

Good & Green CSR Policy

Godrej Consumer Products Limited

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1. Preamble

At Godrej Consumer Products Limited (GCPL), we are committed to the Godrej Group's 'Good & Green' vision of creating a more inclusive and greener India. Our strategic Corporate Social Responsibility (CSR) projects are aimed at achieving Good & Green goals and have helped us build a reputation of being one of the most socially and environmentally responsible companies in India.

2. Purpose

The key purpose of this policy is to:

- Define what CSR means to us and the approach adopted to achieve our Good & Green goals
- Identify broad areas of intervention in which the company will undertake projects
- Define the kind of projects that will come under the ambit of CSR
- Serve as a guiding document to help execute and monitor CSR projects
- Elucidate criteria for implementation agencies
- Explain the manner in which the surpluses from CSR projects will be treated

3. Policy Statement

Through our Good & Green CSR policy, we align our CSR strategy with the Godrej group's Good & Green vision and goals. The policy focuses on addressing critical social, environmental and economic needs of the marginalized/underprivileged sections of the society. We adopt an approach that integrates the solutions to these problems into the strategy of the company, to benefit the communities at large and deliver social and environmental impact.

4. Scope of CSR activities in GCPL

As a practice, we classify only those projects that are over and above our normal course of business as CSR. This policy applies to all our CSR projects. On a periodic basis this policy will be reviewed and updated in line with relevant codes of corporate governance, international standards and best practices.

Furthermore, the policy also fulfills the requirements of the CSR rules as per the Section 135 of the Companies Act, 2013.

4.1 Normal Course of Business

Our normal course of business is to produce high-quality and affordable home care, personal care and hygiene products for markets in India and abroad. With a vision to be the leading FMCG Company in India, we ensure our innovative products set the market trends and satisfy the needs of the consumers. We also give a high priority to comply with the regulatory requirements while keeping up with the industry standards in procurement, manufacturing, technology, safety etc.

5. Good & Green Goals of Godrej

By 2020, we aspire to create a more employable Indian workforce, build a greener India, and innovate for 'good' and 'green' products. The Godrej group's Good & Green goals for 2020 are:

- 5.1 Train 1 million rural and urban youth in skills that enhance their earning potential through employability projects
- 5.2 Achieve zero waste to landfill, carbon neutrality, a positive water balance, 30% reduction in specific energy consumption and increase utilization of renewable energy sources through the Greener India projects
- 5.3 Generate a third of our portfolio revenues from 'good' and/or 'green' products and services – defined as products that are environmentally superior or addresses a critical social issue (e.g., health, sanitation, disease prevention) for consumers at the bottom of the income pyramid

Our Good & Green CSR policy contributes to the Group-wide goals by adopting projects in the areas of intervention defined in Schedule VII of the Companies Act, 2013.

6 Key Focus Areas of Good & Green

6.1 Employability

India has 600 million people below the age of 25 out of which only 80 million (13%) are employable. Recognizing the seriousness of this problem, we have undertaken projects that focus on capacity and skill building of diverse target groups from rural youth to low-income women to make them employable and improve their earning potential and livelihoods.

6.2 Greener India

Our endeavor is to prevent the further deterioration of the environment and preserve it for the future generations. The Greener India initiative aims to do this through innovative projects that contribute to achieving the Godrej Group's goals (as in Section 5.2) linked to ensuring environmental sustainability.

6.3 Innovating for Good & Green

We define a 'Good' product/service as one which addresses a critical issue for marginalized sections of the society. The issue addressed could be related to health, hygiene, water, sanitation, housing, education, livelihoods etc. A 'Green' product/service is that which reduces energy, Greenhouse Gas emissions, water or material consumption, eliminates toxic materials or uses recyclable, renewable and/or natural material.

Our Research & Development activities have innovation and societal good at their core, which are at times supplemented by cause-related campaigns aimed at educating the marginalized communities to adopt better habits.

6.4 Brighter Giving

We place great emphasis on including our employees in CSR projects. To this end, Brighter Giving has been launched as a structured employee volunteering programme that provides employees the flexibility to leverage their skills and volunteer for the causes they are passionate about.

7 Governance Structure

We have constituted a robust and transparent governance structure to oversee the implementation of our CSR Policy, in compliance with the requirements of Section 135 of the Companies Act, 2013.

7.1 Board-level CSR Committee

The CSR governance structure of GCPL will be headed by the Board-level CSR committee.

7.1.1 Members

This committee will report to the Board of the company, and will comprise of

1. Mr. N. B. Godrej
2. Ms. Tanya Dubash
3. Ms. Nisaba Godrej

4. Mr. Mr. Vivek Gambhir
5. Mr. Narendra Ambwani (Independent Director)

7.1.2 Responsibilities

- Formulate and update GCPL's CSR Policy, which will be approved by the Board of GCPL
- Suggest areas of intervention to the Board of GCPL
- Approve projects that are in line with the CSR policy
- Put monitoring mechanisms in place to track the progress of each project
- Recommend the CSR expenditure to the Board of GCPL for approval
- Meet twice a year to review the progress made

7.2 Management Committee

The Management Committee is responsible for ensuring the smooth execution of all the CSR projects within the company. The committee will report to the Board-level CSR Committee.

7.2.1 Members

The members will include heads of individual departments.

7.2.2 Responsibilities

- Responsible for the execution of the decisions taken by the Board-level CSR Committees
- Ensure on-ground implementation of projects
- Send periodic reports to the Board-level CSR Committee
- Meet every quarter to review the progress

8 CSR Budget

The total budget for the CSR projects will be decided as a part of the Annual Operating Plans, in accordance with the Good & Green goals and priorities identified for each of the key focus areas by the CSR Committee.

9 Project Life-cycle

At GCPL, CSR projects are strategically planned and managed. Following are the key stages of a project:

9.1 Project Approval

The projects suggested by the Management Committee in consultation with the Corporate Good & Green team and company-level programme managers will be presented for the approval of the Board-level CSR Committee.

9.2 Implementation

The final projects approved by the Board Level CSR Committee will be sent to the individual Programme Managers, who in turn will break down the projects into time-bound targets and action plans. These projects will either be self-implemented, in partnership with an Implementing Agency or in collaboration with another corporates.

9.3 Monitoring

The individual Programme Managers will be responsible for monitoring approved projects, by methods which may include site visits, review meetings, progress reports etc. Online portals have been developed to track data and monitor projects thereby ensuring transparency and efficiency in the implementation process. Projects will be evaluated against the goals and milestones defined for the project, together with the Implementing Agency (if any). The reports will be submitted to the Management Committee for the quarterly review meetings.

9.4 Reporting

The Board-level CSR committee, based on reports presented by the Management Committee, will annually publish report on the CSR projects as a part of the Director's report. The report will disclose information in the format as prescribed by the Section 135 of the Companies Act, 2013.

10 Partner Qualifications

If a third party is employed to carry out the implementation of our CSR projects, the Board of GCPL will ensure that they have a clearly explained mission/vision and an established track record of three years in undertaking similar projects or programmes. The implementation agencies should be able to produce their latest audited annual reports and in case of an NGO, they should also be able to produce their registration forms according to 80G/12A.

11 Treatment of Surpluses

Any surplus generated from CSR projects undertaken by us will be tracked and channelized into our CSR corpus. These funds will be further used in development of the CSR projects and will not be added to the normal business profits.

12 Annexure

List of CSR Projects planned for FY 14-15

S.no	Project Name	Description	GCPL's area of Intervention	Status (Ongoing /New with start and end dates)	Implementation Agency	Schedule VII Tag
1.	Prerna	Training small time retailers and shop boys in general trade	Employability	Ongoing (ending 2020)	NGO	Schedule VII (ii) - Livelihood Enhancement Projects
2.	Sakhi	Entrepreneurship training for rural women	Employability	Ongoing (ending 2020)	NGO	Schedule VII (ii) - Livelihood Enhancement Projects
3.	SALONI	Beautician training for low-income women	Employability	Ongoing (ending 2020)	NGOs	Schedule VII (ii) - Livelihood Enhancement Projects
4.	Vijay	Training in Channel sales for rural Youth	Employability	Ongoing (ending 2020)	NGO	Schedule VII (ii) - Livelihood Enhancement Projects
5.	Adopting Energy Conserving Measures	Implementing latest energy efficient technologies	Greener India	Ongoing (ending 2020)	Self	Schedule VII (iv) - Ensuring Environmental Sustainability
6.	Achieving a positive water balance	Rain water harvesting projects, recycle & reuse	Greener India	Ongoing (ending 2020)	Self	Schedule VII (iv) - Ensuring Environmental Sustainability

		projects, water conservation technologies and watershed programs etc.				
7.	Renewable Energy Development	Adopting renewable energy technologies like biomass, solar	Greener India	Ongoing (ending 2020)	Self	Schedule VII (iv) - Ensuring Environmental Sustainability
8.	Achieving Carbon Neutrality	Development of Climate Change mitigation projects	Greener India	Ongoing (ending 2020)	Self	Schedule VII (iv) - Ensuring Environmental Sustainability
9.	Zero Waste to Landfill	Implementation of wastewater treatment technologies like RO, UF, MEE etc.	Greener India	Ongoing (ending 2020)	Self	Schedule VII (iv) - Ensuring Environmental Sustainability
10.	Brighter Giving	Employee Volunteering	Brighter Giving	Ongoing (ending 2020)	NGOs	Schedule VII (i) – (x)
11.	Sweater Donation Drive	Alleviating winter hardship of underprivileged school going children	Innovating for Good & Green	Ongoing (ending -)	NGOs	Schedule VII (i) - Promoting Preventive Healthcare
12.	Anti-pest Campaigns	Drive awareness about diseases caused by pests and spread knowledge how they can be tackled in slums and rural regions	Innovating for Good & Green	Ongoing (ending -)	NGOs	Schedule VII (i) - Promoting Preventive Healthcare
13.	Mosquito - Disease Awareness Programs	Awareness about best practices to prevent mosquito related diseases	Innovating for Good & Green	Ongoing (ending -)	NGOs	Schedule VII (i) - Promoting Preventive Healthcare

		in slums and rural areas				
14.	Anti-Malaria Campaigns	Awareness about mosquito infestations	Innovating for Good & Green	Starting in 2014 (ending -)	NGOs	Schedule VII (i) - Promoting Preventive Healthcare
15.	Anti-Dengue Campaign	Spreading awareness about Dengue	Innovating for Good & Green	Starting in 2014 (ending -)	NGOs	Schedule VII (i) - Promoting Preventive Healthcare