

Corporate Social Responsibility Policy

of Godrej Industries Limited

(w.e.f. May 13, 2019)

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1. Preamble

At Godrej Industries Limited (GIL), 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) initiatives actively work towards the Good & Green Goals and have helped us carve out a reputation for 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 partner 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 Industries 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 GIL

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

GIL manufactures industrial chemicals that are used for a variety of product categories, ranging from cosmetics and tyres to pharmaceuticals and toothpastes. We are the country's leading manufacturer of Oleochemicals & Surfactants. We pride ourselves for delivering high quality products at competitive prices in several countries. Our differentiated manufacturing processes and supply chains enable us to be the preferred supplier of chemicals to many markets in India and abroad. As a company, we are committed to providing quality products to our customers, creating economic value for all our shareholders, and we assign high priority to ensuring that we fulfill all regulatory requirements.

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 Employability

Train 1 million rural and urban youth in skills that enhance their earning potential through employability projects India has 600 million people below the age of 25 out of which only 80 million (13%) are employable. Recognising the seriousness of this problem, we have undertaken projects that focus on capacity and skill building of diverse target groups from rural youth to lowincome women to make them employable and improve their earning potential and livelihoods.

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. 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.

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. We define a 'Good' product/service as one that addresses a critical

issue for marginalised 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. Innovation and societal good form the core of our Research & Development activities. This at times is supplemented by cause-related campaigns that aim at educating the marginalised communities to adopt better habits.

5.4 Brighter Giving

We encourage our team members to be a part of our CSR projects. Through Brighter Giving, our structured volunteering programme, we provide volunteering opportunities to our team members to engage in skill-based, longer-term volunteering projects.

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

- Education: Inclusive and equitable quality education for different age groups and promote life-long learning opportunities for all
 - 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
 - Rural development: Integrated rural development to improve education, health, livelihoods, and environmental conditions in rural and marginalized geographies
 - Poverty & hunger: Support poverty and malnutrition projects, promote preventive healthcare and sanitation, safe drinking water
 - Research & technology: Support to research institutions and technology incubators in Central Government approved academic and research institutions
 - Gender issues: Support empowerment programmes for girl children, adolescent girls, and women, through education, health and livelihood projects, etc.
 - 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 disabilities
- Armed forces welfare: support armed forces veterans, war widows and their dependents

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

At GIL, our CSR governance structure will be headed by the Board Level CSR committee that will be ultimately responsible for the CSR projects undertaken. The committee will report to our Board of Directors.

6.1.1 Members

- Mr. N. B. Godrej
- Ms. T. A. Dubash
- Mr. Nitin Nabar
- Mr. Mathew Eipe

6.1.2 Responsibilities

- Formulate and update our CSR Policy, which will be approved by the Board of GIL
- Suggest areas of intervention to the Board of GIL
- 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 GIL who will approve it
- Meet atleast once a year to review the progress made

7. CSR Budget

The total budget for the CSR projects will be decided by the CSR Committee.

8. 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.