibility Committee
- Stakeholder Relationship/Shareholder Committee
- Nomination and Compensation Committee

Board of Directors



Adi Godrej
Non-executive
Chairman



Nadir Godrej
Managing
Director



Jamshyd N. Godrej
Non-Executive
Director



Vijay Crishna
Non-Executive
Director



Tanya Dubash
Executive
Director



Nitin Nabar
Executive Director
and President





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



Rashmi Joshi
Non-Executive,
Independent Director

Sustainability governance framework

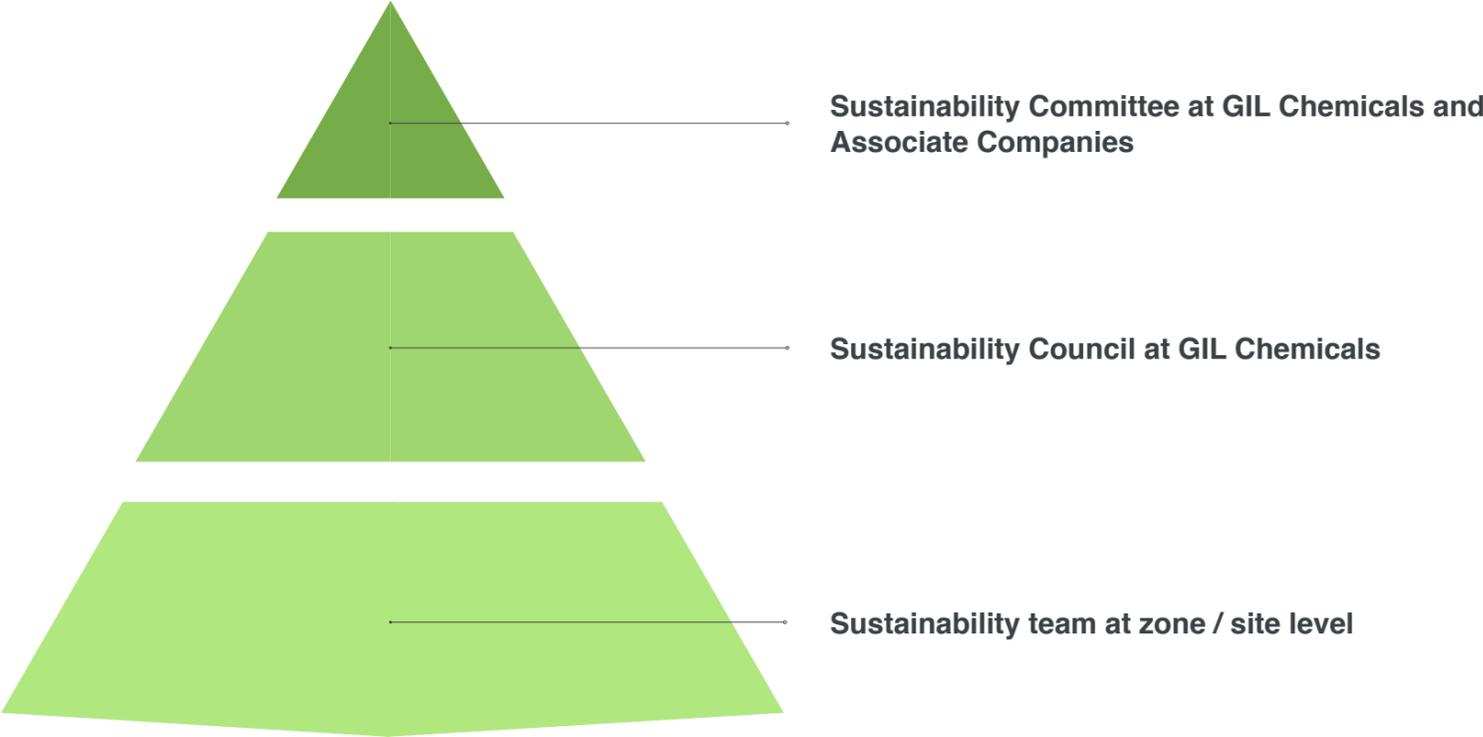
We are committed to the Group's Good & Green vision of building an inclusive and greener world. In order to achieve this vision, we have set targets for ourselves for 2020 thereby making sustainability a key part of our manufacturing process and value chain.

Our CSR initiatives are in line with the CSR guidelines that focus on key environmental, economic, and social needs of the underprivileged.

To foster new ideas, we offer different incentives such as monetary and recognition based incentives for tackling climate change concerns, including achieving set of targets and also fulfilling targets to our sustainability managers, Chief Operating Officer, Business Unit managers, EHS manager, Process operation managers and to all our the Godrejites.

Aligning all our business decisions with our sustainability strategies, we are able to achieve our targets. Our tenacious focus on the goal of conserving energy has been well recognised by several industrial associations. We have made sustainability an integral part of our business. We are constantly looking at ways to make our products and processes sustainable while working in collaboration with all our stakeholders.

Sustainability framework



Our Board has formed various committees in accordance with the Companies Act, 2013 and SEBI LODR helping us concentrate on various aspects of corporate governance and resolve issues concerning them. These committees have developed well defined boundaries in all areas of operation such as environment, economic and social aspects. These committees help monitor specific issues and provide direction to our senior leadership team.

Audit Committee

The Audit Committee has been put in place to look after our financial reporting process and disclosing the financial information to make sure that the financial statement is disclosed in a transparent, sufficient and accurate manner. Alongside other key responsibilities, the committee suggests procedures for appointment, re-appointment and approval of payment to statutory auditors and scrutiny of inter-corporate loans and investments.

Risk Management Committee

This Committee has implemented a risk management policy to make sure that we, at GIL chemicals comply with relevant laws and regulations and have a reliable reporting systems. The Committee is also responsible for identifying and evaluating business risks and opportunities.

Corporate Social Responsibility Committee

The CSR committee designs our Corporate Social Responsibility Initiatives. The board requires this committee to brainstorm and bring in new best practices that can support and enhance the commitment towards social work.

Stakeholder Relationship/ Shareholder Committee

This Committee is responsible for addressing the stakeholder complaints that involves non-receipt of Balance Sheet and non-receipt of declared dividends, transfer of shares and others that is required by the Act and the Listing Regulations.

Nomination and Compensation Committee

Discrimination on the grounds of nationality, race, colour, religion, caste, gender, gender identity or expression, sexual orientation, disability, age or marital status is prohibited and we at GIL are committed to provide equal opportunities to everyone.

We acknowledge their performance irrespective of their gender which highlights better people management. We firmly believe a correct balance of skills, expertise, experience and varied perspectives is important for an effective functioning of the company and its corporate governance.

We have developed a “Total Rewards” philosophy to escalate the utilisation of such as long-term incentives, benefits, fixed and variable compensation and perquisites and other non compensation elements like work life balance and recognition and skills and career development. Our talent and performance management processes has been improved by incorporating this framework. Fixed compensation, flexible compensation and variable compensation are the three key elements that sums up our total compensation.

Our Board has also adopted a policy called “Board Appointment Policy” for appointing high level management and other directors. This selection process is done based on merit that involves fair consideration of candidates against any objective criteria. Our Board firmly believes following such merit-based selection process will aid us in serving our stakeholders better. This policy is reviewed regularly to keep an eye on its effectiveness.

Business with integrity

Based on the principles of credibility, accuracy, transparency and value addition, we make sure to have transparent engagement with all our stakeholders, while also placing high importance on our code of conduct.

Our Board and its various committees are responsible for regular reviews to ensure compliance with the Code of conduct and further focusing on addressing any conflicts of interest. This code lays down important corporate values that shapes GIL's value systems and business practices. Even the board members are expected to send an annual confirmation of their compliance to the code of conduct, which is considered as affirmation. Besides, we have also designed a separate code of conduct for our employees and business employees.

We have acquired ISO 27000 certification to showcase our highest commitment on information security and customer privacy.

With robust and effective code of conduct in place, it has become imperative for all of us to monitor its effectiveness and address all grievances effectively through a "Whistle blower" Policy. This gives Godrejites a privilege to raise their concerns about improper or unethical behaviour or violation of company's code of conduct being followed in the organisation. For this purpose, a Whistleblower Officer has also been appointed who is responsible of receiving and documenting any complaints under this policy.

We received no shareholder complaints in DY 2017-18.

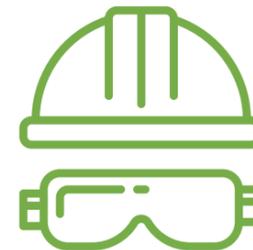
Our code of conduct



Communication and public relations



Compliance with the law



Quality, health and safety



Customer & Confidentiality



Anti-discrimination



Integrity & Individual conduct

Policy to prevent Sexual Harassment for women at the workplace

GIL Chemicals have formed a separate policy to prevent sexual harassment at the work place. We are committed to create an atmosphere in which Godrejites can work together without the fear of exploitation, sexual harassment or intimidation. Every Godrejite is made aware that such behaviour is strongly opposed and prohibited both by law and by the Godrej group. During the year 2017-18, we have reconstructed our internal complaints committee for the prevention of sexual harassment of women at workplace. To further strengthen the effort, two separate committees have been formed, one for the head office factories in Maharashtra and branches in India and other for the factory at Valia, Gujarat. While the policy mainly applies to the women Godrejites, our policy covers all employees that encourage respect and promotion of Human rights. Any violation of the code of conduct may lead to appropriate actions put forth by the law or termination of one's employment. We received no complaints of sexual harassment in FY 2017-18.

Anticorruption & Bribery

We strictly abide by the rules relating to bribery, corruption and ethics. All our operational units are scrutinised for potential risks especially corruption. our policies related to anti-corruption is clearly communicated to all our employees and business partners.

During the reporting period, no cases of anti-competitive behaviour, anti-trust and monopoly practices were reported.

Risk management

GIL Chemicals aims at developing robust long-term strategies and policies relating risk management. We constantly monitor and look out for opportunities that would add value to both our business and our stakeholders. As much as we focus on business opportunities, we also firmly believe that it is equally important to proactively identify environmental, economic and social risks that could have adverse impacts on our business. To tackle such risks, we have developed appropriate measures that can foresee any potential risk. Risk Management is of paramount important to us, hence, Senior management and Board of Directors keep that has a high priority that while taking key decisions.

Apart from external risks, we understand that it is important to be aware of internal risk factors. To manage this internal risks effectively, we have

also designed an effective risk management framework by analysing and reviewing our risk management process. Our extensive review gave us a new perspective on our existing risk management initiatives, assessment of potential risks in our business activities and identifying risks via zero-based approach.

Risk Management Committee is put in place that constitutes of our Managing Director and the whole-time Directors. This committee is responsible for identifying and evaluating business opportunities and risks. It has further designed and executed a policy on risk management to ensure a reliable reporting system and our compliance with relevant laws and regulations. "Whistle Blower Policy" is present to deal with issues like mismanagement, fraudulence and bribery.

Fluctuation in demand for edible oil and oilseed production, oscillating weather conditions etc. may act as major risks to any business. We understand our business is further exposed to commodity price fluctuation risks pertaining to raw materials that accounts for major portion of the costs involved. Growth of end user industries like polymer, detergent, cosmetic and personal care will significantly boost the business demand for us. Being one of the leading chemical producers, we ensure to provide production and occupational safety, environmental protection and high level of employment standards. We also periodically organise several programs pertaining to quality control, health and Safety and environmental protection. These programs aid us in enhancing our operational efficiency. Risks present in various business activities are regularly reviewed by the committee and it suggests appropriate risk mitigating actions.

Key risks that we have identified



Climatic fluctuations



Political risks



Changes in Regulations



Natural / social calamity



Currency fluctuations



Supply chain sustainability



Increasing cost of raw materials



Labour shortage & attrition rate

In the recent years, Chemical companies are focusing more towards sustainability, innovations and competitiveness. Particularly, Specialty chemical companies have started to engage in sustainability and green chemistry, such as improved raw material supply and reduced carbon footprint. This type of chemical is playing a crucial role across diverse industries helping them achieve their sustainability targets.

Climate Change mitigation being our highest priority, various mitigation measures have been incorporated into our business strategy and risk management processes. Awareness of potential risks and opportunities due to climate change intrigued us to develop a “Sustainability Plan” that helps us in identifying, analysing and tackling any risk that might crop up during operations. These top risks facing all our manufacturing locations in India is being monitored atleast every six months. The results are well documented and our board members are kept informed of the scenario.

Additionally, group level targets have been set to achieve by 2020. GIL aim to achieve such steep targets through constant innovations, enhancement in operational efficiency and periodic monitoring of performance. For this purpose, a sustainability performance management system has been put in place. Moreover, the Executive Director periodically reviews the performance of all units to enhance efficiency.

Industry association

GIL chemicals firmly believe that it is crucial for businesses to have strong industry associations and memberships for collective growth. Such associations and partnerships will provide strong foundation to further develop the business, gather new ideas for innovations and also establish resilience to key industry issues, gain understanding of competition and knowledge sharing. We also relentlessly work with our industry associations not just to tackle economic, environmental and social challenges but also to adopt new best practices. We further ensure that policy advocacy is done with the highest degree of integrity, responsibility and credibility. For this purpose, we engage in collective platforms such as trade and industry chambers and associations. The following are the list of our industry associations –

- **Indian Chemical Council (ICC)**
We have established a long-term partnership with ICC by participating in all the events conducted by them. This way, we support them by exchanging information and spreading industry knowledge.
- **CII (Confederation of Indian Industries) National Council & CII Western Region**
Our close association with CII helps us support the issue of Climate Change better. Furthermore, GIL chemicals have signed an agreement with CII in supporting the mission of sustainable growth and CII-ASSOCHAM code of conduct.
- **IFCCI-Indo French Chamber of Commerce**
Being one of the founding members of the bilateral chamber between India and France, provided us with an opportunity to make partnership with the chamber and always actively participate in all the events conducted by them.
- **Collaboration with NGOs and social enterprises** for employability training programmes
- **Federation of Indian Chambers of Commerce and Industry (FICCI)**
We are also an active member of FICCI. We support them in exchanging different perspectives on various policies.



ECONOMIC PERFORMANCE

Increasing demand for surfactants mainly driven by the growth in shampoo, detergent and hand wash consumption, has led to significant growth of Indian chemical industry.



₹18,424 Cr

Market capitalisation of GIL as on
31 March, 2018



35%

Growth in revenue

The Indian chemical industry supports highly diversified industries such as polymers, specialities, agrochemicals and a lot more by which it has strongly established its position as a major contributor to India's economic growth. The total chemical sales is expected to reach \$219 billion by 2019 pushing the Indian chemical industry to reach \$403 billion by 2025. Considering the growth rate of the sector, owing to evolving demand consumption, the leading players in the sector is placing more emphasis on bulk chemicals, agrochemicals and specialty chemicals.

To build our business sustainability, we have built a resilient business strategy focusing on the "economic" pillar of the triple bottom line, adding economic value not just to our brand but all our stakeholders. Our chemicals business

has delivered a strong fiscal with PBIT increasing 18 percent over the previous year. This recorded a growth of 35 percent revenue in FY 2017-18, 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 following sums up the economic performance of Godrej Industries Limited as a whole and represents standalone numbers for the FY 2017-18.

Economic performance of our Chemicals business was strong with a total of ₹1,660 Crores revenue generated and achieved export turnover of ₹539 crore in the fiscal year, with a growth of about 35 percent.

Economic performance of Godrej Industries Limited

Description	Amount in ₹ (crores)
Direct economic value generated	2287.13
Operation cost	1454.87
Employee wages and benefits	133.55
Payment to provider of capital	212.43
Payment to the government	244.88
Economic value retained	241.40

Our supply chain

Supply chain sustainability is a crucial aspect to our business at GIL Chemicals. While we develop responsible and conscious business practises, we encourage our suppliers to conduct their business in a sustainable and

ethical manner too. Our supply chain framework helps us extend the outreach of our sustainability agenda, thus maximising impact. We hold our suppliers accountable for maintaining maximum upstream sustainability standards. To

ensure collective and holistic sustainable growth across the value chain, we have developed strong relationships with our suppliers to collectively reach our sustainable supply chain goals.

Our supply chain



- Being a chemical manufacturer, our raw materials are either plant based or organic based.
- To reduce upstream environmental impact, we lay emphasis on sourcing raw materials locally.
- We set stringent regulations to ensure supplier sustainability while signing contracts.
- We have strategised supply chain policies and sustainable sourcing policy (palm oil) to guide us in reaching our supply chain sustainability targets.

At our facility, we develop and manufacture a variety of products through sustainable practises , to keep up with market demand.
Products include

- Fatty acids
- Fatty alcohols
- Surfactants
- Glycerine
- Oleo derivatives and Specialty chemical products

Products generated at our facilities are used in a variety of sectors, catering to various needs.

Fatty alcohol

- Home and personal care
- Oil fields
- Paper industry

Fatty acids

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

Surfactants

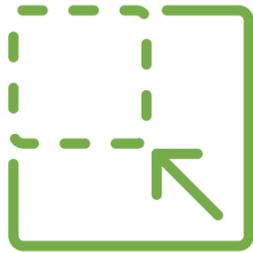
- Home and personal care
- Construction chemicals

Glycerine

- Food
- Personal care

Specialty chemicals

Supply chain projects: 2017-18



Reduction

By reducing the weight of carboy from 2.7 Kg to 2.5 TW for SLES, we have saved around 0.2 Kg of HDPE per carboy.



Digitisation

We have digitised all the CAPEX approval with the intention to reduce paper.



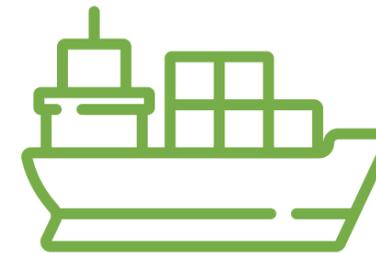
Utilisation of recycled materials

Moving from Pine wood pallets (Virgin material) to Press wood pallet to use recycled materials.



Transition

We have started procuring major raw materials such as Benzyl Chloride and Dimethyl Lauryl Amine in bulk loads instead of packed drums.



Maximisation

By increasing our export from Hazira port, we are trying to reduce our scope 3 emissions.

Other key Supply Chain Initiatives: 2017-18



Our annual suppliers meet held in February 2018



Formally recognising the efforts of all our key suppliers

Supplier assessment

At GIL Chemicals, we have championed Social and Environmental responsibility by developing strategies and policies aligning with the Group’s Good and Green vision. Including this in our supply chain agenda, we have formulated procurement guidelines that require us to audit new suppliers based on ESG parameters before bringing them on board. In FY 2017-18, we have developed two important policies to vouch for sustainable procurement - “Sustainable Procurement Policy” and “Sustainable Palm Oil Policy”. These policies highlight our expectations on critical sustainability performance parameters such as health and safety, human rights, integrity, and environmental sustainability to name a few. The policies have been created in accordance with international benchmarks and best practices.

Sustainable Procurement Policy:

To align with our sustainability commitment, we have developed a Sustainable Procurement Policy, which is an extension of our values; applicable to all our suppliers. We expect our suppliers to operate in accordance with the principles as outlined in this Policy, while adhering to all applicable laws and regulations.

In the policy, we go beyond legal compliance requirements by drawing upon internationally recognised standards in order to identify and define best practices from across the globe. The policy outlines our expectations with regards to ethics, business integrity, human rights, health & safety, environment, the local community, quality of product & operations, human rights aspects like collective bargaining, child labour, forced labour and other parameters. We periodically review our procurement policy for improvement and to ensure that it continues to help us move towards our vision.

Sustainable Procurement Policy



Supplier Assessment Methodology:

We have been striving hard to bring about robust policies in place to assess our suppliers based on sustainability criteria. In line with the key policies, we have designed an extensive questionnaire with all our suppliers to help us assess their sustainability. The questionnaire evaluates the supplier based on four different parameters such as Degree of compliance to ethics and legal requirements, Supplier's management maturity, Supplier's level of public disclosure and good and green performance. This year we assessed 16 out of 40 suppliers against 23 aspects.

Key Results of the Supplier Survey:

Suppliers were assessed based on their management and disclosure approach, covering mandatory aspects such as ethics and non-mandatory aspects such as social and green initiatives. The scores given are applicable to both packaging and raw materials. The Compliance to Policy approach has been scored only against the non-mandatory aspects such as social and green.

Our suppliers have been scored on their environmental sustainability initiatives that include - Specific Energy Consumption, GHG Emissions, Waste to Landfill, Water Consumption, Hazardous Waste & Non-hazardous Waste Disposal and compliance to regulatory emission requirements. We are working closely with our suppliers to better their performance.



Product innovation and responsible business



6

Substances are registered and 40 substances are pre-registered under REACH



50%

reduction in number of quality complaints over the last five years

Product innovation and responsible business practises are prudent to our operations at GIL Chemicals. To develop and nurture a sustainable business, we constantly focus on innovation, excellence and quality in all the products that we deliver. We work relentlessly in conducting business in a responsible, ethical and innovative manner, inculcating sustainability into our thought processes every step of the way. As a responsible business, the safety of all stakeholders using our products is of extreme importance to us. Keeping this in mind, we conduct our business in a safe and sustainable manner for the larger benefit of the society. We are an active member of Indian Chemical Council and a signatory of Responsible Care. Abiding by the requirements of these organisations and pursuing the codes of management practices, we implement the Codes of management practice including product stewardship, process safety, employee health and safety, pollution prevention, emergency response and communication and distribution. We work relentlessly to develop innovative products catering to various markets and customer requirements, entering various niches.

Customer Prioritisation and Sustainable business:

Customers and Godrejites are key stakeholders to our business. To better our performance, we continually seek the inputs of these two stakeholder groups through evaluations and surveys based on various aspects. Through channels such as employee satisfaction surveys, customer surveys, feedback surveys and market research, we regularly monitor our performance. We include feedback from key stakeholders into our business decisions and into our R&D efforts, thus helping us create a robust business with a quality product portfolio. At GIL Chemicals, since our products are exported and marketed in the EU, there is a requirement for adherence with REACH - a European Union regulation concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH). Adherence requirements include registration with the ECHA - European Chemical Agency, providing 'safe use' documentation and disclosures to customers for certain products etc. Last but not the least, we are also an active member of Fatty alcohol Consortium that registers all alcohols from C6 to C24 as per pure cuts strategy. As of now, a total of six substances are registered and 40 substances are pre-registered. We have also recently registered Behenyl alcohol, Palmitic Acid and Behenic acid as a part of this consortium.

Product Stewardship:

Our product stewardship agenda includes leadership and strategy; education, awareness and communication programs, product responsibility management, reduction in toxic substance in products and processes, extended producer responsibility, sustainable design and engagement of voluntary codes and standards for reducing environmental impact. As a part of leadership and strategy, we have come up with "Good and Green 2020 goals" that aims at ensuring employability, move towards greener India and generate a portfolio of Good and Green Products.

To further strengthen our responsible business agenda, we have acquired ISO 14001: 2004 and ISO 9001:2005. Currently, we have completed the external training session on 9001:2015 and are further on our way to integrate all three systems as "Integrated Management Systems" (IMS). By putting a quality management system in place, we were able to witness gradual reduction in quality complaints. The number of complaints have been reduced from 21 in (FY13-14) to 10 in (FY 17-18).

Success Stories: Environmental Risk Assessment

We are taking important measures to reduce the toxicity of our products and processes. Our efforts include using vegetable oil as the major raw materials, monitoring the level of dioxin content, pesticides and heavy metals in our SLES products and ensuring free alkali is less than <0.05 percent. In our products. The case studies below represent the steps taken for reducing post manufacturing complaints.

During shipment of chemicals or any other potentially dangerous products, it is imperative to assess for environmental risks. While we understand the importance of environmental sustainability and safety during the process, we are still exposed to shipping issues such as improper packaging and incorrect placements of pallets inside the truck. To establish an effective, safe and reliable shipment of our products, we arrived at different solutions to address post manufacturing complaints.

Case Study 1



Stearic Acid



Melting of Stearic acid during transit.



Melting of Stearic acid due to heat and positioning of insulation sheet and tarpaulin.

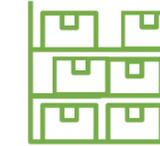


Tarpaulins were replaced, position of insulation sheet and tarpaulins were reversed and stacking height was reduced from 17 layers to 13 layers

Case Study 2



Pallets



Pallets getting disordered inside the container.



Disturbance in pallets stability and only 3 bags were placed in one layer on the pallet. (CP6 packaging type)



Packing of the product were changed by placing 4 bags in one layer. This helped us getting rid of disordering of pallets in the container. Secondly, quantities were increased from 10.25 MT to 12 MT in paper packing C16 alcohol. Further, we also loaded about 13.2MT alcohol pastilles instead of 11MT by using these pallets.

Success Stories: **Bio-based surfactants**

Product Innovation:

At GIL Chemicals, innovation and growth are the key aspects of our business practises. In our venture towards product innovation, we focus on specific areas to invest in and carry out Research & Development activities. Recently, we have strengthened our operations through adoption of latest “State of the art” technologies and usage of innovative practises.

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

- Glycerine
- Vegetable oils
- Fatty acids, fatty alcohols
- Surfactants & 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 our R&D efforts include delivering 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 industry specific chemicals. In the future, we have planned to include customised and value added products, in order to enter niche markets. We are also working towards enhancing our knowledge and skills beyond just product applications and formulations through customer engagement and market information.



Bio God is our bio-surfactant that involves green chemistry with low carbon footprint

Product innovation being the core of GIL Chemical's sustainability strategy, we have built our first ever pilot manufacturing plant in India, for the production of Bio-surfactants which is also called "Sophorolipids".

Bio God introduced by GIL Chemicals, is one of the most attractive Bio-surfactant that involves green chemistry with low carbon footprint. This product has an edge over the chemical surfactants because of its unique characteristics such as high biodegradability, better environmental capability, lower toxicity, selectivity and specific activity at extreme pH and salinity. It further demonstrates unique behavior like being 5-10 times more surface active and dual characteristics like detergency and antimicrobial activity.

An aerial photograph showing a wide, calm river winding through a vast, dense mangrove forest. The trees are a vibrant green, and the water reflects the sky. The overall scene is lush and natural.

ENVIRONMENT

Redefining the role of environmental sustainability in business, we at GIL Chemicals have built an environmentally conscious business, imbibing environmental management concepts into our development strategy.

Environmental performance

Having induced environmental sustainability as an integral part of our business operations, we continue to find and apply measures that can reduce and optimise resource utilisation and reduce emissions. As a part of Godrej Group's long term goal to build a cleaner and greener planet, we have invested in environmental sustainability, making it a key aspect in our manufacturing processes. We focus relentlessly on improving productivity, energy efficiency and maximising sustainability at our manufacturing facilities through usage of state of the art technologies and processes. Our technologies and processes help us continually monitor and analyse our environmental footprints in various locations. Resource efficiency and environmental impact reduction is at the core of our sustainability strategy, all our green targets being focused on these two aspects.

In our efforts to invest in process efficiency and energy management, we have invested ₹20 crores in helping us in reaching our environmental sustainability targets. We have worked relentlessly to increase our renewable energy assets, achieving a 42 percent increase in the financial year. We pride ourselves in being compliant with all local, regional and national level regulations in matters of environmental sustainability.

Our green goals



Reduction in energy consumption

We aim to conserve and reduce 30 percent of energy usage through re-engineering, process improvements and project efficiency.



Increase in renewable energy consumption

We aim to meet our growing energy demands through utilising renewable energy.



Carbon neutrality

We envision to achieve a status of net zero carbon emissions.



Water positivity

We aim to attain a water positive status using the concepts of reducing, reusing and recycling.



Zero Waste to Landfill

We aim to develop robust waste management techniques to reduce the amount of waste entering landfills.

Our green performance

Specific energy (MJ / T)



2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
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Specific GHG production (kgCO₂ / T)



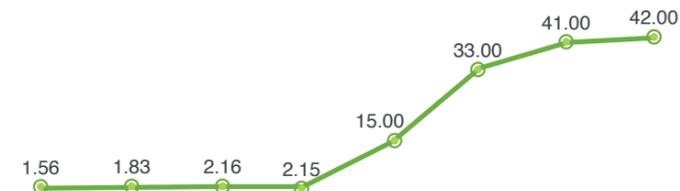
2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
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Specific water use (kL / T)



2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
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Share of renewables (%)



2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
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Specific waste to landfill (kg / T)



2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
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Energy

At GIL Chemicals, we fully understand the energy intensiveness of the chemical sector, thus making it a key material aspect to our business. All our processes are aligned to improve energy efficiency; helping us in our vision to mitigate climate change. Our energy goals are focused on three key parameters- use of innovative technologies, conservation of energy and development of efficient projects. Through our Green goals, we envision to reduce 30 percent of our energy consumption by the year 2020. Our key projects to manage energy consumption include interventions to reduce the usage of fossil fuels such as natural gas.

Valia and Ambernath are our prime chemical manufacturing facilities. We manage energy utilisation in these facilities through a designated energy management cell. The cell is responsible for monitoring and reviewing energy performance of the plants on a daily basis. Monthly reviews are conducted to analyse daily energy performance levels of each of the plants. Data collected from such monthly reviews is communicated to the factory head and energy manager for further review. Reviews and audits are also conducted on a quarterly basis; data derived is shared at the corporate level with the governance bodies.

In 2017-18, a total of 1,537,205 GJ of energy was consumed at the Valia and Ambernath facilities. 21,234 GJ of energy was consumed at the Wadala facility. Direct energy consumption (onsite energy consumption) was found to be 1,337,573.00 GJ, and indirect energy consumption (grid electricity and solar energy) was found to be 199632.00 GJ.

Integration of Renewable Energy:

Our efforts to integrate renewable energy into our energy use portfolio include utilisation of manufacturing by-products in energy production, use of biomass briquettes and use of solar energy. In 2017-18, 42 percent of our consumed energy has been derived from renewable sources. GIL Ambernath and GIL Valia continue to source a major portion of their energy requirements through their solar installations, 198 kW and 189 kW respectively.

Integration of Energy Efficient Measures:

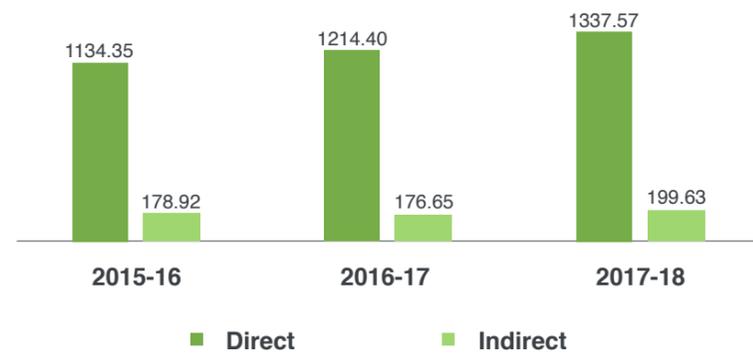
Energy Efficiency being one of the key aspects of our sustainability agenda, we have strategised various measures to reduce specific energy

consumption, thus helping us meet our green goals and targets. In 2017-18, our specific energy consumption was found to be 8.87 GJ/T of production, a 24 percent decrease from 2011. Our energy conservation ventures include

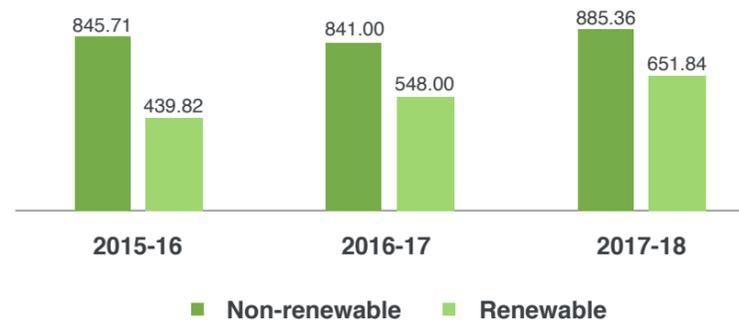
- Using effective and resource efficient processes, equipment and technologies.
- Streamlining capacity of pumps, compressors, motors, cooling towers and other systems to improve system efficiency.
- Using heat recovery systems such as air preheaters and air compressors for effective energy usage.

Our energy performance

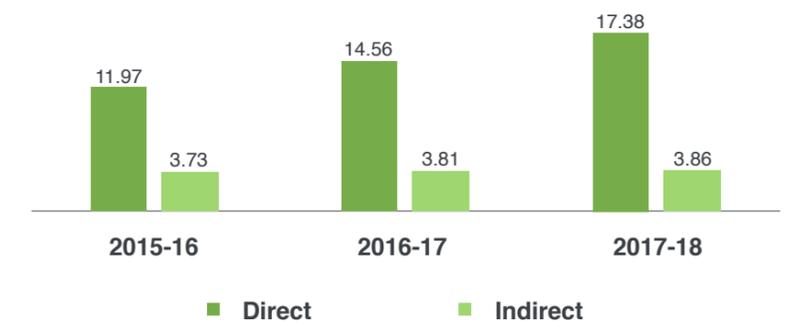
Direct vs indirect energy, GIL Chemicals (TJ)



Share of renewables (TJ)



Direct vs indirect energy, Wadala (TJ)



Specific energy, GIL Chemicals (GJ/T)



Specific energy, Wadala (GJ/T)



Success Stories: Energy efficiency

Heat pipe

Intervention:

Installation of Heat Pipe with a higher heat transfer coefficient as compared to other heat exchangers for extraction of heat from a medium grade source in the spray drier for manufacturing Sodium Lauryl Sulphate powder and needles.

Impact:

- Initial Investment- ₹7 Lakh
- Cost Savings- ₹15 Lakh per annum
- Energy Savings- 60,000 m³ of Natural Gas per annum

Compressor heat recovery

Intervention:

Using recovery strategies, we started pre-heating the boiler feed water with the help of heat coming out of the compressor. Source water at 33 °C was heated up to 48 C with a flow of 8m³/hour.

Impact:

- Material Savings - 375MT of Briquettes per annum.
- Energy Savings - 24,000kWh power savings per annum

Natural Gas Recovery From NG Compressor

Intervention:

To utilise Natural Gas in an effective and efficient manner and reduce resource wastage and gas leaks from the compressor, we identified and arrested areas prone to gas leaks , redirecting the leaked NG to an NG Reformer.

Impact:

- Initial Investment- ₹13.5 Lakhs
- Energy Savings- 54000m³ of NG savings per annum.



Heat pipe installed at our Valia manufacturing plant

Success Stories: Energy efficiency

Installation of Natural Gas Compressor Valve (G602)

Intervention:

To achieve reduction in electrical consumption, the Natural Gas Compressor Valve was upgraded through the introduction of the new generation CP valve. The new generation HOERBIGER CP valve promotes technological innovation, combining the best of profiled valve rings and conventional valve plates in a unique design. Furthermore, the PowerPEEK™ material used in the valve promises reliability, durability and efficiency.

Impact:

- Optimized arrangement of highly resistant springs and spring savers cope with high-speed applications of up to 2000 rpm.
- Unique profiled valve plate design combine durability and excellent flow characteristics at extreme temperatures. (-50°C to 220°C, lift 1–2.5 mm)
- Initial Investment - ₹7.85 lakhs in replacement of 16 valves in the compressor.
- Electricity Savings- 550KW per day.
- Cost Savings - ₹18 lakhs/annum Reduction in electricity consumption.
- Increase in operating life of valve through the usage of anti-oil-stiction guard.
- Reduction in flow losses through usage of profiled seat/valve seat combination.

Upgradation of Pumping System in the Chilled Water Circuit of Pastillator Section

Intervention:

To optimize system efficiency and promote energy savings, the pumping systems in the chilled water circuit of the Pastillator Sections were upgraded. Initially, two pumps of 85 m³/hr and 200 m³/hr capacities were used to run the old and new pastillators. These pumps helped in catering to chilled water flow and in maintaining temperature requirements. A detailed study was conducted to analyse actual flow requirements. Results of the study indicated that a single pump of 200 m³/hr could be utilized to cater to the flow requirements of the entire system. A tapping was provided between the old and new pastillator chilled water pump discharge with an intermediate valve to isolate the flow in either section whenever required.

Impact:

Introduction of the intervention improved the efficiency of the entire system. Currently, whenever both pastillators are running, only the bigger pump is utilized, else, in case of single pastillator operation, only the smaller pump is utilized.

- Energy Savings - 21 kW/MT of specific power.
- Cost Savings- ₹3.5 Lakhs/month.

Regenerative Drive for Reformer FD Fan

Intervention:

We installed a regenerative drive (designed VFD) to reduce the harmonics level of circuit, parallel with power reduction in FD blower motor. Earlier FD blower of Reformer was running on UPS with damper control. Adding VFD to the system to control the air would have resulted in increased harmonics level of the system. In partnership with ABB limited, Pune, we came up with an idea of regenerative drive (a specialised VFD drive).

Regenerative drive is designed to operate on raw power. In case of failure of raw power, it operates on UPS backup without interruption. It has also resolved the issue of harmonics level.

Impact:

- Power saving - 270 units/day.
- Cost saving - ₹6.80 lakhs/annum
- Initial Investment - ₹10.50 lakhs with payback of 1.5 years

Emissions

At GIL Chemicals, we recognise the importance of emission management in the chemical industry, making it a key material aspect to our business. Aligned to our 2020 Green Goals to be a “Carbon Neutral” company, we work relentlessly to build a carbon neutral company. Our sustainability vision and our continual efforts have helped us reduce a considerable amount of emissions. To manage our carbon impact and achieve our emission reduction goals, we have strategised a plethora of measures including interventions such as replacing fossil fuel with biomass in boilers, utilisation of pitch in boilers to enable the reuse of organic waste as fuel and many more.

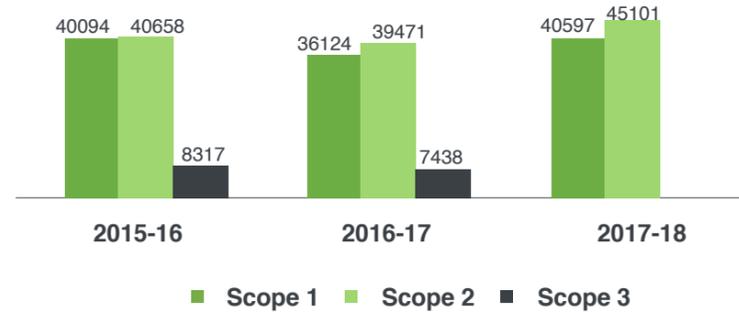
Our interventions have helped us mitigate 38 percent of our carbon impact as compared to the baseline in 2011. We regularly monitor emissions across our facilities to identify high impact zones. Emissions Data are verified through a third party certification body, TUV India Pvt. Ltd. In 2017-18, our total carbon impact, both direct and indirect, at Valia and Ambernath was found to be 83,477.00 tCO2e (scope 1+2). Carbon impact in Wadala was found to be 2,221.00 tCO2e (scope 1+2). In 2017-18, there was a 37% reduction in specific GHG emissions. We also achieved a 29% reduction in scope 3 emissions from logistics due to redirection of finished goods from Jawaharlal Nehru Port to Hazira Port. Due to shift of transport option from roadway to railway, we reduced 4.3% of our scope 3 emissions. Currently, we transport 22% of our finished products through railways. Introduction of renewable energy and other energy efficient measures have helped us manage our carbon footprint in an efficient and effective manner.

Integration of Carbon Efficient Measures:

Being in the chemicals industry, we are cognisant of the impact of our logistics on carbon performance. We work continually to monitor and manage emissions from logistics, putting in place customised interventions to reduce carbon impact. To reduce transportation impact, we have shifted transport options from roadways to railways, reduced travel distance and enhanced truck loading ability & utilisation. To reduce scope 3 emissions in our operational areas, we have introduced briquette boilers for steam generation.

Our emission performance

CO2 emissions (in tCO2e)



Specific Emissions, Wadala (tCO2e / Ton of production)



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



Success Stories: Emission reduction

All our energy saving projects result in reducing our emissions.

Briquette boiler

Intervention:
To meet with our carbon neutrality goal, we installed a third briquette boiler at our Valia facility.

- Impact:**
- Reduction of dependency on Natural Gas
 - Heating Savings- 2.5 Million Kcal
 - Steam Savings- 6TPH



Our third briquette boiler at our Valia manufacturing plant

Waste

In the Chemical Industry, waste management is an extremely prudent aspect. At GIL Chemicals, we have developed a robust waste management framework to meet with the sustainability challenges of the chemical industry. Waste Reduction is a key aspect of our climate change mitigation agenda; all our material use and manufacturing processes are conducted in a conscious manner to yield minimal waste. Following the concepts of Reduce, Reuse and Recycle, we go beyond compliance in ensuring effective waste management. The waste generated from our facilities is well within the permissible limits required by local, regional and national norms.

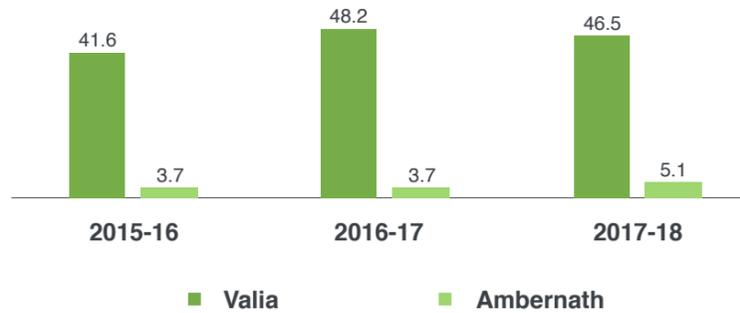
Our waste management strategy includes collection, segregation, management and disposal. We have an in-house effluent treatment plant (ETP) to treat waste water generated at our facilities. The biological and chemical sludge generated from the ETP is separated; biological sludge is converted into compost and used for gardening and chemical waste is made to go through further treatment. Currently, we are identifying waste to energy technologies to help us manage our chemical and industrial wastes. We are conducting trials to convert industrial waste into oil through the utilisation of plasma gasification processes. Since 2013, we have been involved in producing bricks from the ash generated during our manufacturing processes.

In 2017-18, our waste footprint was found to be 5405 tons; 240 tons being non-hazardous waste and 5164 tons being hazardous waste. Our waste to landfill impact per ton of product produced has reduced by 70 percent as compared to our 2011 baseline.

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



Waste per ton of product (kg/T)



Bricks made using waste generated

Success Stories: Waste Management

Plasma Gasification

Intervention:

To better manage wastes, we have introduced plasma gasification processes into our waste management strategy. Plasma gasification takes all types of wastes and converts them into energy and vitrified slag.

Impact:

- The plasma extracts the carbon and hydrogen from the feedstock and converts it into syngas. The syngas is used to power a syngas engine. Thus, a self powered engine is developed.
- Slag generated by the plasma gasification is a vitrified slag which can be used as a construction material and for laying roads.



Our Plasma Gasification technology takes us one step closer to achieving zero waste to landfill

Effluents

Effluent Management is an integral aspect of our sustainable waste management strategy. Aligned with our vision to build a water positive enterprise, we work relentlessly to minimise effluents and maximise recycling and reusing activities within our facilities. We continually monitor, review and manage our effluent performance to find gaps in the system. To manage effluents generated from our facilities, we have put in place an effluent treatment plant. Our effluent management strategy has helped us reduce impact on water resources near our operational areas.

Currently, we are putting in place interventions to convert our Ambernath manufacturing facility into a Zero Liquid Discharge Plant (ZLP). We have installed a Reverse Osmosis (RO) system with a capacity of 500m³/day in our vision to convert to a ZLP. To enable this, we efficiently monitor and control plant level liquid waste. Furthermore, we have equipped ourselves with a chlorine treatment plant for pre-treatment of the ETP water outlet. This helps in maintaining the feed quality of the RO plant. The recycled water is used in plant boilers and cooling towers. The Reverse Osmosis/ Multiple Effect Evaporator (RO/MEE), system helps in maintaining the quality of effluent released from the ETP and other processes.



Reverse Osmosis plant at Ambernath

Material

Being industry leaders of chemical production in the Indian market, we at GIL Chemicals produce a wide range of chemicals including fatty alcohols, fatty acids, surfactants, glycerin, additives, catalysts, resins, oleo derivatives & specialty chemicals and other packaging material. We understand that material management is directly linked to operational efficiency, hence, we strive to develop an efficient material management framework to ensure minimal wastages and losses in production.

To minimise material procurement impact, we are constantly looking at ways to source our raw materials locally. We are one of the leading Indian entities to be a part of the roundtable on sustainable palm oil (RSPO). All our suppliers are an active part of the roundtable. We ensure appropriate material utilisation through continual monitoring with the help of online systems. In order to understand the product impact throughout the life cycle, we conduct LCA's of all our major products.

Packaging material management is an important aspect of our material handling agenda. Following sustainable material management practices, we have put in place the following initiatives.

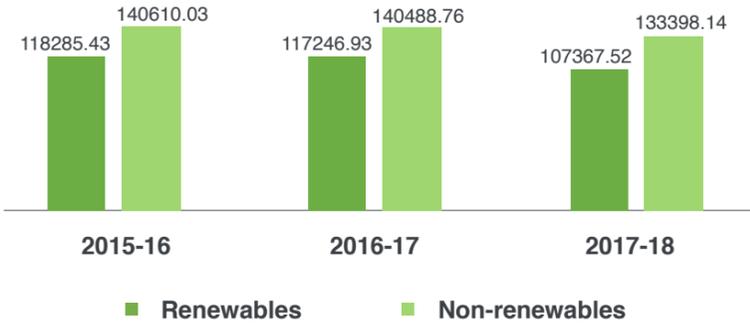
- Increased the utilisation of reusable material in packaging.
- Initiated the utilisation of biodegradable vegetable oils as raw materials to manufacture fatty acids, glycerin, fatty alcohols and surfactants.

In 2017-18, we consumed a total of 240,766 tons material. 48.43 percent of our material consumption comprised of Gaseous Chemicals and Oils & Fats.

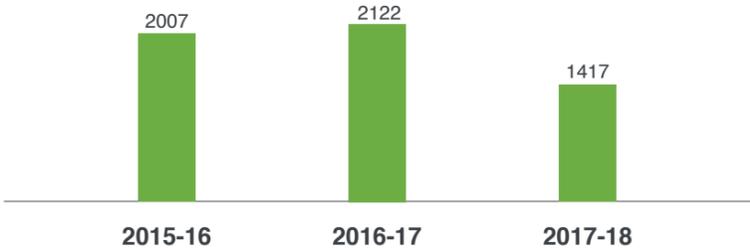
Materials used (in tons) 17-18

Materials used	Usage in tons
Gaseous chemicals	9560
Oils, fats(renewable)	107,055
Inorganic chemical	4380
Organic chemical	116,457
Plastic	1417
Metals	118
Oil and grease	8.41
Papers	312.49
Additive, catalysts and resins	1143

Renewables vs non-renewables materials (tons)



Material reused/recycled (tons)



Water

Water is a primal part of our operations at GIL Chemicals; one of our key material aspects. We primarily use water for domestic purposes and for industrial processes such as manufacturing, cooling, heating, cleaning etc. We are committed to contributing to sustainable use of water within our facilities.

Our water management agenda focuses on efficient and effective usage of water resources at both process level, as well as plant level. The main source of water used in GIL Chemicals is from the municipal water supply & the Tapi river. We continually monitor, review and analyse water consumption across our operations to understand consumption patterns. Monitoring also helps us identify focus points, to further develop our water management framework. We have a designated Water Management Cell at the Corporate and Plant level responsible for monitoring water management. Quarterly meetings are done at the corporate level and monthly/daily meetings at the plant level to discuss the results of such monitoring activities.

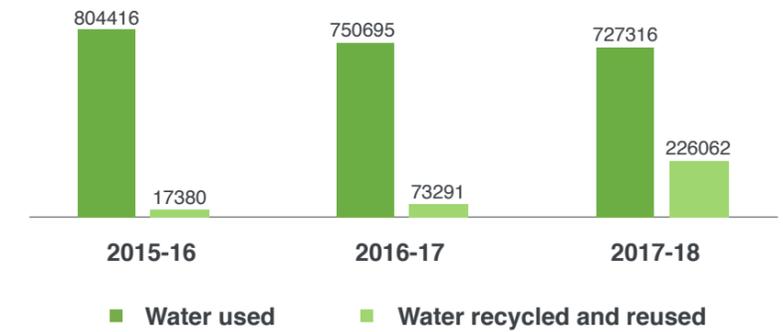
Promoting sustainable water usage, we have installed a rainwater harvesting system to supplement our water requirements. In line with the Greener India Initiative & Godrej Group's Green Goals of being "water positive" by 2020, we continually work towards aligning our business processes to help us meet this goal. In our venture to be water positive, we have developed several alternative methods of manufacturing that would consume less water. We have developed a water conservation policy that entails several components including minimising water consumption in factories, supply chain & product/service lifecycle, water efficient processes, protecting local water bodies to sustain communities, replenishing water resources and giving back to the communities, adhering to all water management laws, mitigating risks and developing long term solutions through partnerships & collaborations and training all our stakeholders on the importance of responsible water management.

In 2017-18, we consumed a total of 727,316 kL of water. Our specific water consumption was found to be 4.20 kL/ton of product, 35 percent lower than the 2011 baseline. Our reused and recycled water consumption this year was more than 30%. We will continue to reduce water consumption by following the principles of Reduce, Reuse and Recycle.

Water withdrawn by source

Source	Total water withdrawn (m ³)
Municipal Water	725,422
Rainwater Harvesting	1,894

Water consumption (kL)



Specific water use (kL / T)



Specific water use Wadala (kL / T)



Success Stories: **Water conservation**

Rainwater Harvesting

Intervention:

To promote sustainable management of water and harness the power of rain, we have initiated rainwater harvesting interventions in various catchment areas - rooftop, ground surface and untreated ground catchments.

Benefits:

- Investment - ₹72 lakhs
- Water generation - 12,844m³ of water harvested per annum.
- Rainwater Harvesting Capacity has been increased by 46 percent compared to 2014.

Condensate Recovery System

Intervention:

To improve water efficient practises, we introduced a condensate recovery system. 16 bar condensate flash steam is reused as a 3 bar steam.

Impact:

- Lower water requirement in the boiler.
- Reduce in requirement of the 3 bar steam for the boiler.



Initiatives like rainwater harvesting has ensured that we utilise over 30% of all our water intake from renewable sources

Biodiversity

Biodiversity protection is an integral part of our business operations. To promote, enhance and restore biodiversity around our operational locations, we have initiated various landscaping activities. We go beyond the regulatory requirements with respect to green belt development. 39 percent of our industrial areas have been developed into green belt zones. In 2017-18, we planted over 4900 saplings at our factories. We have put in various measures to protect floral and faunal species around operational sites.



Inspired by our Group's legacy of preserving the Mumbai mangroves, we ensure that we maintain sufficient green cover around our plants and safeguard the biodiversity of the region



Godrej | INDUSTRIES
CHEMICALS

AWARDS
2017

OUR
PEOPLE

We Are The Nominees

Godrej | INDUSTRIES
CHEMICALS
AWARDS
2017

At GIL Chemicals, we understand the important role that our team members play in helping us reach our goals and targets. We work relentlessly in creating and sustaining a diverse work culture by championing a strategic people management framework, creating a safe and healthy environment for our team and developing a strong and ethical work platform.

Employee Diversity

Employment is a key material aspect to our business operations; our robust employment framework helps us in creating and nurturing, inspiring workplace with expertise from various fields. We continually attract, develop and retain the best talent in the industry. We strive to uphold the Godrej Group's 120 year legacy by developing a company built on a foundation of trust, integrity and respect for others.

Our employment agenda provides ambitious, unparalleled growth plans and career opportunities for our talent. Through career opportunities, benefits & rewards and our training & development programs, we develop a workforce comprising of passionate and rounded individuals. We encourage our team members to perform to their full potential by creating an enabling workspace for them.

Our core philosophy



Your canvas

Developing an empowering work culture letting our talent grow as we grow.



Tough love

We encourage our team members to challenge themselves, recognising high potential employees.



Whole self

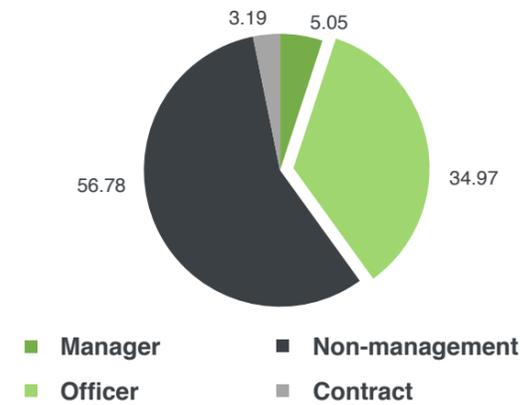
We support our team members in developing their whole self, thus creating passionate and rounded individuals with diverse interests.



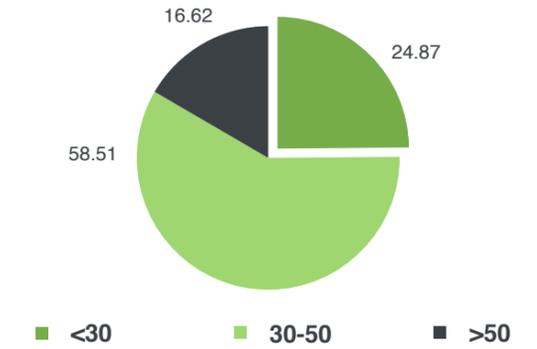
752

Permanent employees

Workforce by cadre (%)



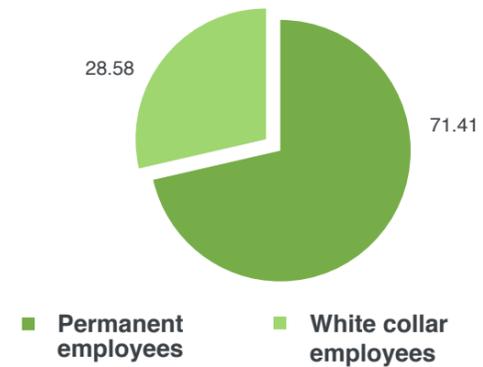
Workforce by age (%)



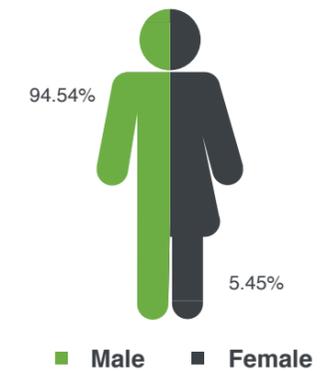
301

White Collar Employees

Employee breakdown (%)



Workforce by gender (%)

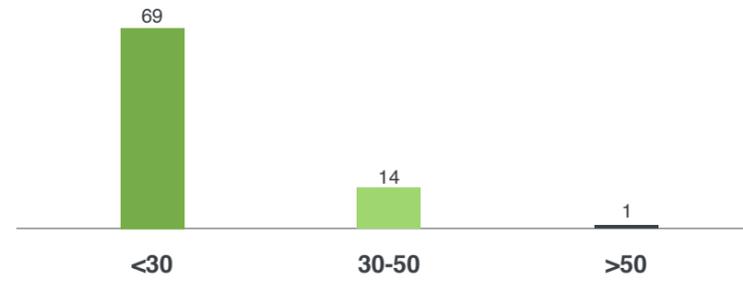




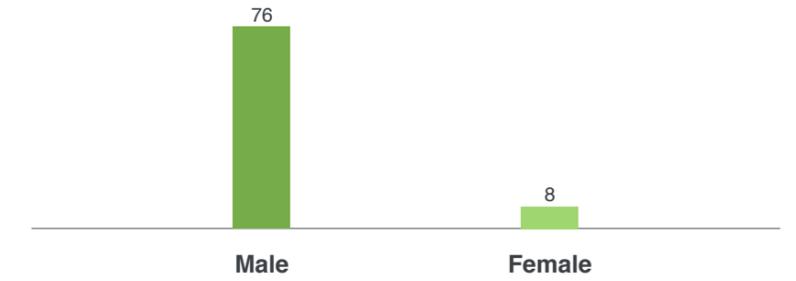
11.17%

Rate of hire

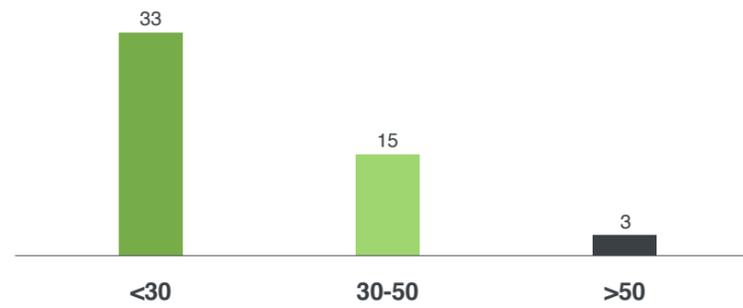
Hires by age (No.s)



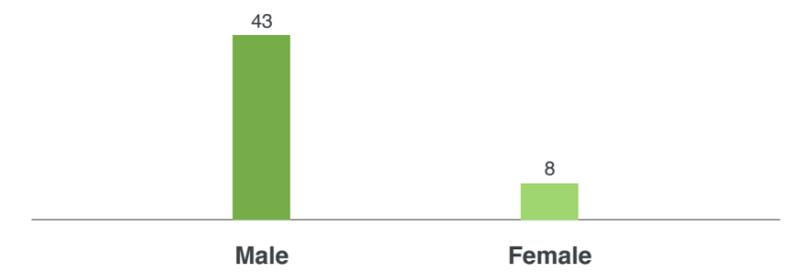
Hires by gender (No.s)



Turnover by age (No.s)



Turnover by gender (No.s)



6.78%

Rate of Turnover

Rewarding our human capital

At GIL, we understand the important role employee benefits play in helping us reach our organisational goals. We foster a culture of excellence within the organisation by offering an excellent benefits package to our team members. With a firm belief in recognising individual capabilities, our rewards program includes aspects such as competitive pay packages, benefit programs as well as perks. Our benefits agenda is a major part of our people management strategy, advantageous to both our business growth, as well as the growth of our team members. The agenda helps us in increasing employee retention and reducing turnover rates, also improving the quality of work provided by our team. Our benefits package comprises of the following components

Medical Benefit Scheme:

The scheme covers all Godrejites and their dependents in case of any medical emergencies.

Group Term Insurance:

The scheme covers all our managers and officers.

Maternity Scheme:

To provide full support to our women team members, we offer maternity benefits (6 month leave) comprising our multiple “return to work” options including provision of flexible work timings, work from home options and part time options for 6 months post the leave.

Paternity Scheme:

Our parental leave covers paternity leave; we provide leave for seven working days for male team members, that can be availed in two instalments up to 2 months after the birth of the child.

Employee Stock Option Scheme:

In 2009, we initiated ESOP, that led to the allotment of 90,00,000 options convertible into 90,00,000 shares, each worth ₹1 to all eligible employees of the participating companies.

Employee Housing:

Housing facilities are provided to approximately 100 team members.

Other benefits include:

- Subsidised meals in the canteen for all Godrejites, against Sodexo coupons
- Sales Shop and discount on all Godrej & Boyce products in the campus
- Travel Help for reservations, ticketing and visa support through partner agencies
- Shuttle service catering to all team members - regular, temporary, apprentices and contract employees. 60 percent of regular employees use these shuttle services.
- Vodafone corporate mobile connection for employees and their families
- Discounts at Godrej & Boyce shops across the country
- Others (Sodexo meal card)

Diversity & Inclusion

At GIL, we are cognisant of the importance of developing a diverse and inclusive workforce. Diversity is one of the core components of our people philosophy. We have institutionalised diversity and inclusion into our employment processes- meritocracy, fairness and ethics being the pillars of our people management strategy. We believe that workplace diversity is a vital component in building an enabling and empowering workplace. In our commitment to building a diverse and inclusive platform, we have strategised employee centric policies to maximise business gains. Trust and Equality are an integral component of our people management philosophy. Keeping this in mind, we do not discriminate our current or prospective employees on the basis of nationality, race, caste, gender, gender identity/expression, physical ability, religion, colour, sexual orientation, disability, age or marital status . In our agenda to foster an inspiring workplace, we provide equal opportunities to all team members. We continually put in place several initiatives to further strengthen our diversity and inclusion framework.

Godrej Careers 2.0:

We are committed to creating an empowering, nurturing and inspiring workplace for our women team members. Through this program, we offer aspirational and challenging projects across various sectors and functions. The major add on to this program is the flexibility provision, thus enabling women team members to balance their career and personal needs.

Godrej Women's Leadership Network:

We enable our women employees to network, learn, grow and reach their full potential through the Godrej Women's Leadership Network Platform. Through this network, women employees can address professional as well as personal concerns simultaneously. The program offers a plethora of mentoring, leadership development and regular networking opportunities.

Godrej Alliance for Parents [GAP]:

GAP is an alliance forming a resource group for working parents. Through regular sessions and workshops, our team members get together with their spouses to share experiences on parenting.

Embracing inclusion:

As a group, Godrej champions diversity and inclusion as part of its core values and is among the few companies in India to introduce Lesbian, Gay, Bisexual, Transgender, Queer and Intersex (LGBTQI) favourable policies at the workplace. The Standards of Conduct builds on the United Nations Guiding Principles on Business and Human Rights, adopted by the United Nations Human Rights Council in 2011.

They are the product of a year-long process of consultations facilitated by the United Nations Human Rights Office and the Institute for Human Rights and Business, including regional meetings with leading business representatives in Asia, Africa, Europe and the Americas. Godrej was one of the companies consulted to research these guidelines in India, and has supported the framework since its inception. In October 2017, Godrej also hosted a pre-event discussion with 20 attending Diversity & Inclusion leaders to share best practices and what they can do to build more inclusive cultures.

The five standards highlighted in the Corporate Standards of Conduct on Tackling Discrimination Against LGBTQI people are:

- RESPECT the human rights of their LGBTQI workers, customers and members of the public
- ELIMINATE workplace discrimination against LGBTQI employees
- SUPPORT LGBTQI employees at work
- PREVENT discrimination and related abuses against LGBTQI customers, suppliers and distributors – and insist that suppliers do the same
- STAND UP for the human rights of LGBTQI people in the communities where companies do business

Caregiver's travel policy:

The Caregiver Travel Policy is designed to support the transition of new mothers back to work. This policy allows mothers to bring along a caregiver and the child (or children), up to the age of one year for necessary work related travel. The intent of this policy is to support mothers who might still be breastfeeding to not miss out on necessary official travel.

Workforce training and development

We are conscious of the importance of training and development in improving skillsets of our team members. Efficient training helps employees grow, eliminates inefficiency and increases productivity. Our approach to training and development focuses on combined growth, catering to organisational requirements as well as individual developmental needs of our team. Our comprehensive training and development programs are charted based on industry requirements and role based requirements.

Working on a business philosophy entailing the 70-20-10 principle, we believe that:

- 70 percent learning happens on the job
- 20 percent learning happens through acquired feedback, coaching & mentoring,
- 10 percent learning, happens through training, executive programs and online learning programs.

Learning and Development programs are overlooked by supervisors who play a pivotal role in laying out the training calendar and facilitating the training programs. Our training agenda includes capability building, competency building and skill building trainings. Through structured career discussions and individual development plans, we have developed a robust training framework, catering to end to end training requirements. The training programs we conducted this year:

Training at Valia:

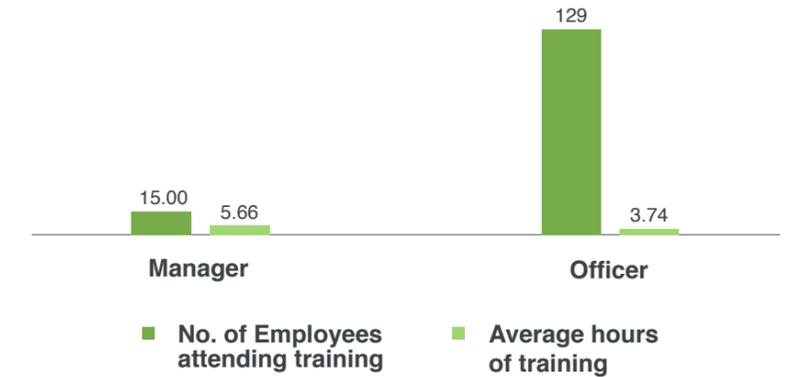
- ISO 27001 (Information Security) Awareness
- Training on Waste Water Treatment
- Training on Environment Issues
- Safety Induction
- Fire Safety Training
- Workshop on HAZOP
- EHS and Safety induction
- 5-S in Godown
- Energy Saving Awareness
- Process
- Green Co Awareness
- Industrial Water Management

- Payroll and Tax Management
- Stress Management
- OHSAS ISO 18001
- Ethics Management

Training at Ambernath:

- 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)

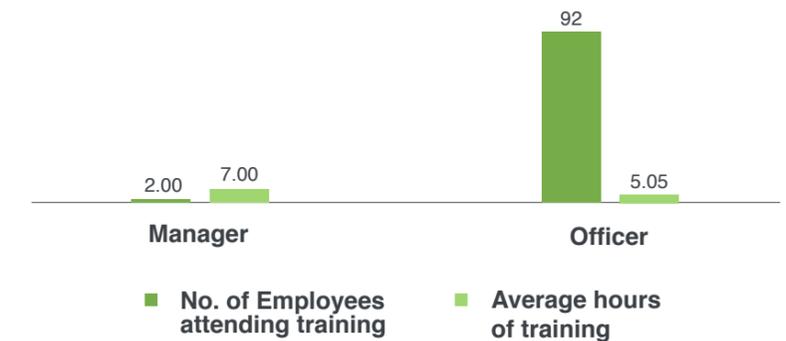
Training at Valia



Average Hours of Training by Gender



Training at Ambernath



Employee engagement & performance review

Committed to championing business growth as well as growth of our team members, we have developed a workplace embracing two way communication channels to increase transparency and fair communication. At GIL Chemicals, employee engagement is conducted continually through the use of various channels, both online and offline. Valuing the needs and sentiments of our employees, we have developed a framework based on “Bedhadak Bolo”, encouraging the spirit of expression and innovation among our team members. Our communication platforms with employees include various mediums- open houses with senior leaders, town halls, employee engagement surveys, skip level meetings by senior leadership, HR connect sessions and many more. In case of major operational changes, we provide a minimum notice period of 5 days to our employees. Our employee engagement measures have helped us encourage and retain our talent, decreasing turnover to a great extent. Engagement activities also motivate employees to better their performance.

At GIL Chemicals, we continue to foster, develop and nurture a high performance culture by recognising, compensating, and rewarding individuals for their performance and contributions through performance and career development reviews. We have developed a system enabling us to monitor performance of individuals, to determine development areas and training requirements. 100 percent of Godrejites undergo regular performance reviews.



'Aap Ki Adalat' session is a platform from our senior leadership to connect with the employees

Ethics & human rights

Ethics and Human Rights care are centric to our belief system. We recognise our responsibility in respecting human rights and treating people with dignity and respect. We protect the rights of our team members by putting in place policies, procedures and control mechanisms across our operations, developing efficient and effective ethics management frameworks. As an organisation, we are strongly against child labour, forced labour and compulsory labour of any kind; we have developed a stringent set of policies and frameworks to enable the identification and elimination of any such possible threats, thus empowering us to build an ethical business.

Human Rights Policy:

We accord ethics and human rights as a high priority. Keeping this in mind, we have put in place interventions to prevent child labour through thorough screening and scrutiny during hiring processes. We have trained our security personnel to observe all individuals working within our facilities- both employees and contract workers, to identify cases of child labour. Any identified cases are immediately reported. All our employment contracts for workers and employees are based on voluntary agreements.

Building a resilient business and strengthening ethical business practises, we ensure that our contracts with business partners, vendors and other stakeholders have human rights clauses. We regularly communicate on our ethics and human rights policies to our stakeholders through various communication channels. All our team members are trained on the aspects of human rights.

We respect all Godrejites' right to "Freedom of Association". In FY 2017-18, there were no areas where the right to freedom of association was at risk. Our Employee code of conduct guides team members in exhibiting ethical and acceptable behaviour as required by GIL Chemicals.

For any other information on our human rights policy, please view our [HR policy](#).

In 2017-18, there have been no complaints on child labour, forced labour, compulsory labour, sexual harassment or unethical behaviour of any types.

Our policies strategised to protect human rights and build ethical systems include:

Policy on Sexual Harassment:

In our venture to create a workplace where employees can work without the fear of sexual harassment, we have developed a gender neutral policy centred on prevention of sexual harassment. The policy titled as "Vishaka Guidelines" includes the provisions of "Policy on Sexual Harassment of Women at the Workplace Act, 2013". All our employees go through compulsory training on prevention of sexual harassment. We have a dedicated Complaints Committee to monitor and address grievances of sexual nature.

Whistleblower Policy:

Our whistle-blower policy provides a transparent, two way platform for employees to communicate their concerns or grievances regarding unacceptable, improper or unethical practises within GIL. Through this policy, employees are given the freedom to communicate their concerns without informing their immediate supervisors. Our Whistleblowing officer is responsible for monitoring, receiving and recording complaints that are part of this policy,

Parental leave:

At GIL, we value the needs of our employees and understand the importance of provision of parental leave to all individuals. In the reporting period, a total of 270 male and 31 female of our team were entitled to parental leave.

Parental leave

Description	Male	Female
No. of employees who took PL	1	1
No. of employees who returned to work after PL ended	1	1
No. of employees who returned to work after PL ended, still employed 12 months after return	1	1
No. of employees who took PL	100%	100%

*As per GRI, employees entitled to parental leave are those employees that are covered by organisational policies, agreements or contracts that contain parental leave entitlements.

Occupational health & safety

Being in the chemicals sector, Occupational Health and Safety is one of the cornerstones to our business philosophy. Safety is of paramount importance to us, hence, we have put in interventions to ensure provision of a safe and healthy working environment to all stakeholders within our premises. Our resilient safety framework eliminates incidences pertaining to safety within the workplace. The framework involves continuous monitoring, analysis, recording and review of the safety conditions in our operational areas.

Our Central Safety Committee and Plant level safety committees are responsible for monitoring and managing safety aspects. Safety statistics are recorded and reported on our e-platform. We conduct root cause assessments in case of safety related events to understand the reason behind incidents to eliminate their reoccurrence. For all plant related activities, we have developed a HIRA register to track expected hazards and analyse risks. As per the identified risks, control measures are put in place. We have conducted a detailed safety assessment that showcases that none of our workers have a high incidence of occupational risk or disease. In FY 2017-18, there were no incidences of work related fatalities in our business operations.

To further strengthen our occupational health and safety framework and to sensitise employees on various aspects of health and safety, we conduct regular health and safety training programs. The training programs include aspects such as use of PTW system, accident reporting system, use of PPE, housekeeping, safety of hot work, work at height, confined space, first aid training etc. All our team members are covered under our occupational health and safety system.

In FY 2017-18, a total of 2341 hours of safety training was provided to our team members. 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 percent of our permanent employees and 0.5 percent of our contract employees. Our Safety Committee at our Ambernath committee had a representations of 3.1 percent of our permanent employees and 0.4 percent of our contract employees.

Worker participation, consultation, and communication on occupational health and safety:

- Quarterly safety committee meetings with workers.
- Monthly plant wise safety meetings conducted by plant HOD for all workers.
- Daily tool box talk for contractors by respective supervisors on various safety topics.
- Daily celebration of events such as safety week, fire day and road safety day , gathering a large scale participation of workers.
- Regular safety related trainings to employees and workers as per the training schedule covering various safety topics.

Safety performance at Valia

Safety Statistics (No.s)	
Near misses	110
First aid cases	8
Number of Employees Trained	1273
Training Hours	2341

Improvement of Occupational Health

At GIL Chemicals, we are conscious that poor indoor air quality can be hazardous to worker and employee health and safety. To promote fresh air ventilation, we have put in place interventions to improve natural conditioning. With a 48.8 percent opening area to carpet area ratio, we continually work to ensure adequate ventilation in our operational sites. In case of closed spaces, we have split AC options, opening it on periodic intervals for fresh air circulation. To further promote ventilation, we have introduced indoor plants in the board room and control rooms wherever possible.

Understanding the implications of VOC's from paints on the long term health of our employees, we use low VOC paints (<100g/litre) within our operational facilities. We have shifted to green housekeeping materials and chemicals to ensure minimal harm to our worker health and the environment.



A fire safety training session at our Valia plant



SOCIAL

Being a responsible corporate citizen, at GIL Chemicals, our core values have an embedded responsibility to the communities around our operational sites. With a firm belief in an inclusive society, we are committed to empowering communities through our community development activities.

Empowering Communities

As a part of the Godrej Group, we at GIL Chemicals are cognisant of the importance of CSR activities in improving the livelihoods of our communities. Giving back to the communities is a crucial part of our business development strategy.

Since 2015, we have continually aligned our community development programs with the United Nations Sustainable Development Goals. We do so by conducting a thorough scoping and needs assessment in priority plant locations. Once community needs are identified and prioritised, we form effective implementation frameworks to initiate the CSR activities. All our CSR interventions include activities pertaining to Education, Water, Sanitation and Skill Building Initiatives. At GIL Chemicals, we continue to uphold Godrej Group's "Good and Green" mission, a mission catering to creating more employable Indian workforce and a greener India through innovation of good and green products by 2020. Our focus areas are further elaborated on below.

Health and sanitation

Cognisant of the importance of Healthy and Sanitary conditions, we have developed community development interventions focused on the same in Kanerao, Valia. We support local communities by bettering Health and Sanitation conditions. Interventions include provision of medical facilities (blood donation drives, eye checkups, health camps), provision of clean drinking water and provision of toilets.

Education

Conscious of the importance of education, we have deployed a number of interventions focused on developing education institutes to increase retention levels in schools. We have attempted to convert a school in Kanerao to a model school; supplying essential sports requirements such as cricket bats, footballs and carom boards. Interventions also focus on improving school infrastructure requirements, working closely with schools to ensure the presence of all necessary equipment. We provide students with the necessary school supplies.

Environment and Infrastructure

Infrastructure Development and Environmental Protection is centric to our business. To improve livelihoods of communities, we focus heavily on infrastructure development. We regularly contribute to infrastructure development in and around Valia. Interventions include development and renovation of schools, construction of wells, development of buildings etc. To improve green cover around our operational sites, we donate saplings and conduct green cover drives.



Success Stories - Community Development at Valia

Sanitation Project at Kanerav

Objective:

To better the health and sanitation conditions of the community in Kanerav.

Baseline condition:

Through thorough scoping exercises and needs assessments at Kanerav village, we identified the need for improved sanitation conditions i.e., the need for individual household toilets for the marginalised community of the village.

Outreach:

The sanitation initiative reached out to over 100 beneficiaries including adults, children and elderly people of the Kanerav community. The initiative also helped in empowering women, ensuring the dignity of women members of the household.

Both GIL as well as the community contributed to the development of this project; with a community contribution of ₹52,500 and GIL's contribution of ₹5,00,000.



Success Stories - Community development at Valia

Organisation of Eye Camps at Valia

Outreach:
As a part of healthcare initiatives for our contract laborers, we have initiated eye camps at our Occupational Health Centers. The eye camps covered over 300 workers and their family members, with over 80 individuals getting prescription eye glasses.

Supporting and enhancing healthcare among communities, we organised an eye camp at a Primary School at Valia for school children and teachers. Over 70 children attended the eye camp, with over 20 children getting prescription glasses.



Employee Volunteering

With a firm belief in “being a part of the change”, we continually encourage our team members to be a part of our CSR interventions. Our employees volunteer their time towards our CSR causes, both directly (volunteering and participating in activities) and indirectly (through donations). Employee volunteering helps us in our mission to fulfil the requirements of our Good and Green programs, making employees a part of our CSR values. Our Employee volunteering activities include the following

Brighter giving:

We have developed a specific volunteering platform entitled “Brighter Giving” that enables our team members to do their bit for the society through volunteering. Brighter Giving allows employees to address the needs of the community through specific volunteering activities. Greater than 200 Godrejites have been an active part of this CSR initiative.

Godrej Global Volunteering Day:

Further promoting employee volunteering, on an annual basis, we conduct Godrej Global Volunteering day. In 2017-18, over 120 employees volunteered at various local government schools in Mumbai, Valia and Ambarnath to interact with students and improve their learning experience. The programs conducted in the schools included career counselling and story telling activities. Our team members participate regularly in marathons, campaigns and other events to raise awareness and funds pertaining to various matters.

Workplace Giving:

For the betterment of the society and the communities around our operational sites, our team members raise funds through our “Workplace Giving Program”. To date, we have raised ₹450,000 lakhs through this program for various causes such as Teach for India, World Wildlife Fund for India and Save the Children campaign. Our contributions have helped such non-profits grow and reach their community development goals.

World Environment Day:

Every year, we celebrate “World Environment Day” to raise awareness on and promote environmental protection among employees and other stakeholders. Our employees celebrate the occasion by participating in various activities pertaining to the environment. We mark the occasion

by planting saplings around our manufacturing plants. We also conduct awareness sessions to develop an environmentally conscious culture at the workplace. Creating awareness on water conservation is an important part of our “World Environment Day” Celebrations. We have also created specific training programs focused on water conservation- water savings, monsoon preparedness, waste water treatment, reduction of water consumption and control of raw water consumption.

Energy Conservation Week:

As a venture to promote energy management and energy conservation concepts at the workplace, we celebrate “Energy Conservation Week” on a yearly basis. During this week, we sensitise our team members on the importance of sustainable lifestyles, energy efficient practises and conservation practises. Training sessions are conducted to raise awareness on these concepts. During these week, various events are organised - quizzes, poster making, slogan making, innovative idea generation and many more. Employees are involved in identifying areas of high energy wastage and feasible interventions are discussed through two way platforms.



Awards and Recognition

Godrej Valia plant rated “GreenCo Gold” under the Green Company Rating System by CII - Sohrabj Godrej Green Business Center.

The green company rating system assesses and analyses the environmental impact of a company’s activities or operations. It advocates a performance based approach where points are assigned for each parameter after site assessment.

Godrej Valia plant for the fourth year in a row, was awarded the “Energy Efficient Unit” award at CII’s National Awards, 2018.

Since 2011 the plant has reduced specific energy consumption by 27 percent. Additionally, the plant has increased its renewable energy portfolio and now over 45 percent of its energy needs are met by renewable energy sources.

Godrej Industries Valia plant was awarded the “Excellent Energy Efficient Unit” for the third year in a row in the General Sector at the Confederation of Indian Industries at CII’s National awards for Excellence in Energy Management, 2017.

The award is evaluated based on the trend of reduction in specific energy consumption, comparative position with the global best practice standards, innovation in identifying and implementing energy saving projects and the savings achieved. The Valia plant has implemented technologies that are not only energy efficient but also more reliable such as heat pipes, heat recovery projects, air pre heaters and LED lighting among others.



Valia plant awarded ICC Award for Excellence in Energy Conservation and Management



Valia plant awarded Energy Efficient Unit Award at Energy Efficiency Summit by Confederation of Indian Industry National Awards 2018

GRI Index

Disclosure	Description	Page numbers	Status	Comments
102. GENERAL DISCLOSURE				
Organisational Profile				
102-1	Name of the organization	6	Reported	
102-2	Activities, brands, products, and services	8	Reported	
102-3	Location of headquarters	6	Reported	
102-4	Location of operations	7	Reported	
102-5	Ownership and legal form	7	Reported	
102-6	Markets served	7	Reported	
102-7	Scale of the organization	52	Reported	
102-8	Information on employees and other workers	52	Reported	
102-9	Supply chain	24	Reported	
102-10	Significant changes to the organization and its supply chain	24	Reported	None
102-11	Precautionary Principle or approach		Reported	None
102-12	External initiatives	21	Reported	
102-13	Membership of associations	21	Reported	
Strategy				
102-14	Statement from senior decision-maker	3	Reported	
Ethics and integrity				
102-15	Key impacts, risks, and opportunities	19	Reported	
102-16	Values, principles, standards, and norms of behavior	17	Reported	
Governance				
102-17	Mechanisms for advice and concerns about ethics	17	Reported	
102-18	Governance structure	15	Reported	
Stakeholder Engagement				
102-40	List of stakeholder groups	12	Reported	
102-41	Collective bargaining agreements		Reported	None
102-42	Identifying and selecting stakeholders	11	Reported	
102-43	Approach to stakeholder engagement	11	Reported	
102-44	Key topics and concerns raised	12	Reported	

Disclosure	Description	Page numbers	Status	Comments
Reporting Practices				
102-45	Entities included in the consolidated financial statements	9	Reported	
102-46	Defining report content and topic Boundaries	9	Reported	
102-47	List of material topics	10	Reported	
102-48	Restatements of information		Reported	None
102-49	Changes in reporting	9	Reported	No major changes
102-50	Reporting period	9	Reported	2017 - 2018
102-51	Date of most recent report	9	Reported	2016 - 2017
102-52	Reporting cycle	9	Reported	Annual
102-53	Contact point for questions regarding the report	9	Reported	atul.prakash@godrejinds.com
102-54	Claims of reporting in accordance with the GRI Standards	9	Reported	
102-55	GRI content index	67	Reported	
102-56	External assurance			
103. MANAGEMENT APPROACH				
103-1	Explanation of the material topic and its Boundary		Reported	Reported with each topic
103-2	The management approach and its components		Reported	Reported with each topic
103-3	Evaluation of the management approach		Reported	Reported with each topic
201. ECONOMIC PERFORMANCE				
2. Topic-specific Disclosure				
201-1	Direct economic value generated and distributed	23	Reported	
201-2	Financial implications and other risks and opportunities due to climate change	20	Reported	
201-3	Defined benefit plan obligations and other retirement plans	54	Reported	
201-4	Financial assistance received from government		Reported	None
202. MARKET PRESENCE				
2. Topic-specific Disclosure				
202-1	Ratios of standard entry level wage by gender compared to local minimum wage		Reported	According to local standards
202-2	Proportion of senior management hired from the local community		Reported	100%

Disclosure	Description	Page numbers	Status	Comments
203. INDIRECT ECONOMIC IMPACTS				
2. Topic-specific Disclosure				
203-1	Infrastructure investments and services supported	62-64	Reported	
203-2	Significant indirect economic impacts		Reported	None
204. PROCUREMENT PRACTICES				
2. Topic-specific Disclosure				
204-1	Proportion of spending on local suppliers	27-28	Reported	
205. ANTI-CORRUPTION PRACTICES				
2. Topic-specific Disclosure				
205-1	Operations assessed for risks related to corruption	18	Reported	100%
205-2	Communication and training about anti-corruption policies and procedures	18	Reported	
205-3	Confirmed incidents of corruption and actions taken	18	Reported	None
206. ANTI-COMPETITIVE BEHAVIOUR				
2. Topic-specific Disclosure				
Disclosure 206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	18	Reported	None
301. MATERIALS				
2. Topic-specific Disclosure				
Disclosure 301-1	Materials used by weight or volume	45	Reported	
Disclosure 301-2	Recycled input materials used	45	Reported	
Disclosure 301-3	Reclaimed products and their packaging materials		Reported	None
302. ENERGY				
2. Topic-specific Disclosure				
Disclosure 302-1	Energy consumption within the organization	36-37	Reported	
Disclosure 302-2	Energy consumption outside of the organization		Not - Reported	
Disclosure 302-3	Energy intensity	36-37	Reported	
Disclosure 302-4	Reduction of energy consumption	38-40	Reported	

Disclosure	Description	Page numbers	Status	Comments
303. WATER				
2. Topic-specific Disclosure				
Disclosure 303-1	Water withdrawal by source	47-48	Reported	
Disclosure 303-2	Water sources significantly affected by withdrawal of water	47-48	Reported	None
Disclosure 303-3	Water recycled and reused	47-48	Reported	None
304. BIODIVERSITY				
2. Topic-specific Disclosure				
Disclosure 304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas		Reported	None
Disclosure 304-2	Significant impacts of activities, products, and services on biodiversity		Reported	None
Disclosure 304-3	Habitats protected or restored	49	Reported	
Disclosure 304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations		Reported	None
305. EMISSIONS				
2. Topic-specific Disclosure				
Disclosure 305-1	Direct (Scope 1) GHG emissions	40-41	Reported	
Disclosure 305-2	Energy indirect (Scope 2) GHG emissions	40-41	Reported	
Disclosure 305-3	Other indirect (Scope 3) GHG emissions	40-41	Reported	
Disclosure 305-5	Reduction of GHG emissions	40-41	Reported	
Disclosure 305-6	Emissions of ozone-depleting substances (ODS)		Reported	None
Disclosure 305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions		Not - Reported	
306. EFFLUENTS AND WASTE				
2. Topic-specific Disclosure				
Disclosure 306-1	Water discharge by quality and destination	42-44	Reported	
Disclosure 306-2	Waste by type and disposal method	42-44	Reported	
Disclosure 306-3	Significant spills		Reported	None

Disclosure	Description	Page numbers	Status	Comments
Disclosure 306-4	Transport of hazardous waste	42-44	Reported	
Disclosure 306-5	Water bodies affected by water discharges and/or runoff	42-44	Reported	None
307. ENVIRONMENTAL COMPLIANCE				
2. Topic-specific Disclosure				
Disclosure 307-1	Non-compliance with environmental laws and regulations		Reported	None
308. SUPPLIER ENVIRONMENTAL ASSESSMENT				
2. Topic-specific Disclosure				
Disclosure 308-1	New suppliers that were screened using environmental criteria	24-28	Reported	
Disclosure 308-2	Negative environmental impacts in the supply chain and actions taken		Reported	None
401. EMPLOYMENT				
2. Topic-specific Disclosure				
Disclosure 401-1	New employee hires and employee turnover	51-53	Reported	
Disclosure 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	54	Reported	
Disclosure 401-3	Parental leave	58	Reported	
402. LABOUR/MANAGEMENT RELATIONS				
2. Topic-specific Disclosure				
Disclosure 402-1	Minimum notice periods regarding operational changes		Reported	Intimation provided to all employees prior to changes
403. OCCUPATIONAL HEALTH AND SAFETY				
2. Topic-specific Disclosure				
Disclosure 403-1	Workers representation in formal joint management-worker health and safety committees	59-60	Reported	
Disclosure 403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	59-60	Reported	
Disclosure 403-3	Workers with high incidence or high risk of diseases related to their occupation	59-60	Reported	None
Disclosure 403-4	Health and safety topics covered in formal agreements with trade unions	59-60	Reported	

Disclosure	Description	Page numbers	Status	Comments
404. TRAINING AND EDUCATION				
2. Topic-specific Disclosure				
Disclosure 404-1	Average hours of training per year per employee	56-57	Reported	
Disclosure 404-2	Programs for upgrading employee skills and transition assistance programs	56-57	Reported	
Disclosure 404-3	Percentage of employees receiving regular performance and career development reviews	56-57	Reported	
405. DIVERSITY AND EQUAL OPPORTUNITY				
2. Topic-specific Disclosure				
Disclosure 405-1	Diversity of governance bodies and employees	51-55	Reported	
Disclosure 405-2	Ratio of basic salary and remuneration of women to men		Reported	Equal pay to men and women
406. NON-DISCRIMINATION				
2. Topic-specific Disclosure				
Disclosure 406-1	Incidents of discrimination and corrective actions taken		Reported	None
407. FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING				
2. Topic-specific Disclosure				
Disclosure 407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk		Reported	None
408. CHILD LABOUR				
2. Topic-specific Disclosure				
Disclosure 408-1	Operations and suppliers at significant risk for incidents of child labor		Reported	None
409. FORCED OR COMPULSORY LABOUR				
2. Topic-specific Disclosure				
Disclosure 409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor		Reported	None

Disclosure	Description	Page numbers	Status	Comments
410. SECURITY PRACTICES				
2. Topic-specific Disclosure				
Disclosure 410-1	Security personnel trained in human rights policies or procedures		Reported	Human rights training is a part of our training program for all security personnel
411. RIGHTS OF INDIGENOUS PEOPLES				
2. Topic-specific Disclosure				
Disclosure 411-1	Incidents of violations involving rights of indigenous peoples		Reported	None
412. HUMAN RIGHTS ASSESSMENT				
2. Topic-specific Disclosure				
Disclosure 412-1	Operations that have been subject to human rights reviews or impact assessments	58	Reported	All our employees are covered under human rights
Disclosure 412-2	Employee training on human rights policies or procedures		Reported	100% employees trained
Disclosure 412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening		Reported	All our agreements cover human rights
413. LOCAL COMMUNITIES				
2. Topic-specific Disclosure				
Disclosure 413-1	Operations with local community engagement, impact assessments, and development programs	62-65	Reported	
Disclosure 413-2	Operations with significant actual and potential negative impacts on local communities		Reported	None
414. SUPPLIER SOCIAL ASSESSMENT				
2. Topic-specific Disclosure				
Disclosure 414-1	New suppliers that were screened using social criteria	24-28	Reported	
Disclosure 414-2	Negative social impacts in the supply chain and actions taken		Reported	None
415. PUBLIC POLICY				
2. Topic-specific Disclosure				
Disclosure 415-1	Political contributions		Reported	None

Disclosure	Description	Page numbers	Status	Comments
416. CUSTOMER HEALTH AND SAFETY				
2. Topic-specific Disclosure				
Disclosure 416-1	Assessment of the health and safety impacts of product and service categories	29-31	Reported	All our products are safe to use
Disclosure 416-2	Incidents of non-compliance concerning the health and safety impacts of products and services		Reported	None
417. MARKETING AND LABELING				
2. Topic-specific Disclosure				
Disclosure 417-1	Requirements for product and service information and labeling	29-31	Reported	
Disclosure 417-2	Incidents of non-compliance concerning product and service information and labeling		Reported	None
Disclosure 417-3	Incidents of non-compliance concerning marketing communications		Reported	None
418. CUSTOMER PRIVACY				
2. Topic-specific Disclosure				
Disclosure 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data		Reported	None
419. SOCIOECONOMIC COMPLIANCE				
2. Topic-specific Disclosure				
Disclosure 419-1	Non-compliance with laws and regulations in the social and economic area		Reported	None



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