



Godrej & Boyce Mfg. Co. Ltd.

Good & Green CSR Policy

(Effective from 4th November 2020)

Contents

1. Preamble	3
2. Purpose	3
3. Policy Statement	3
4. Scope of CSR activities in the Company.....	3
Normal Course of Business of the Company.....	4
5. Focus Areas for CSR	4
Good & Green	4
5.1 Employability	4
5.2 Greener India	4
5.3 Innovating for Good & Green Products.....	5
6. Governance Structure	6
6.1 Board-level CSR Committee	6
6.2 Task Force	6
7. CSR Budget	7
8. Project Life-cycle	7
8.1 Project Approval	7
8.2 Implementation	7
8.3 Monitoring	7
8.4 Reporting	8
9. Partner Qualifications	8
10. Treatment of Surpluses.....	8
11. Effective Date	8



1. Preamble

At Godrej & 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 the Company

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 Section 135 of the Companies Act, 2013, read with Schedule VII of the Companies Act, 2013 as amended from time to time.

Normal Course of Business of the Company

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

Through our UN Sustainable Development Goals (SDGs) aligned 'Good & Green Vision', 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 Vision' focuses on below points:

5.1 Employability

Train 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, reduction in specific energy consumption and increase utilization of renewable energy sources through the Greener India projects.



5.3 Innovating for Good & Green Products

Maximize 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 as specified by Schedule VII of the Companies Act 2013, including, but not limited to:

- **Education:** Inclusive and equitable quality education for different age groups and promote life-long learning opportunities for all.
- **Eradication of hunger, poverty and malnutrition:** Support poverty and malnutrition eradication projects, promote preventive healthcare and sanitation, safe drinking water.
- **Gender Equality:** Support empowerment programmes for girl children, adolescent girls and women, through education, health and livelihood projects.
- **Rural development:** Integrated rural development to improve education, health, livelihoods, and environmental conditions in rural and marginalised geographies.
- **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 special government relief funds or any other Central Government or State Government fund specifically devoted for disaster relief and rehabilitation.
- **Armed forces welfare:** support armed forces veterans, war widows and their dependents.
- **Research & technology:** Support Central Government approved academic, research institutions and technology incubators.
- **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.

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 and the Rules made thereunder.

6.1 Board-level CSR Committee

The CSR governance structure of the Company will be headed by the Board-level CSR Committee.

6.1.1 Members

The CSR Committee is duly constituted as per the provisions of Section 135 of the Companies Act, 2013, and reports to the Board of Directors of the Company (the Board)

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

6.1.2 Responsibilities

- To formulate and update the Company's CSR Policy, and have it approved by the Board.
- To suggest areas of intervention to the Board.
- To approve projects that are in line with the CSR Policy.
- To approve the CSR budget and review the expenditures.
- To oversee monitoring mechanism in place, to track the progress of each project.
- To 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.

6.2.1 Responsibilities

- Be responsible for the execution of the decisions taken by the Board-level CSR Committee;
- To ensure on-ground implementation of projects;



- To meet every quarter to review the progress;
- To submit reports to the Board-level CSR Committee for its review.

7. CSR Budget

The total budget for the CSR projects will be decided pursuant to the provisions of Section 135 of the Companies Act 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, and in accordance with the Good & Green goals and priorities identified for each of the key focus areas by the CSR Committee, as a part of the Annual Operating Plan.

8. Project Life-cycle

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

8.1 Project Approval

The projects suggested by the Corporate Good & Green team in consultation with Task force Chairpersons 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 Task force Chairpersons and HR head for the quarterly review Meetings.

8.4 Reporting

The Board-level CSR Committee, based on reports presented by the Corporate Good & Green team, will annually publish a Report on the CSR projects, as a part of the Board's Report. The Report will disclose information in the format as prescribed by Section 135 of the Companies Act, 2013 and the Rules made thereunder.

9. Partner Qualifications

If a third party is employed to carry out the implementation of our CSR projects, the Corporate CSR team will ensure and Board-level CSR Committee will review, that they have a clearly explained mission/vision and an established track record and demonstrable capabilities for 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 Section 80G/12A of the Income Tax Act, 1961.

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.

11. Effective Date

The effective date of this Policy is **4th November 2020**.

The CSR Committee approved the Policy at its Meeting held on 4th November 2020 and the same was approved by the Board of Directors at their Meeting held on 10th November 2020.

