

SUSTAINABILITY REPORT FY 2018-19



Our commitment towards a more inclusive and greener world



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MESSAGE FROM OUR MANAGING DIRECTOR

Dear readers,

At Godrej Industries (Chemicals), sustainability has been a lever of growth for a long time. Our range of innovative products offer solutions that enhance utility of the end applications, while our processes ensure efficient use of resources and reduce impact on the environment. This goes beyond our products and production processes, as we drive for sustainability throughout our value chain. For us, sustainability is about finding more efficient and innovative ways of running our business.

We take an integrated approach to positively impact our triple bottom line. We invest significantly in our processes, research and development, and people to enhance our capabilities. And we are also investing in energy efficiency, waste and water management, sustainable materials and supply chain to reduce our operational and environmental footprint.

Increasingly our customers are influenced by our environmental stewardship, as our success helps them achieve their supply chain sustainability goals. Our team members, investors, and communities where we operate, also look up to us to take a lead in minimizing our environmental impact. We work closely with our key stakeholders not only to respond to changing market requirements, but also to address global development issues.

We are a part of the global EP100 initiative to double our energy productivity by 2030. We are on track with our progress, as we have been able to reduce our specific energy consumption by 27% since FY11. At the same time, we source over 45% of the energy we consume from renewable sources. Our initiatives are aligned to the United Nations Sustainable Development Goals, details of which are mapped in the report.

I am pleased to report that in the fiscal year 2018-19, we have continued our strong performance and delivered a healthy year. Our focus on delivering customer value, operational excellence and sustainability will help us further accelerate our performance. I am proud of the agility that our team continues

to show as we adapt to macroeconomic trends. I extend my deepest appreciation to the government, our customers, suppliers, business partners and our communities.

Finally, I would like to thank you for your continued support and belief in our company. I look forward to your valuable support that will help us deliver sustainable value to all our stakeholders.

Nadir Godrej
Managing Director,
Godrej Industries Limited

MESSAGE FROM OUR EXECUTIVE DIRECTOR & PRESIDENT



Dear readers,

The fiscal year 2018-19 has been a healthy year for our Chemicals business despite macro-economic challenges. I am happy to share with you that we have performed very well and have delivered a strong fiscal with operating profits increasing by 47% over the previous year. Our performance is in line with our philosophy of growing in a profitable and sustainable manner.

Our Fatty Acids portfolio, comprising stearic acid, oleic acid, as well as value-added Fatty Acids, accounted for 41% of our product portfolio. Fatty Alcohol contributed 28% to our Product portfolio and a good portion of these revenues coming from exports. Surfactants contributed 22% to the overall product portfolio and Glycerin accounted for 9% of the overall Product Portfolio..

Our performance for the fiscal year 2018-19 is a result of our continued focus on improving efficiencies especially in energy conservation, being conscious of our capital spends, and being efficient in utilization of capital and good management of working capital. We are developing our portfolio of value-added products, while expanding our existing product categories. Going forward, we will continue to keep up this momentum and hope to exceed shareholder expectations and targets. New value-added products help us in de-risking our business and improving profitability, while growing in a sustainable manner.

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 pleased to share that our manufacturing plants operate on a 'zero-discharge' basis for effluents by use of RO plants.

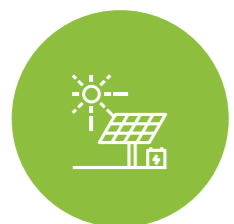
In line with our goals, we continue to invest in energy efficient technology and expand our renewable energy portfolio. Since FY11, we have reduced our specific energy consumption by 27 per cent through initiatives such as installing heat pipes, briquette boilers, and re-engineering natural gas compressor. 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 45 per cent of the energy we consume is derived from renewable sources. Together, this has helped us mitigate our greenhouse gas emissions by 43 per cent, compared to our FY11 baseline. We have also started monitoring and working towards reducing our scope 3 emissions.

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 harvesting. We have reduced our specific water consumption by 42 percent since FY11 and over 42 per cent of the water we consumed was either reused or recycled. Our [Water Management Policy](#) guides us in achieving our targets.



38% Reduction in specific greenhouse gas emissions



42% Energy from renewable sources



35% Reduction in specific water consumption



71% Reduction in specific waste to landfill

We aim to achieve zero waste to landfill status by the year 2020 and have successfully reduced 67 per cent of waste per tonne of our product from our baseline in FY11. We are guided by our [Waste Management Policy](#) to achieve 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 are monitoring our top suppliers in line with our [Sustainable Procurement Policy](#) that measures key sustainability performance parameters such as health and safety, human rights, integrity, and environmental sustainability. After identifying the gaps, we are working together to craft an action plan and work towards achieving 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)



OUR COMPANY

Headquartered in Mumbai, India, GIL Chemicals is one of the oldest businesses of the Godrej Group. We have pioneered the manufacture of oleo-chemicals, venturing into the business in 1963.

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 Alcohols
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. We have also produce Surfactants based fatty alcohols that are extensively utilised in the home and personal care industry.



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



Glycerine
Glycerine is multifaceted and is being utilised in a range of diverse applications. 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.



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.

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 Ambarnath, 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 2018 to 31st March 2019. 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 third official sustainability report, we have crafted the report in conformance to the Global Reporting Initiative (GRI) Standards – 'In Accordance' – Core option. 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. We have also mapped our initiatives with the UN Sustainable Development Goals (SDGs).

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.

We organised a detailed materiality assessment last year. The materiality session comprised of training programmes 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.

Materiality Matrix

Stakeholder concern	High	<ul style="list-style-type: none"> ● Customer health & safety ● Local communities ● Employment 	<ul style="list-style-type: none"> ● Economic performance ● Effluents & waste ● Safety / HSE ● Energy ● Water ● Emission ● Training & development ● Diversity, non-discrimination & equal opportunity ● Environmental compliance
	Low	<ul style="list-style-type: none"> ● Freedom of association ● Human rights assessments ● Indirect economic impacts ● Anti-competitive behaviour ● Security practices 	<ul style="list-style-type: none"> ● Supplier environmental assessment ● Marketing & labelling ● Worker management ● Anti-corruption ● Materials ● Procurement practices ● Supplier social assessment
		Low	High
		Impact	



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.

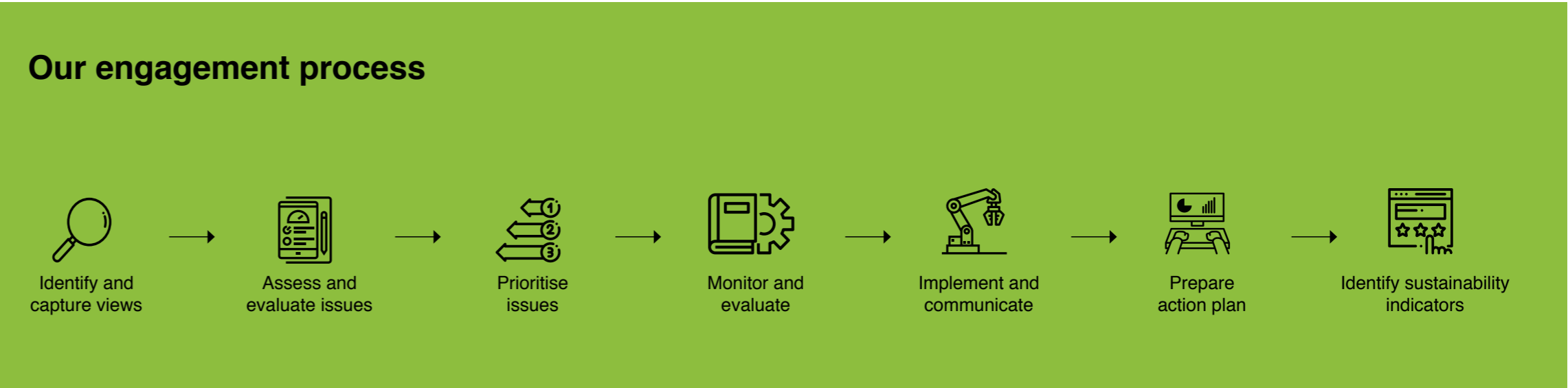
Our constant interactions with stakeholder groups through various engagement modules aid us in collecting important feedbacks, thereby enhancing our performance and value addition. While the kind of our engagement methods can differ from an ad-hoc meeting to long term partnership, it is always driven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

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



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 Quality audits 	<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



ORGANISATION 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 15 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 Remuneration Committee
- Management Committee
- © Chairman

Board of Directors



Adi Godrej
Non-executive
Chairman



Nadir Godrej
Managing
Director



Jamshyd N. Godrej
Non-Executive
Director



Tanya Dubash
Executive
Director

Board of Directors continued



Vijay Crishna
Non-Executive
Director



Nitin Nabar
Executive Director
and President



Mathew Eipe
Independent
Director



Ganapati Yadav
Independent
Director



Amit Choudhury
Non-Executive,
Independent Director



Saleem Ahmadullah
Non-Executive,
Independent Director



Kersi Dastur
Non-Executive,
Independent Director



Keki Elavia
Non-Executive,
Independent Director



Kavas Petigara
Non-Executive,
Independent Director



Aspy Cooper
Non-Executive,
Independent Director



Rashmi Joshi
Non-Executive,
Independent Director



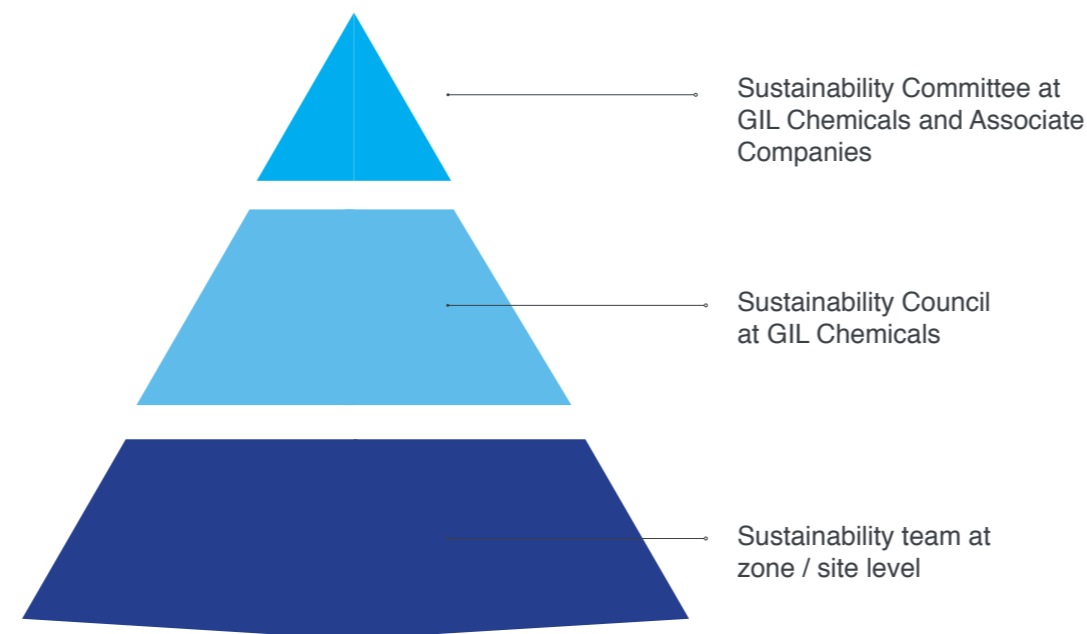
GOVERNANCE FRAMEWORK

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 committees

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 Remuneration 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

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.

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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.

In 2017-18, we 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 2018-19.

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.

Our code of conduct



Communication and public relations



Compliance with the law



Quality, health and safety



Anti-discrimination



Customer & Confidentiality



Quality, health and safety



RISK MANAGEMENT

We aim 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, our 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. We have the Whistle Blower Policy 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.

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. We 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.

Our key risks



Economy and currency fluctuations



Changes in regulations



Natural or social calamity



Political uncertainties



Climatic fluctuations



Supply chain sustainability



Increasing cost of raw materials



Labour shortage and attrition



INDUSTRY ASSOCIATION

We 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.

The Indian chemical industry supports highly diversified industries such as polymers, specialties, agrochemicals and a lot more by which it has strongly established its position as a major contributor to India's economic growth.

The total Indian chemical sale is expected to reach \$236 billion by 2020 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 are placing more emphasis on bulk chemicals, agrochemicals and specialty chemicals.

Speciality Chemicals which are known for their value addition to products and is expected to grow at higher CAGR than overall chemical industry. Indian specialty chemical market is projected to reach to \$70 billion in 2020. We are increasing focusing on manufacturing specialty chemicals and are stated to increase offerings in our product portfolio.

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 44 per cent over the previous year.

This, coupled with a strategic approach to front-end sales, contributed to the good performance across product categories. The following table sums up the economic performance of Godrej Industries Limited as a whole and represents standalone numbers for the fiscal year 2018-19.

Our Chemicals business generated revenue of ₹1,666 crores and achieved export turnover of ₹535 crore in the fiscal year 2018-19.

Economic performance of Godrej Industries

Description	Amount in ₹ (crores)
Direct economic value generated	1941.99
Operation cost	1398.31
Employee wages and benefits	130.17
Payment to provider of capital	239.59
Payment to the government	264.65
Economic value retained*	(90.73)

* Net Profit / (Loss)



₹18,032 Cr

Market capitalisation as
on 31 March, 2019



SUPPLY CHAIN

As a global business, we are dependent on multiple suppliers for various raw materials, and intermediate inputs. As we expand our business, we are optimising our supply chain and building a sustainable supplier engagement mechanism.

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.

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 all our 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.

Our supply chain



Suppliers

Our raw materials are either plant based or organic. To reduce upstream environmental impact, we lay emphasis on sourcing raw materials locally. We have set stringent regulations to ensure supplier sustainability, which is guided by our supply chain policies.



GIL Chemicals

At our facilities, we develop and manufacture a variety of products in line with the market demand, through sustainable processes practises that ensure high quality at a competitive cost.



Customer and consumers

Products generated at our facilities are used in a variety of sectors such as home and personal care, paper, textiles, food products, and construction among others.

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

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, and verify the same through onsite audits. The evaluation is 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.

Key results of the supplier survey:

Last year we had assessed 100% of our critical suppliers against 23 aspects. The suppliers were assessed 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. This year we have completed onsite audits of 37% of these suppliers based on their self-assessment questionnaire.

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.

INITIATIVE IN FOCUS

Environmental risk assessment of transporting Cetyl Alcohol

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. The case study represents 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.

Opportunity:

To eliminate LCL Cargo complaint received from overseas customer. Customer received material (finished goods) in wet and dirty condition

Solution:

In case of LCL consignment, new box type packaging solution is offered to the customer where cargo is covered with 5mm corrugated box which prevents the materials from damage and contamination like dirt / dust/ rust / wet / etc.

Benefits:

1. Zero scope for material contamination like dirt / dust / wet / etc
2. Pallet is more stable during transit
3. Zero scope for material damage/tonne
4. Materials safety during transit
5. Eliminate pallet/bags disorder complaint
6. Eco-friendly packaging that is reuseable and also easy to dispose safely



Old packaging



New box type packaging



PRODUCT INNOVATION

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. To further strengthen our responsible business agenda, we have acquired ISO 14001: 2015 and ISO 9001: 2015. 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.

INITIATIVE IN FOCUS

Bio-based surfactants

In line with the growing demand of green products, and furthering our environmental sustainability, we are working on several oleo based green ingredients for home and personal care applications that can replace existing chemical ingredients. We have built our first ever pilot fermentation plant for the production of a speciality Biosurfactant, named as BioGod. BioGod is our unique offering of a bio-surfactant from sophorolipid category which has a very low carbon footprint. This non-ionic biosurfactant has an edge over chemical surfactants because of its distinctive characteristics like fast and complete biodegradability, better surfactancy, non-toxicity, good activity at extreme pH & salinity, and micro emulsification capability. It also demonstrates antimicrobial activity to the formulations and end applications.










ENVIRONMENT

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

At GIL Chemicals, environmental sustainability is a key part of our manufacturing process. We continue to find and apply measures that can reduce and optimise resource utilisation and reduce emissions. We have a relentless focus 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 to continually monitor and analyse our environmental footprint in various locations.

Resource efficiency and environmental impact reduction is at the core of our sustainability strategy, all our green targets are focused around these two aspects. In our efforts to invest in process efficiency and energy management, we have invested approximate ₹4 crores in FY2018-19 and that has helped us in reaching our environmental sustainability targets for the year. We have worked relentlessly to increase our renewable energy assets, achieving a 45% increase since FY 11.

Our green goals and performance

Reduce specific energy consumption by 30%	Increase renewable energy portfolio to 30%	Become carbon neutral	Become water positive	Achieve zero waste to landfill
				
Efforts Improvements in processes and increase in efficiency of systems	Efforts Improve the energy mix by gradual shift to renewable energy	Efforts Embrace cleaner fuels such as biomass	Efforts Innovative water management systems & process improvements	Efforts Innovative use of materials, including reuse and recycling
Achieved 27% reduction in specific energy consumption	Achieved 45% of total energy is from renewable sources	Achieved 43% decrease in GHG emissions intensity	Achieved 42% reduction in specific water consumption	Achieved 67% reduction in specific waste to landfill

Energy

Chemical business is an energy intensive which makes the management and operation of the company's energy system of great importance. All our processes are aligned to improve energy efficiency; helping us in our vision to reduce specific energy and in turn reduce our overall carbon footprint. Our energy goals are focused on three key parameters - conservation of energy, use of innovative technologies, and process optimisation. In line with our Group's green goals, we aim to reduce 30 percent of our energy consumption by the year 2020.

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 the day-to-day energy performance levels of each of the plants. Data collected from such monthly reviews is communicated to the plant head and the 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. This year, we are also in the process of implementing ISO 50001:2018 and responsible care in our manufacturing sites.

Energy data of our manufacturing plants:

In FY 2018-19, a total of 1,49,14,36 energy was consumed at the Valia and Ambernath facilities. 17,928 GJ of energy was consumed at the Wadala facility. Direct energy consumption (onsite energy consumption) was 1,29,77,60 GJ, and indirect energy consumption (grid electricity and solar energy) was 19,38,19 GJ for Valia and Ambernath.

Integration of Renewable Energy:

Our efforts to increase our renewable energy portfolio include utilisation of manufacturing by-products in energy production, use of biomass briquettes and use of solar energy. In 2018-19, 45 percent of energy we consumed has been derived from renewable sources. Our Valia and Ambernath plants also fulfill their energy requirements through their solar rooftop installations, of 315 KWp and 189 KWp respectively.

Integration of Energy Efficient Measures:

As energy efficiency is one of the key aspects of our sustainability agenda, we have strategized various measures to reduce specific energy consumption, thus helping us meet our green goals and targets. Our Valia manufacturing site is now under process of certification and implementation of ISO 50001: 2018.

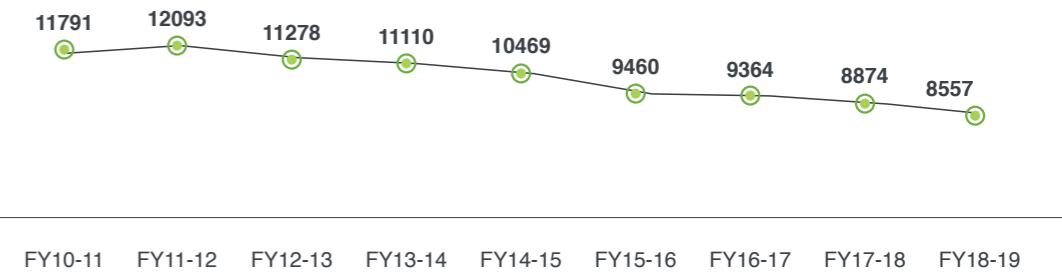
In FY 2018-19, our specific energy consumption was 8.56 GJ/T of production, a 27 percent decrease from FY 2011. Our energy conservation ventures include using effective and resource efficient processes, equipment and technologies. We have streamlined capacity of pumps, compressors, motors, cooling towers and other systems to improve system efficiency. We are also using heat recovery systems such as air preheaters and air compressors for effective energy usage.



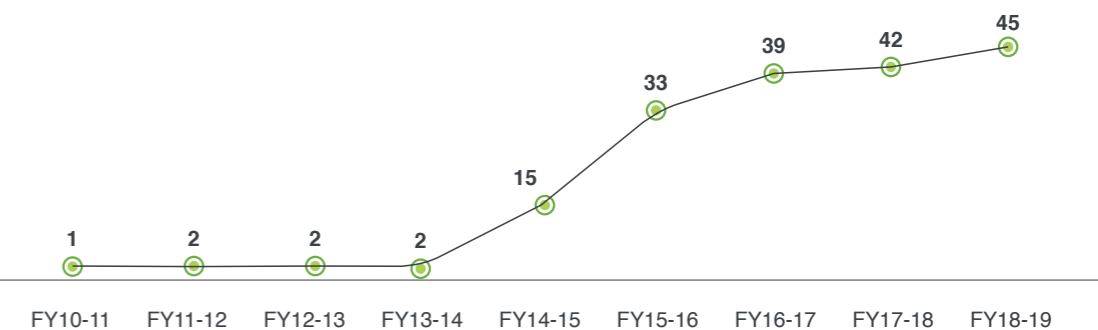
189 KW capacity solar rooftop at our Ambernath plant generates 3 lakh units of clean electricity

Energy performance

Specific energy, GIL Chemicals (MJ / T)

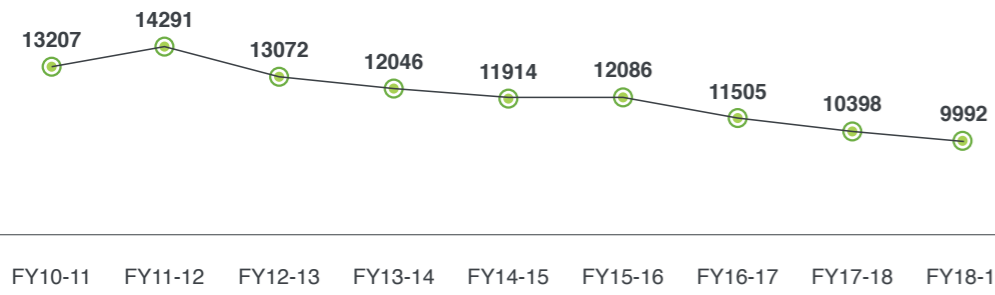


Share of renewables, GIL Chemicals (%)

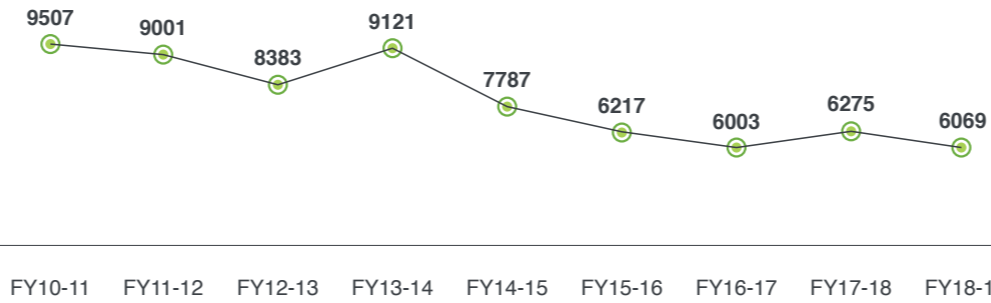


Energy performance continued...

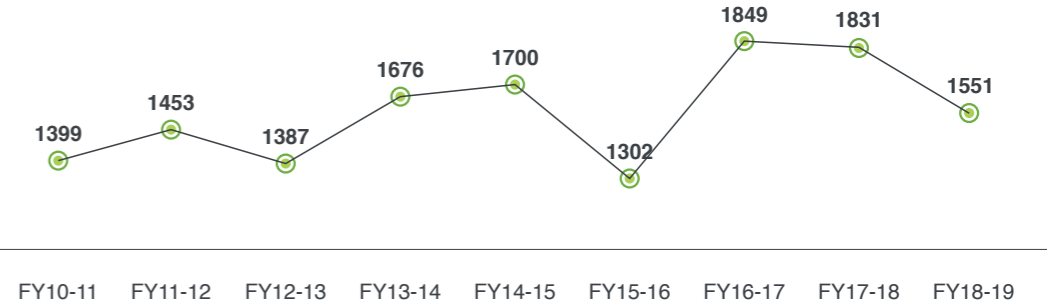
Specific energy, Valia (MJ / T)



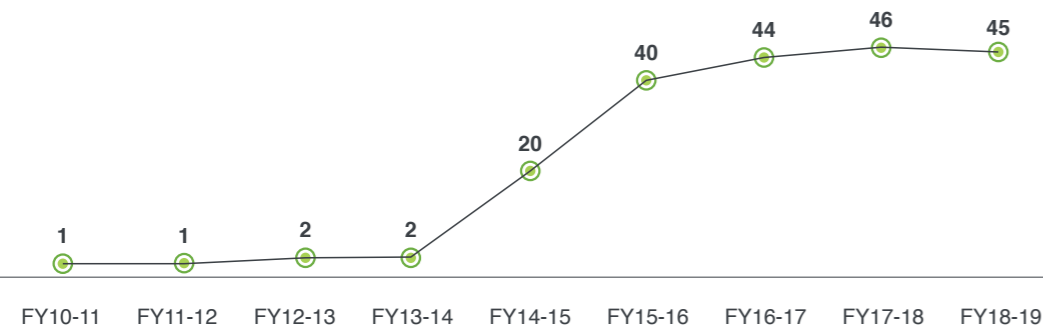
Specific energy, Ambernath (MJ / T)



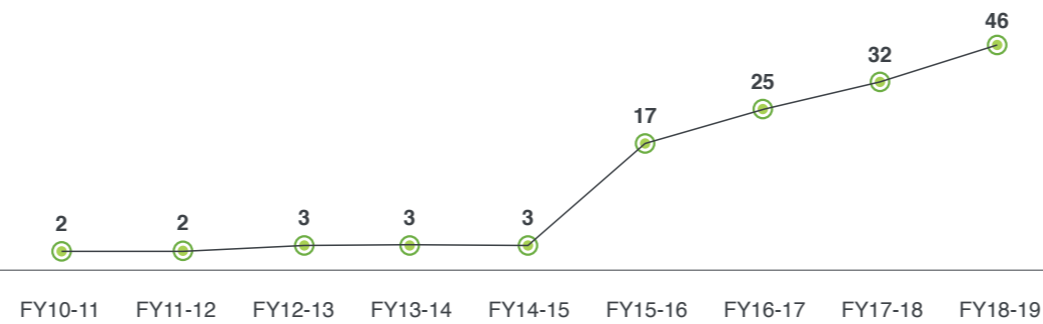
Specific energy, Wadala (MJ / T)



Share of renewables, Valia (%)



Share of renewables, Ambernath (%)



ENERGY: INITIATIVES IN FOCUS

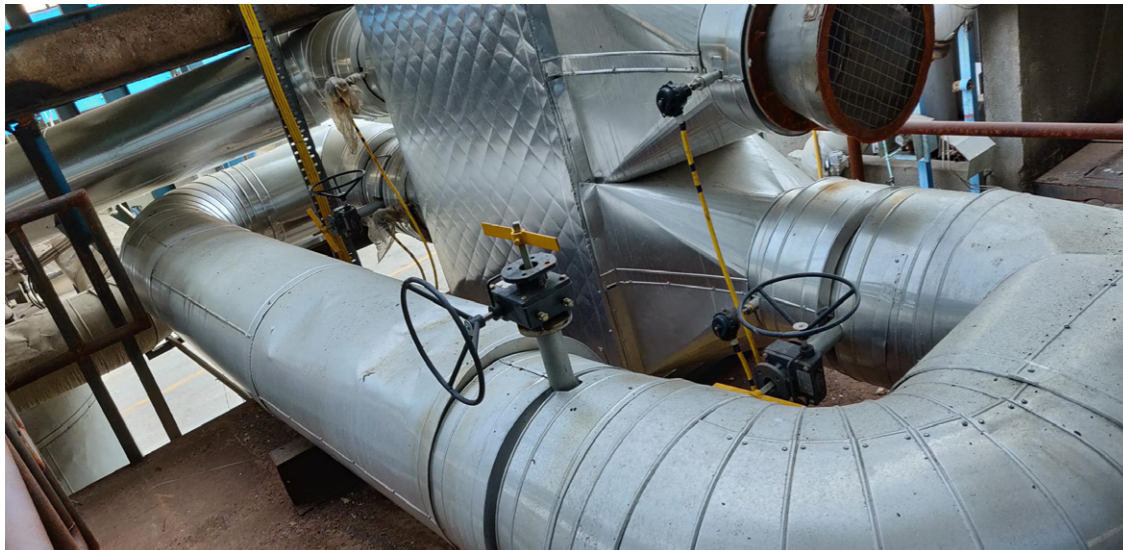
1. Heat pipe

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 fatty acid distillation plant. This helped to recover the heat of fuel gas going in stack to preheat the air going in the burner and resulted in saving natural gas.

Impact:

1. Initial Investment - ₹3.65 lakh
2. Cost Savings - ₹3.36 lakh per annum
3. Energy Savings - 10,500 sm³ of natural gas per annum



Heat pipe at our Valia manufacturing plant

2. Air compressor with VFD and heat recovery

Intervention:

Compressed air is one of the most important utility and one of the highest consumer of energy in a plant. Also, up to 94% of the electrical energy is converted into compression heat. Without energy recovery, this heat is lost into the atmosphere via the cooling system and radiation. With the aim to ensure use of energy efficient equipment and to recover the heat, Valia unit bought a new air compressor with VFD and heat recovery unit.

Impact:

Investment - ₹124 Lakhs
Cost Savings - 1100 KW/day; ₹ 27 lakhs/ annum from electrical savings
- 3600 KW/day; ₹ 90 lakhs/annum from heat recovery

3. Sonic Soot blower in Low-pressure Boiler

Intervention:

At our Ambernath plant, the Fin Tube Economizer of Low Pressure Boiler was designed for natural gas as fuel. For getting maximum benefits, a blend of furnace oil and our byproduct – pitch oil – in ratios were used as fuel. Concentration of pitch oil in the mixture was continuously improved and was increased up to 100% by doing multiple technological changes. This Economizer which was designed for Natural Gas as fuel was by passed during usage of pitch. At that time, the boiler combustion efficiency was around 76% with steam to fuel ratio of 12.8.

Sonic soot blowing is cleaning of fouled surfaces by compressed air. Sound waves were sent inside Economizer, propagating in all directions and

imparting energy to ash particulates. The particulates fluidized and jumped up from fouled surfaces and were carried away by the flue gas stream. After installing Sonic soot blower, the Economizer was taken in line and the boiler combustion efficiency improved from 76% to 83% with an improved steam to fuel ratio of 13.6.

Impact:

1. Investment: ₹ 3 lakhs
2. This resulted in a saving of 1 MT per day of liquid fuel which is equivalent to Rs 1 Crore per annum of savings.
3. Improved boiler efficiency and improved steam to fuel ratio.

Other benefits:

1. High Efficiency-Clean tubes absorb more heat
2. Reduced Overheating
3. Cost Effective– Extremely low maintenance & operational costs
4. Elimination of tube erosion & corrosion problems
5. Non-destructive – No structural damage to tube bundles or boiler structure
6. 360° cleaning of all tube surfaces

Emissions

As we run energy intensive operations, emission management is one of critical importance to us. It is also one of our material aspects. In order to ensure all the emissions are managed responsibly it is important to follow systematic approach and make continuous effort to reduce overall emissions. Our sustainability vision and our continual efforts have helped us reduce a considerable amount of carbon emissions.

To manage our carbon impact and achieve our emission reduction goals, we have strategized a number of interventions such as replacing fossil fuel with biomass in boilers, utilisation of pitch in boilers to enable the reuse of organic waste as fuel, among others.

Our interventions have helped us mitigate 40 percent of our carbon impact as compared to the baseline in FY 2011. We regularly monitor emissions across our facilities to identify high impact zones. Emissions data is verified through a third party certification body, TUV India Pvt. Ltd. In FY 2018-19, our total carbon impact, both direct and indirect, at Valia and Ambernath was 87602 tCO₂e (scope 1+2). Carbon impact in Wadala was 2,221 tCO₂e (scope 1+2).

In FY 2018-19, there was a 40% reduction in specific GHG emissions. We also achieved 29% reduction in scope 3 emissions from logistics due to redirection of finished goods from Jawaharlal Nehru Port to Hazira Port.

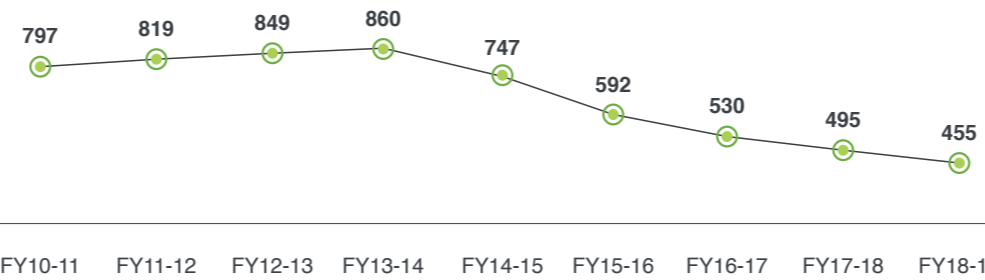
Integration of Carbon Efficient Measures:

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.

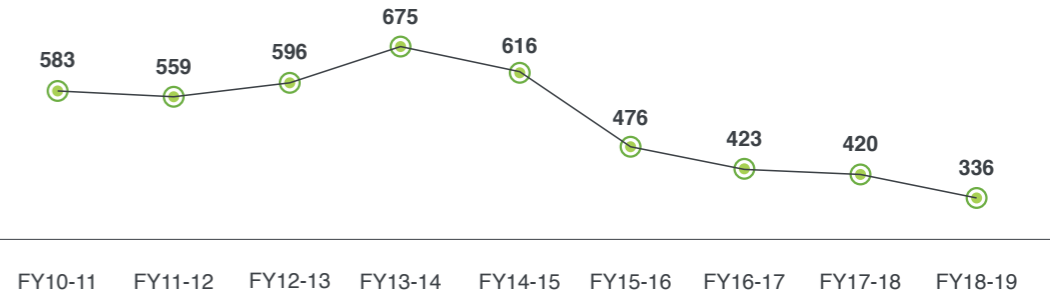
To reduce transportation impact, we have shifted transport options from roadways to railways, reduced travel distance and enhanced truck loading ability & utilisation. To reduce scope 1 emissions in our operational areas, we have introduced briquette boilers for steam generation. For controlling our scope 2 emissions, we have installed solar rooftop for electricity generation.

Emissions performance

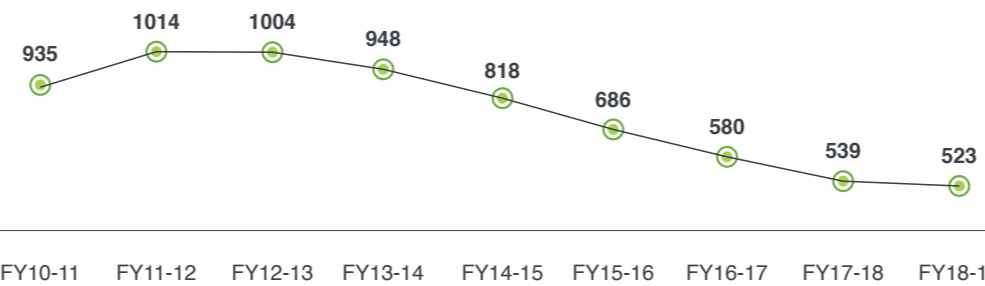
Specific GHG emission, GIL Chemicals (kgCO₂ / T)



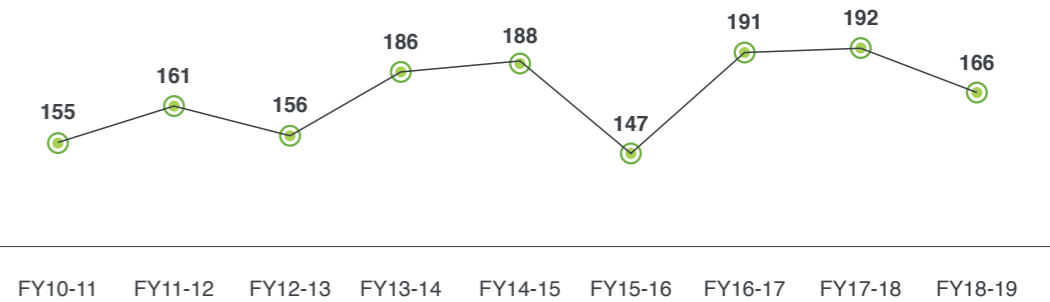
Specific GHG emission, Ambernath (kgCO₂ / T)



Specific GHG emission, Valia (kgCO₂ / T)



Specific GHG emission, Wadala (kgCO₂ / T)



EMISSION: INITIATIVE IN FOCUS

Briquette boiler

We have reduced our emission through pollution prevention practices. We have accomplished this by adopting best management practices and cleaner production technologies such as reducing material inputs, re-engineering processes to reuse by-products, improving management practices, and substituting toxic chemicals with those less toxic. All our energy saving projects also result in reducing our emissions. Also we have been working since FY15 on shifting to briquette boiler from fossil fuels. Currently we have four briquette boilers in our Valla site and one at Ambernath. This has not only helped us to increase our renewable portfolio but also reduced our dependency on natural gas.

Intervention:

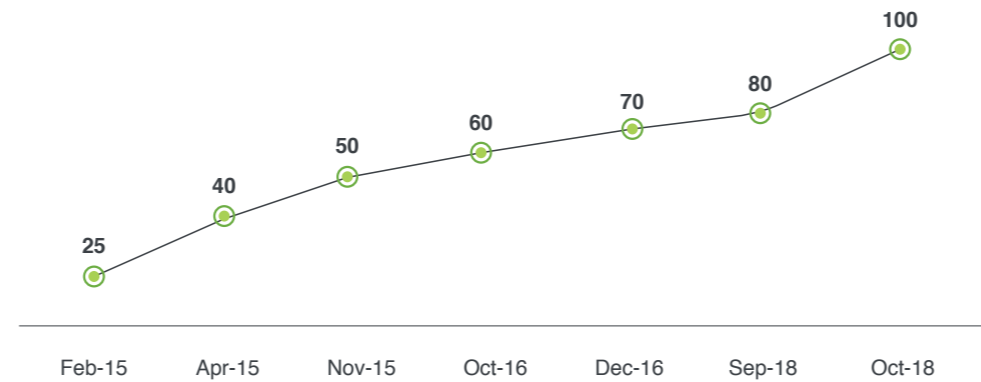
Journey towards Briquette Boiler: Initially, our Ambernath plant used to burn furnace oil and pitch in the boiler for steam generation (sometimes natural gas; as per requirement). Slowly we started increasing the percentage of pitch in furnace oil.

Pitch oil is the by-product of our one of fatty acid distillation product. Last year, we shifted to Biomass Briquette for steam generation. Below is our journey of increasing use of Pitch in FO and then shifting to Briquette Boiler in November 2018 to reduce the GHG emissions along with increase in renewable portfolio of our plant.

Impact:

1. Increase in renewable energy to 45% at Ambernath plant.
2. Savings: 422 lakhs/ annum

Percentage increase in the Pitch Oil Concentration with Furnace oil



Briquette boiler at our Ambernath plant

Waste

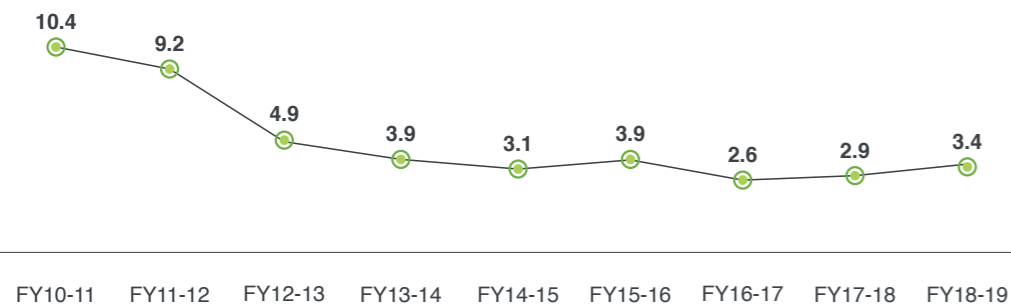
In the chemical industry, waste management is an extremely prudent aspect. At GIL Chemicals, we have developed a robust waste management framework to meet with the sustainability challenges of the chemical industry. All our material use and manufacturing processes are conducted in a conscious manner to yield minimal waste. We follow three R's (reduce, recycle, reuse) method to go beyond compliance to ensure 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, recycling and disposal in a scientific manner. 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 testing waste to energy technologies to help us manage our chemical and industrial wastes through plasma gasification process. Since 2013, we have been involved in producing bricks from the ash generated during our manufacturing processes.

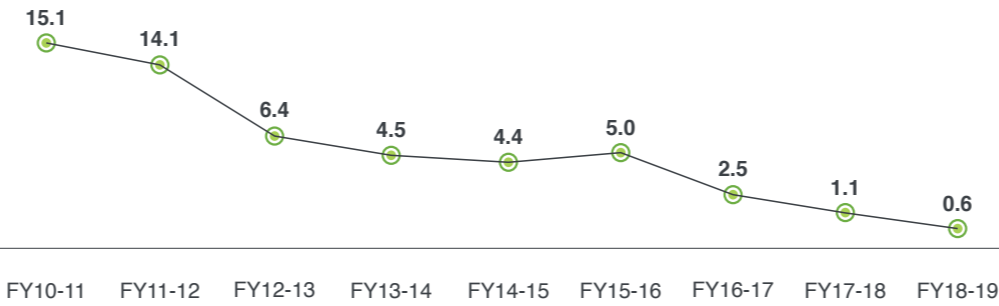
In FY 2018-19, our waste footprint was found to be 6011 tons; 502 tons being non-hazardous waste and 5509 tons being hazardous waste. Our waste to landfill impact per ton of product produced has reduced by 66 percent as compared to our 2011 baseline.

Waste performance

Specific waste to landfill, GIL Chemicals (kg / T)



Specific waste to landfill, Valia (kg / T)



Specific waste to landfill, Ambernath (kg / T)



WASTE: INITIATIVE IN FOCUS

Poly House

Intervention:

With the aim to reduce waste to landfill, we have installed a poly house to reduce the moisture of effluent treatment plant sludge. Poly house works on green house gas concept. The wet sludge is placed inside the poly house and it entraps heat which ensures faster drying of sludge than conventional sun drying. This has helped us reduce the drying time of sludge after mechanical dryer from 15-20 days to 5-7 days on average with moisture reduction from 75% to 25% on average. The moisture content has also been reduced considerably there by reducing the weight of final sludge dispatched to landfill.

Impact:

1. Reduction in moisture content in final sludge
2. Reduction in the time for drying
3. Reduction in landfilling cost



Poly house at our Valia plant

Effluents

Effluent management is an integral aspect of our sustainable waste management strategy. Aligned with our vision of water positivity, 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 our impact on water resources near our operational areas.

Currently, both our manufacturing sites at Valia and Ambernath are zero liquid discharge facilities (ZLD). Since FY11, we have reduced our specific water consumption by 42%. We treat waste water in our water treatment plants and reuse the same in our process. We have also reduced our dependency on raw water consumption by installing condensate recovery systems that recovers and reuses the condensate in the process.

Recently, our Valia plant has installed fourth stage in reverse osmosis plant of 20 m3/hr.



Reverse osmosis plant at Valia

Materials

Being industry leaders in oleo chemicals production in the Indian market, we 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.

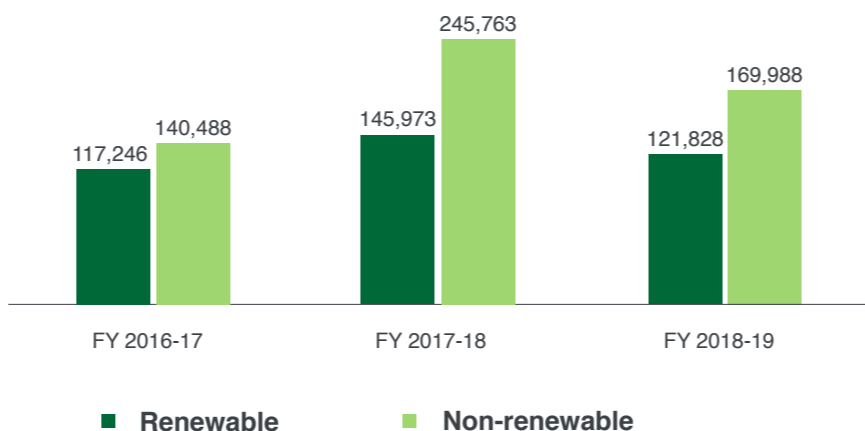
To minimise material procurement impact, we are constantly looking at ways to source our raw materials locally. We are one of the leading Indian entities to be a part of the roundtable on sustainable palm oil (RSPO). All our suppliers are an active part of the roundtable. We ensure appropriate material 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. We are increasingly exploring and using green materials for our products such as Bio God. And we also use recycled materials such as biomass as fuel for our boilers.

Packaging material management is an important aspect of our material handling agenda. We follow sustainable packaging material management practices such as:

- 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 FY 2018-19, we consumed a total of 391420.2 tons material.

Renewable vs non-renewable materials used (tons)



Materials used (in tons) FY 18-19

Materials used	Usage in tons
Gaseous chemicals	146,325
Oils, fats(renewable)	121,828
Inorganic chemical	8151
Organic chemical	12,213
Plastic	2,383
Metals	113
Oil and grease	8
Papers	0.49
Additive, catalysts and resins	833

Water

Water is a primal part of our operations at GIL Chemicals; one of our key material aspects. 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.

In order to promote sustainable water usage, we have installed a rainwater harvesting system and condensate recovery system to supplement our water requirements. In line with our Group's green goal of being "water positive" by 2020, we continually work towards aligning our business processes to help us meet this goal. We have developed several alternative methods of manufacturing that would consume less water. We have developed a water conservation policy that entails several components, such as:

- 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
- Training all our stakeholders on the importance of responsible water management

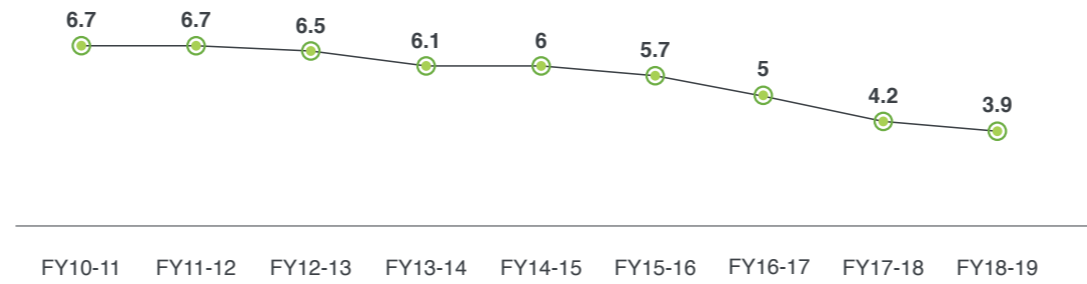
In FY 2018-19, we consumed a total of 683915 kL of fresh water. Our specific water consumption was 3.93 kL/ton of product, 42 percent lower than the FY 2011 baseline. Our reused and recycled water consumption this year was 24.4% of the total water consumed. We will continue to reduce our fresh water consumption by following the principles of Reduce, Reuse and Recycle.

Water withdrawn by source

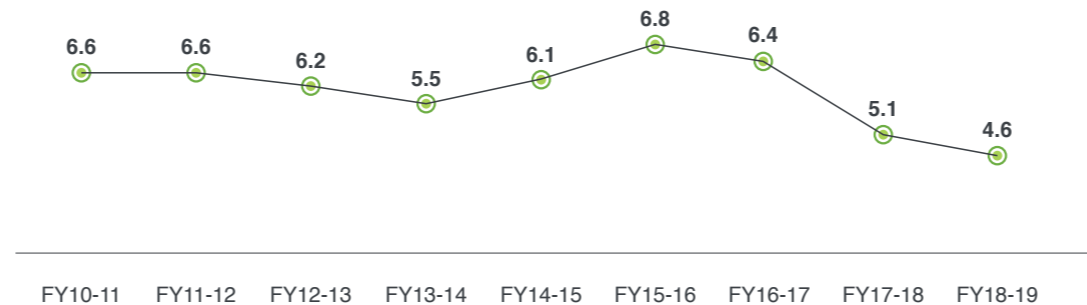
Source	Total water withdrawn (m ³)
Municipal fresh water	683,915
Recycled and reused water	221,540
Total	905,455

Water performance

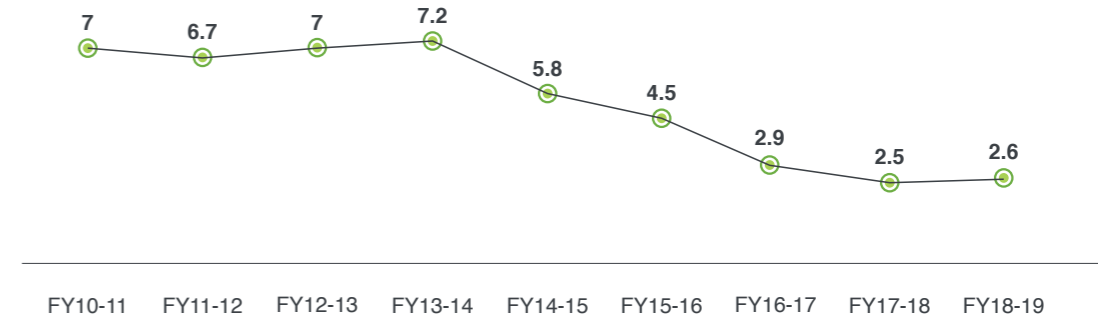
Specific water use, GIL Chemicals (m³ / T)



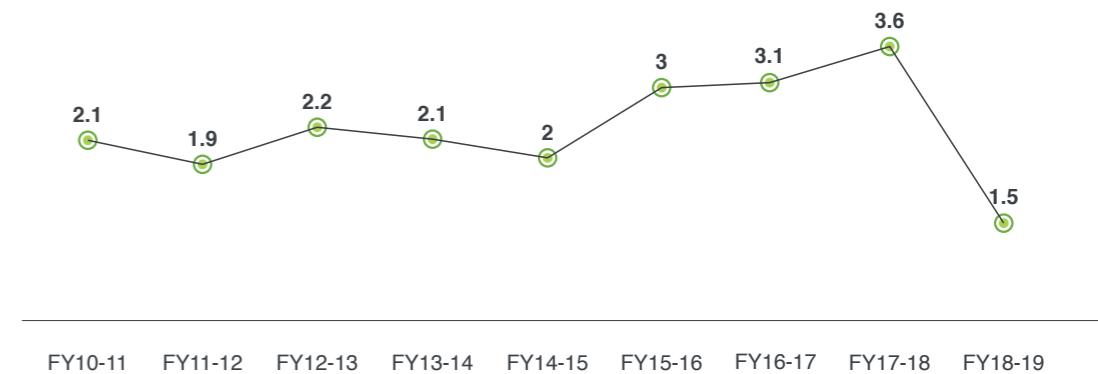
Specific water use, Valia (m³ / T)



Specific water use, Ambernath (m³ / T)



Specific water use, Wadala (m³ / T)



WATER: INITIATIVE IN FOCUS

Condensate Recovery System

Intervention:

Both of our plants have condensate recovery systems. The Ambernath team has been dedicatedly working towards it's since FY 17. We made several changes to the old condensate recovery system. These are the challenges we were facing with old condensate recovery system:

1. Existing condensate recovery system had leakages.
2. Valuable heat was discharged as pressurized hot condensate.
3. This hot condensate was increasing load on effluent treatment system.
4. Modification in the existing condensate recovery system and use the hot condensate for boiler feed water suggested.

Methodology adopted to change the system:

1. Modification in existing condensate recovery lines by adding dedicated clean condensate lines up to recovery tank.
2. Internal & External audit of steam traps
3. Replacement of old non-functional traps with efficient steam traps
4. Installation of dedicated - Condensate Recovery Tank
5. Periodic quality checking of condensate

Impact:

1. Saving of cost of treating the water (condensate is pure, typically of 15 -20 ppm TDS).
2. Saving on cost of effluent treatment and less effluent generation
3. Steam saving of 9600 tons / annum.



Steam trap in the condensate recovery system

Biodiversity

As we run our plants in regions rich in local biodiversity, we make sure our operations are in harmony with the nature. 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 FY 2018-19, we planted over 3265 saplings at Valia and 3185 saplings at Ambernath. 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

GRATULA



OUR PEOPLE

We work relentlessly in creating and sustaining a diverse work culture by championing a strategic people management framework, creating a safe and healthy environment, and developing a strong and ethical work platform, that benefits all.

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.

Employee diversity



813

Total number of employees



776

Permanent employees



394

White collar employees

Our core people 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

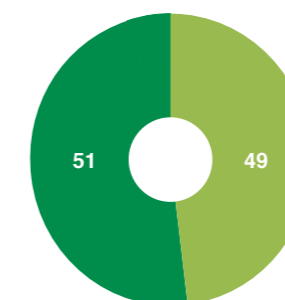


Whole Self

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

Workforce by cadre (%)

- Management
- Non-management



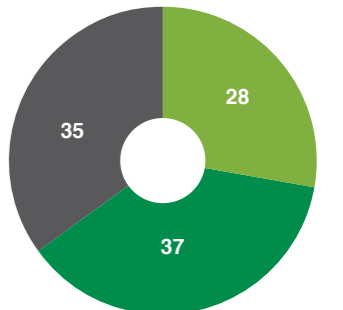
Workforce by gender (%)

- Male
- Female



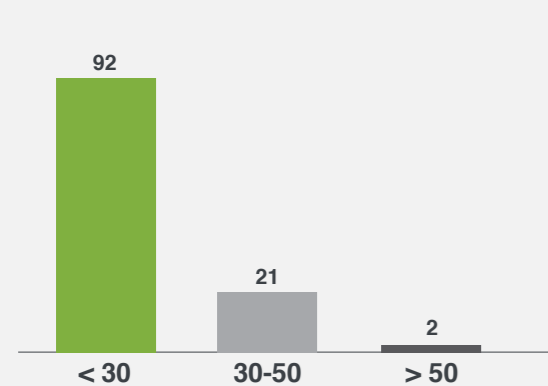
Workforce by age (%)

- Less than 30 years
- 30-50 years
- More than 50 years

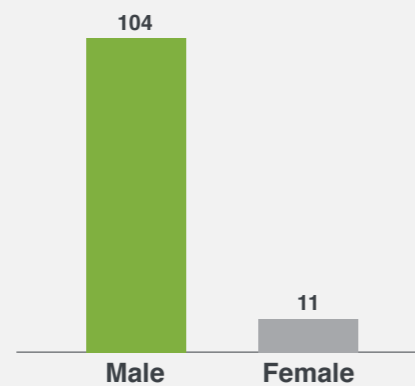


Employee diversity

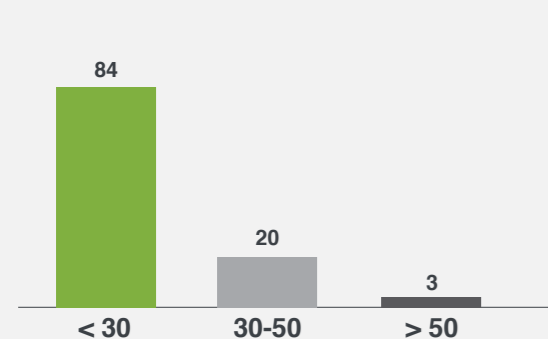
Number of hires by age



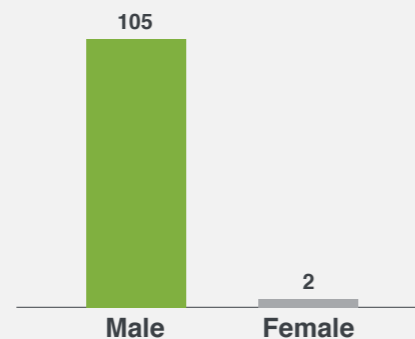
Number of hires by gender



Employee turnover by age (number of people)



Employee turnover by gender (number of people)



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 10 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 45 team members.



Every year in December, we host our annual Awards where we felicitate team members by recognising their exemplary contributions for the year

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. 90% of regular employees use these shuttle services at Ambarnath whereas 78% of regular employees use these shuttle services at Valia.
- Vodafone and Airtel corporate mobile connection for employees
- 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, and we have institutionalised it into our employment processes. Meritocracy, fairness and ethics are pillars of our people management strategy that helps us build an enabling and empowering workplace. In our commitment to building a diverse and inclusive platform, we have strategized employee centric policies to maximise business gains. Trust and equality are also integral to us. 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 programme, we offer aspirational and challenging projects across various sectors and functions. The major add on to this programme is the flexibility provision, to enable women team members to balance their career and personal life.

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 programme 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 first 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.

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, and continuously invest in developing skills of our people. 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 programmes 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 programmes and online learning programmes.

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

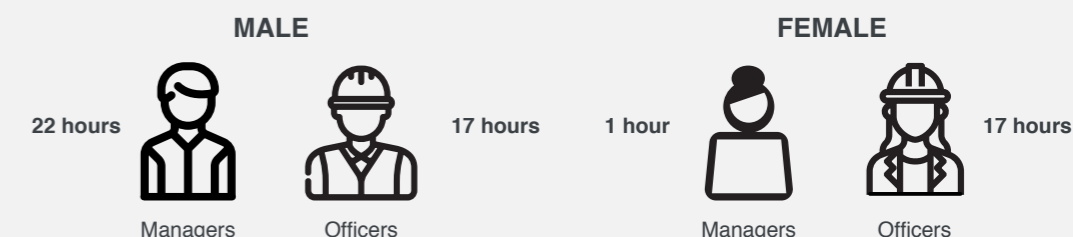
Training at Valia:

- Environment Management System Awareness
- Waste Management & Waste Water Management Awareness
- Calibration of Instruments
- Electrical Hazard Identification & Risk Assessment
- Emergency Handling & User of Extinguishers
- IMS ISO 9001: 2015,ISO 14001:2015,BS OHSAS 18001:2007
- Utilities Significance And Optimization
- Understanding of Work Permit System
- Operation of Vacuum System & Utility
- 5S Training

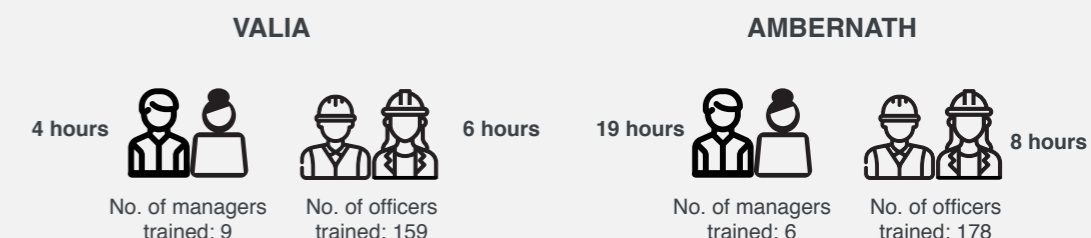
Training at Ambernath:

- Ethics Awareness
- Problem Solving Techniques
- RSPO CC – 2017
- First Aid Training
- Tax Planning
- Fire Alarm system
- 3 m Respiratory System & SCBA Training
- Work Permit System
- Food Safety Training
- Chemical Plant Troubleshooting & Performance Improvement

Average hours of training by grade and gender



Average hours of training by grade and location



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. We continuously engage with our employees through various channels, both online and offline. Our communication platforms with employees include - open houses with senior leaders, town halls, employee engagement surveys, skip level meetings by senior leadership, HR connect sessions and many more. Our employee engagement measures have helped us encourage and retain our talent, and decreased turnover. Engagement activities also motivate employees to better their performance.

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.



Our team members during annual offsite

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 are committed to creating an empowering, nurturing and inspiring workplace for our women team members. Through this programme, we offer aspirational and challenging projects across various sectors and functions. The major add on to this programme is the flexibility provision, to enable women team members to balance their career and personal life. Our human rights policy is guided by International Bill of Human Rights, and the International Labor Organization's Declaration on Fundamental Principles and Rights at Work.

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 2018-19, 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 policy](#). In FY 2018-19, 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 team members 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. During the reporting period, we received no whistleblower complaints.

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 348 male and 42 female of our team were entitled to parental leave.

Parental leave

Description	Male	Female
No. of employees who took PL	4	2
No. of employees who returned to work after PL ended	4	1
No. of employees who returned to work after PL ended, still employed 12 months after return	3	1

*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 2018-19, 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 programmes. The training programmes 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 2018-19, a total of 1669.5 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. In the reporting period, the safety committee at our Valia plant had equal participation from management as well as non-management employees.

Our Safety Committee at Ambernath has equal representation of management and workmen (including shop floor employees). The committee comprises of 9 members from management and 9 members from workmen.

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.
- Regular awareness sessions on 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.

Improvement of Occupational health

At GIL Chemicals, we are conscious about employee health and safety. Plants are kept well ventilated through adequate ventilation system. A strict work place monitoring is done to ensure that exposure of employees to occupational hazards is below permissible exposure limit. Basic health protection and safety of employees at work is ensured by use of Personal Protective Equipment, periodic medical examination and sharing of good practices for employee health.

At Valia, we also provide trainings and awareness sessions on personal hygiene, occupational health. We also have an occupational health centre complying with laws and with an access to medical officer and male nurse for employee benefits.

For the occupation health at Ambernath, we conduct routine medical check-up for all employees including contractor to ensure they are fit to work. More trainings pertaining to occupation health and industrial hygiene have been arranged from external agencies to create more awareness among all workers. We also do a regular check-up of drinking water from recognized and authorized lab. Understanding the seriousness of occupational diseases, pest control are conducted in the entire factory premises on a regular basis.

Safety performance at Valia

Safety Statistics (No.s)

Near misses	22
First aid cases	13
Number of employees trained	1,067
Total training hours	1,569

Safety performance at Ambernath

Safety Statistics (No.s)

Near misses	21
First aid cases	19
Number of employees trained	657
Total training hours	1,123



SOCIAL

Being a responsible corporate citizen 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.

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 our programme on ground, in line with our [CSR policy](#). We also have a CSR committee in place to review, monitor and provide strategic inputs on our sustainability efforts. 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 vision, that aims to create a more inclusive and greener world by 2020. For us, our focus is developing the communities around our manufacturing sites, and engaging more meaningfully with them through our volunteering initiatives.

Community development

We work closely with our communities to understand their needs and build synergies. In the past years, we carried out a detailed community needs assessment of villages around our Valia and Ambernath manufacturing plants. We invited an external agency to carry out the assessment.

The team followed a three-step approach, where they connected with our plant and corporate office, held extensive field-based assessments, backed by thorough secondary research to validate key facts and add on additional information available from official sources. The result is a comprehensive report of the community, their needs, gaps in the system and our way forward.

Enhancing livelihoods

At Valia, we work closely with our neighbouring village Kanerao. As part of our community engagement initiative, our team realised that Below Poverty Line (BPL) families were struggling to survive with a limited income source. We brought together the members of these families to find a solution. The women and young girls expressed interest in learning tailoring as a means to earn additional income for themselves and their families. We therefore identified over 50 women and young girls who had dropped-out from school. We engaged an NGO to train them in tailoring skills (pattern design, cutting, sewing and tailoring), and further helped them get job work every month in order to boost their income. All trainees have successfully completed the training and are now earning an average of INR 2000 / month as supplementary income through work assignments.



At Valia, we supported training of women in Kanerao village, and helped them earn supplementary income

Providing access to sanitation

At Valia, we partnered with the local community in Kanerao village and identified BPL families that had no access to sanitation facilities. We collaborated with the local panchayat and constructed 21 toilets at a household level that helped provide sanitation access to over 100 people. The community also contributed in terms of shramdaan or community labour for the project. These toilets are now being used by the households and our team on ground also organises periodic health awareness sessions to help the village become open defecation free.

Building model schools

At both Valia and Ambernath, we partner with local schools and provide support to improve their infrastructure, and provide essential school supplies. We have also provided IT infrastructure to the schools to enhance the teaching-learning experience. Every year, through our various volunteering initiatives, we engage with over 300 students by organising academic competitions, as well as sports activities.

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 social development initiatives. Our team members volunteer their time towards social causes, both directly (volunteering and participating in activities) and indirectly (through donations). Employee volunteering helps our team to connect more meaningfully with the communities around our sites and further our sustainability vision.

Godrej Global Volunteering Day

The Godrej Global Volunteering Day is our annual day of community service. Since 2015, every year over 130 of our team members volunteer their time to make a meaningful connect with our communities. In 2018, our team members volunteered in local educational institutes and helped children discover their dreams and aspirations. The aim of the engagement was to guide young children to explore their dreams and plant a seed of thought that can make a meaningful difference in their life.

World Environment Day

We are committed to building a greener India and have been celebrating World Environment Day on June 5 every year across all our locations. Our team members drive the celebrations and spread awareness about the

effects of our actions on the environment. Godrejites organise tree plantation drives around communities of our manufacturing plants, cleanliness drives in collaboration with local panchayat and municipal corporations, and awareness sessions in local schools among other activities. In 2018, our teams planted over 3,500 trees and helped take us one step closer to achieving our sustainability goals.



On Godrej Global Volunteering Day, our team members interacted with students, and helped them explore their dreams and aspirations

Energy Conservation Week

Every year we celebrate Energy Conservation Week around December 14. During this week, we sensitise our team members on the importance of sustainable lifestyle, and energy efficient practices. We organise training sessions and competitions to raise awareness. Our team also identifies areas of high energy wastage and feasible interventions are discussed and implemented.

Disaster Relief

As part of our disaster relief efforts, we provide support to natural disasters that hit South Asia. With contributions made by our team members and matching grants from the Godrej group of companies, we provide recovery support and resettlement development.



Every year on World Environment Day, our team members organise plantation drives and awareness sessions in the communities we operate in

In FY 2018-19, we contributed for the Kerala flood relief by providing permanent housing to the affected. In the past years, we have contributed to the Assam and the Gujarat flood relief efforts by providing emergency supplies and transitional housing, the Nepal earthquake relief by providing clean water, sanitation and housing, the Chennai flood relief fund by providing immediate supplies support, the Uttarakhand flood relief and the Kashmir flood relief by contributing to the Prime Minister's National Relief Fund.

Workplace Giving

Our Workplace Giving programme enables our team members to directly donate a specific amount every month to our non-profit partners - Save the Children India, World Wildlife Fund, and Teach for India. The organisations have been selected after thorough research, keeping in mind the vast scope of their efforts towards improving education for underprivileged children, creating access to health facilities in rural areas, and protection of the environment. Many of our team members are a part of this initiative and contribute regularly to these causes.

AWARDS & RECOGNITIONS

Energy Efficient Unit award at CII's National Awards, 2018

For the fourth year in a row, our Valia plant was awarded the 'Energy Efficient Unit'. 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 awarded at the CII's National Awards 2018

Globoil Oleochemicals Professional of the year 2018

Our Executive Director, Nitin Nabar, won the 'Globoil Oleochemicals Professional of the year 2018' award, at Globoil India 2018 Conclave. The award acknowledges industry professionals for their exemplary performance and contribution to the oleochemicals industry.



'Globoil Oleochemicals Professional of the year 2018' award

SDG MAPPING



SDG Business Theme	Relevant section in the report
SDG 1: No Poverty – End poverty in all its forms everywhere	
Disaster/emergency planning and response	Pg. 39, Employee volunteering
Earnings, wages and benefits	Pg. 15, Business with integrity
Economic development in areas of high poverty	Pg. 38, Community development
Economic inclusion	Pg. 38, Community development
SDG 2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture	
Infrastructure investments	Pg. 39, Employee volunteering
Sustainable sourcing	Pg. 29, Materials
Economic Value	Pg. 18, Economic performance
SDG 3: Ensure healthy lives and promote wellbeing for all at all ages	
Air quality	Pg. 26, Emissions
Waste	Pg. 28, Waste
Water quality	Pg. 29, Effluents; Pg. 30, Water
Occupational health and safety	Pg. 37, OHS
Insurance	Pg. 34, Human capital
SDG 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	
Education for sustainable development	Pg. 38, Community development
Employee training and education	Pg. 35, Training & development
SDG 5: No Poverty - Achieve gender equality and empower all women and girls	
Economic inclusion	Pg. 38, Community development
Equal remuneration	Pg. 35, Diversity & inclusion
Gender equality	Pg. 35, Diversity & inclusion
Non-discrimination	Pg. 35, Diversity & inclusion
Parental leave	Pg. 36, Parental leave
Women in leadership	Pg. 35, Diversity & inclusion
Workplace violence and harassment	Pg. 35, Diversity & inclusion; Pg. 15, Business with integrity

SDG Business Theme	Relevant section in the report
SDG 6: Ensure availability and sustainable management of water and sanitation for all	
Sustainable water withdrawals	Pg. 30, Water
Waste	Pg. 28, Waste
Water efficiency	Pg. 30, Water
Water recycling and reuse	Pg. 30, Water
Water-related ecosystems and biodiversity	Pg. 32, Biodiversity
SDG 7: Ensure access to affordable, reliable, sustainable and modern energy for all	
Energy efficiency	Pg. 23, Energy
Infrastructure investments	Pg. 23, Energy
Renewable energy	Pg. 23, Energy
SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	
Diversity and equal opportunity	Pg. 35, Diversity & inclusion
Earnings, wages and benefits	Pg. 35, Diversity & inclusion
Economic inclusion	Pg. 38, Community development
Employee training and education	Pg. 35, Training & development
Employment	Pg. 33, Employee diversity
Equal remuneration	Pg. 35, Diversity & inclusion
Labor practices in the supply chain	Pg. 36, Human rights
Occupational health and safety	Pg. 37, OHS
Youth employment	Pg. 38, Community development
SDG 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	
Environmental investments	Pg. 22, Environment
Infrastructure investments	Pg. 22, Environment
Research and development	Pg. 6, Our company; Pg. 21, Product innovation

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SDG Business Theme	Relevant section in the report
SDG 10: Reduce inequality within and among countries	
Economic development in areas of high poverty	Pg. 38, Community development
Equal remuneration for women and men	Pg. 35, Diversity & inclusion
Equal Opportunity	Pg. 35, Diversity & inclusion
SDG 12: Ensure sustainable consumption and production patterns	
Air quality	Pg. 26, Emissions
Energy efficiency	Pg. 23, Energy
Environmental investments	Pg. 22, Environment
Sustainable sourcing	Pg. 20, Sustainable procurement policy
Waste	Pg. 28, Waste
Water efficiency	Pg. 30, Water
SDG 13: Take urgent action to combat climate change and its impacts	
Energy efficiency	Pg. 23, Energy
Environmental investments	Pg. 22, Environment
GHG emissions	Pg. 26, Emissions
Risks and opportunities due to climate change	Pg. 16, Risk management
SDG 16: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	
Anti-corruption	Pg. 13, Governance framework
Compliance with laws and regulations	Pg. 13, Governance framework
Effective, accountable and transparent governance	Pg. 13, Governance framework
Ethical and lawful behavior	Pg. 13, Governance framework
Grievance mechanisms	Pg. 13, Governance framework
Public access to information	Pg. 13, Governance framework
Protection of privacy	Pg. 13, Governance framework
Responsible content dissemination	Pg. 13, Governance framework
Security	Pg. 13, Governance framework
Workplace violence and harassment	Pg. 13, Governance framework, Pg. 15, Business with integrity

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	6	Reported	
102-3	Location of headquarters	6	Reported	
102-4	Location of operations	6, 7	Reported	
102-5	Ownership and legal form	13	Reported	
102-6	Markets served	6	Reported	
102-7	Scale of the organization	6	Reported	
102-8	Information on employees and other workers	33	Reported	
102-9	Supply chain	19	Reported	
102-10	Significant changes to the organization and its supply chain	19	Reported	None
102-11	Precautionary Principle or approach		Reported	None
102-12	External initiatives	38	Reported	
102-13	Membership of associations	17	Reported	
Strategy				
102-14	Statement from senior decision-maker	3-5	Reported	
Ethics and integrity				
102-15	Key impacts, risks, and opportunities	16	Reported	
102-16	Values, principles, standards, and norms of behavior	15	Reported	
Governance				
102-17	Mechanisms for advice and concerns about ethics	15	Reported	
102-18	Governance structure	13	Reported	
Stakeholder Engagement				
102-40	List of stakeholder groups	8	Reported	
102-41	Collective bargaining agreements		Reported	None
102-42	Identifying and selecting stakeholders	8	Reported	
102-43	Approach to stakeholder engagement	9	Reported	
102-44	Key topics and concerns raised	8, 10	Reported	

Disclosure	Description	Page numbers	Status	Comments
Reporting Practices				
102-45	Entities included in the consolidated financial statements	7	Reported	
102-46	Defining report content and topic Boundaries	7	Reported	
102-47	List of material topics	8	Reported	
102-48	Restatements of information		Reported	None
102-49	Changes in reporting	7	Reported	No major changes
102-50	Reporting period	7	Reported	2018 - 2019
102-51	Date of most recent report	7	Reported	2017 - 2018
102-52	Reporting cycle	7	Reported	Annual
102-53	Contact point for questions regarding the report	7	Reported	atul.prakash@godrejinds.com
102-54	Claims of reporting in accordance with the GRI Standards	7	Reported	
102-55	GRI content index	43	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	18	Reported	
201-2	Financial implications and other risks and opportunities due to climate change	16	Reported	
201-3	Defined benefit plan obligations and other retirement plans	35	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	22	Reported	
203-2	Significant indirect economic impacts		Reported	None
204. PROCUREMENT PRACTICES				
2. Topic-specific Disclosure				
204-1	Proportion of spending on local suppliers	19-20	Reported	
205. ANTI-CORRUPTION PRACTICES				
2. Topic-specific Disclosure				
205-1	Operations assessed for risks related to corruption	15	Reported	100%
205-2	Communication and training about anti-corruption policies and procedures	15	Reported	
205-3	Confirmed incidents of corruption and actions taken	15	Reported	None
206. ANTI-COMPETITIVE BEHAVIOUR				
2. Topic-specific Disclosure				
Disclosure 206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	15	Reported	None
301. MATERIALS				
2. Topic-specific Disclosure				
Disclosure 301-1	Materials used by weight or volume	29	Reported	
Disclosure 301-2	Recycled input materials used	29	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	23-24	Reported	
Disclosure 302-2	Energy consumption outside of the organization		Not - Reported	
Disclosure 302-3	Energy intensity	23-24	Reported	
Disclosure 302-4	Reduction of energy consumption	23-24	Reported	

Disclosure	Description	Page numbers	Status	Comments
303. WATER				
2. Topic-specific Disclosure				
Disclosure 303-1	Water withdrawal by source	30-31	Reported	
Disclosure 303-2	Water sources significantly affected by withdrawal of water	30-31	Reported	None
Disclosure 303-3	Water recycled and reused	30-31	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	32	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	26-27	Reported	
Disclosure 305-2	Energy indirect (Scope 2) GHG emissions	26-27	Reported	
Disclosure 305-3	Other indirect (Scope 3) GHG emissions	26-27	Reported	
Disclosure 305-5	Reduction of GHG emissions	26-27	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	29	Reported	
Disclosure 306-2	Waste by type and disposal method	28-29	Reported	
Disclosure 306-3	Significant spills		Reported	None

Disclosure	Description	Page numbers	Status	Comments
Disclosure 306-4	Transport of hazardous waste	28	Reported	
Disclosure 306-5	Water bodies affected by water discharges and/or runoff	29	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	19-20	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	34	Reported	
Disclosure 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	34	Reported	
Disclosure 401-3	Parental leave	36	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	37	Reported	
Disclosure 403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	37	Reported	
Disclosure 403-3	Workers with high incidence or high risk of diseases related to their occupation	37	Reported	None
Disclosure 403-4	Health and safety topics covered in formal agreements with trade unions	37	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	35	Reported	
Disclosure 404-2	Programs for upgrading employee skills and transition assistance programs	35	Reported	
Disclosure 404-3	Percentage of employees receiving regular performance and career development reviews	35	Reported	100% employees go through performance review
405. DIVERSITY AND EQUAL OPPORTUNITY				
2. Topic-specific Disclosure				
Disclosure 405-1	Diversity of governance bodies and employees	11-12, 31	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	36	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	38-39	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	19-20	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	21	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	21	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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