



Godrej & Boyce Mfg. Co. Ltd.

Good & Green CSR Policy

(Effective from April 2018)

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1. Preamble

At Godrej and Boyce Mfg. Co. Ltd, 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 marginalised / underprivileged sections of the society. We adopt a shared value approach that helps solve these critical problems while strengthening our competitive advantage. The approach aligns our growth with social and environmental impact.

4. Scope of CSR activities in G&B

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 fulfils the requirements of the CSR rules as per the Section 135 of the Companies Act, 2013.



4.1 Normal Course of Business

The Company has a significant presence in various businesses that include:

- Consumer durables such as refrigerators, washing machines, air conditioners, locks, home security systems, safes and furniture
- Products for institutions such as office furniture, audio-visual solutions, access control systems, perimeter security solutions, bank security solutions, beverage vending machines, interior solutions, hospital and laboratory furniture
- Industrial products such as process equipment, material handling equipment, industrial storage solutions, tooling solutions and precision equipment.

While these businesses seem diverse, they are unified in that, their development was founded on the principles of self-reliance and superior engineering capabilities.

5. Focus Areas for CSR

Good & Green

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 Employability

Train 1 million rural and urban youth in skills that enhance their earning potential through employability projects

5.2 Greener India

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 Innovating for Good & Green

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



Over and above the Good & Green goals, from time to time we undertake additional CSR activities under Schedule VII of the Companies Act 2013, such as:

- **Education:** Inclusive and equitable quality education for different age groups and promote life-long learning opportunities for all
- **Rural development:** Integrated rural development to improve education, health, livelihoods, and environmental conditions in rural and marginalised geographies
- **Poverty & hunger:** Support poverty and malnutrition projects, promote preventive healthcare and sanitation, safe drinking water
- **Gender issues:** Support empowerment programmes for girl children, adolescent girls and women, through education, health and livelihood projects.
- **Environmental sustainability:** Water conservation, clean and renewable energy, reduction of waste to landfill, environmental sustainability, ecological balance, conservation of natural resources and reduction of pollution
- **Relief funds:** Contribute to government relief funds or any other fund for disaster relief and rehabilitation
- **Armed forces welfare:** support armed forces veterans, war widows and their dependents
- **Research & technology:** Support to research institutions and technology incubators in Central Government approved academic and research institutions
- **National heritage:** Protection of national heritage, art and culture
- **Sports:** Promote sports in all forms, geographies and for all groups including (but not limited to) sports for persons with disability



6. 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.

6.1 Board-level CSR Committee

The CSR governance structure of G&B will be headed by the Board-level CSR committee.

6.1.1 Members

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

- Mr. J.N. Godrej, Chairman and Managing Director, Godrej & Boyce Mfg. Co. Ltd.
- Mr. V. M. Crishna, Executive Director, Godrej & Boyce Mfg. Co. Ltd, (Chairman of CSR Committee)
- Mr. A.G. Verma, Executive Director & President, Godrej & Boyce Mfg. Co. Ltd
- Mr. P.P. Shah, Independent Director, Godrej & Boyce Mfg. Co. Ltd
- Mr. K.M. Elavia, Independent Director, Godrej & Boyce Mfg. Co. Ltd

The Company Secretary will serve as the Secretary of the CSR Committee.

6.1.2 Responsibilities

- Formulate and update the Company's CSR Policy, and have it approved by the Board;
- Suggest areas of intervention to the Board;
- Approve projects that are in line with the CSR Policy;
- Put monitoring mechanism in place to track the progress of each project;
- Recommend the CSR budget and expenditures to the Board of G&B, for approval and;
- Meet twice a year to review the progress made

6.2 Task Force

Project specific task forces are constituted for implementation and monitoring of the CSR projects.



6.2.2 Responsibilities

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

7. 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.

8. Project Life-cycle

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

8.1 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.

8.2 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 corporate.



8.3 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.

8.4 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.

9. Partner Qualifications

If a third party is employed to carry out the implementation of our CSR projects, the Board of G&B 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.

10. 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.

