



HAVELLS



Sustained Efforts For Sustainable Growth



Sustainability,
at Havells, is not
just a **business
mandate** but a
way of life.



Sustained efforts for **sustainable growth** underline the business philosophy of Havells, which remains **steadfastly committed to social responsibility** driven by **innovation**.

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Our Triple Bottom Line

PLANET

85024 GJ
of **Energy Saved**
over previous year

3.3 MW
**Renewable
Energy** Installed
per day

7620
MtCO₂eq.
reduction in **GHG
Emission**

99%
of all waste
generated
Recycled/Reused

PEOPLE

**Training Hours
per Employee**
increased by
47 times

CSR Expenditure
increased by
11.6%

Mid-day Meals
provided to
59000
children per day

Gender Balance
4%
Female share of
total workforce

PROFIT

CSR Expenditure
INR **14.95** cr

Revenue (Gross)
INR **8260** cr

**Net Profit after
Exceptional items**
INR **713** cr

**Total Expenditure
on Employees**
increased by
30%



The Havells Sustainability Charter

Havells India Limited is a highly successful, Indian enterprise that stands out among its competitors with an extensive portfolio of fast moving diverse electrical products. Havells has been ranked 11th 'Most Respected Company' out of top 100 companies in India in a survey by coveted business magazine- Business World. The company built its reputation by providing a wide range of world class industrial and consumer durable electrical products. Our 12 manufacturing plants are located across 7 locations in India- Alwar, Baddi, Haridwar, Neemrana, Faridabad, Sahibabad and Guwahati. All plants are equipped with state of the art manufacturing facility with advance automation and processing equipments that ensures high quality of products manufactured. The company has strong distribution channel & marketing network along with a chain of exclusive brand showrooms for its brands-Havells, Standard and Lloyd called Brand Shops including Galaxy, Gallery, Light house dedicated to cater to the demand of

sales of Fast Moving Electrical Goods (FMEG) and Consumer Durables. Havells has also acquired the consumer durable business (CDB) of the Lloyd Electric where their operations includes the business of Air-conditioners, TVs and Washing machines. Some of the prestigious brands owned by the company are Havells, Crabtree, Standard and Lloyd.

India's largest Fast Moving Electrical Goods (FMEG) and Consumer Durables Company, Havells India Limited is imbued with a culture of innovation that steers its sustainability agenda. With pioneering and path-breaking initiatives guiding our evolution as an industry leader, we live the mantra of sustainable growth through sustained efforts.

Our efforts to promote sustainability have led to the creation of a sustainable eco-system, in which we are constantly setting new benchmarks in energy and resource efficiency, as well as product safety. With 90% of our products manufactured in-house, we retain a

stronghold on product quality that remains unparalleled in the industry.

Focus on sustainability within the organisation spans the entire value chain of our business, as we work dedicatedly towards creating shared value for all our stakeholders through our 'Triple Bottom Line' approach.

Benefits of our sustainability focus

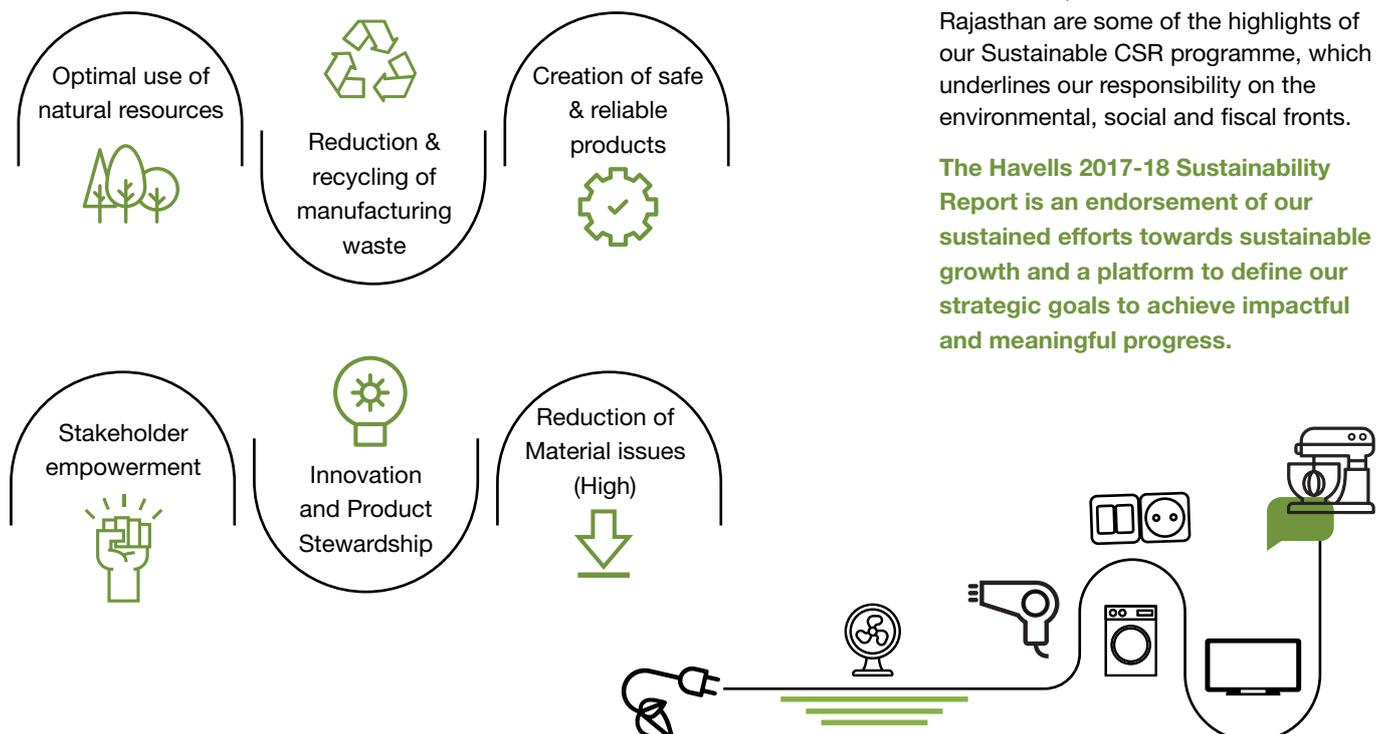
Our sustainability focus has yielded a wide range of benefits for the company and our customers. While the optimal use of resources has led to huge savings in energy and raw material, our focus on water conservation has made us a 'Water Positive Company'. With 90% of our products being energy efficient, we have helped our customers ensure a low environmental footprint.

The community reach

Led by an inclusive growth model, our sustainability agenda seeks to deliver holistic progress for our employees and also the communities we work with. Construction of 2800 bio-toilets in 366 schools in the last three years, under the Government's Swachh Bharat Abhiyan, and providing daily mid-day meals to 59,000 children in schools in Rajasthan are some of the highlights of our Sustainable CSR programme, which underlines our responsibility on the environmental, social and fiscal fronts.

The Havells 2017-18 Sustainability Report is an endorsement of our sustained efforts towards sustainable growth and a platform to define our strategic goals to achieve impactful and meaningful progress.

Key to our sustainable growth agenda



Chairman's Message

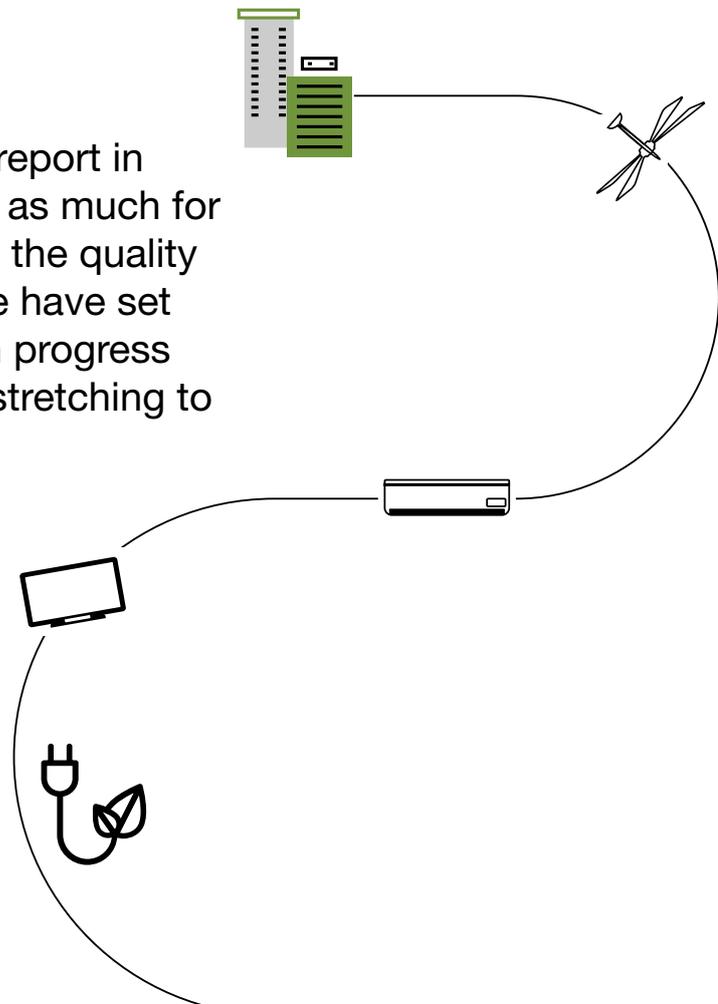
With a new paradigm Havells support in creating better tomorrow



We have embraced technology in every sphere of our business & manufacturing operations including channel management. Higher automation in manufacturing led to greater efficiencies and enhancement in productivity. The rapid digitization of our sales force has offered them ease and speed of doing business, whereas it offers greater transparency, peace of mind and ease of doing business to our channel partners.

Dear Stakeholders,

When we launched our first Sustainability report in 2012, our aspiration was to be recognized as much for our commitment to social responsibility as the quality of our products. Since then, every year, we have set ambitious goals, transparently reported on progress and acknowledging challenges, and then stretching to new ones.



During this journey, we have reached milestones that would have been difficult to envision 5 years ago. We attained water positive status, filed over 100 patents, enhanced gender diversity at our plants, continued our zero fatality record and contributed millions of hours to community service.

You would be pleased to know that we completed 25 years of our public listing in 2017. Through these years, we have registered consistent growth across all business parameters be it revenue, profitability, employment generation or contribution to exchequer with highest standards of corporate governance. Through these years we have been able to deliver return to our shareholders at a CAGR of ~37%. In the FY2017-18 we reported 33% growth in revenues and 32% growth (after exceptional items) in profits as compared to last year. We are committed to serve and enhance value for each of our stakeholder including our consumers, dealers, vendors, employees and shareholders.

As a responsible corporate citizen and a member of UN Global Compact, your company is not only committed to principles of UNGC but is also extensively working on eleven SDGs namely; No Poverty, Zero Hunger, Good health & Well-being, Quality Education, Clean Water and Sanitation, Affordable and Clean Energy, Decent Work & Economic Growth, Industry Innovation & Infrastructure, Responsible Consumption and Production, Climate Action and Life on Land.

Human Capital is at the core of our operations. We continue to invest in training and development of our people. During the year we hired over 2000

employees and achieved 10,750 man hours of training resulting in better productivity and efficiency.

We have embraced technology in every sphere of our business & manufacturing operations including channel management. Higher automation in manufacturing led to greater efficiencies and enhancement in productivity. The rapid digitization of our sales force has offered them ease and speed of doing business, whereas it offers greater transparency, peace of mind and ease of doing business to our channel partners.

During the year, we developed and implemented Havells Re-sustain software to integrate, measure, and monitor our environment, social and economic indicators. This helped us monitor and improve our GHG intensity by 29% compared to last year. We have generated 6% of clean energy from rooftop solar plants thus reducing our GHG footprint. For us, energy efficiency is the key to combining climate protection, conservation of resources and competitive economic advantages.

During the year we partnered with Madhya Pradesh Van Vikas Nigam to plant over one lac teak trees in FY 18-19. This will help us in taking a gigantic step towards making our company carbon, wood and paper positive over next few years.

Through our mid-day meal program, we serve nutritious food to over 59,000 students across 692 schools daily, thus contributing to their overall development and well-being.

Our commitment to sanitation led to the building of over 2800 bio-toilets. In order to enhance usage of these bio-toilets we not only organized sensitization workshops for both children and teachers but also helping them in the upkeep of these toilets. In a pilot project aimed at the girl child, we provided a kit of reusable sanitary pads to 1165 girls. With the overwhelming response, we would now cover a larger number of girls.

We take pride in the country's rich heritage and are committed to conserving this wonderful inheritance. Our company has partnered with Aga Khan Trust Culture in building Humayun's Tomb Interpretation Centre and conservation of 'Sabz Burj', a 15th-century monument in central Delhi.

With an aim of making the youth industry-ready, we have adopted electrical wing of two Industrial Training Institutes in the country, ITI PUSA in Delhi and ITI Nagaon in Assam.

Moving forward, we remain focused on taking our sustainability performance to newer heights that will benefit our company, our customers and communities around us.

Truly Yours



Anil Rai Gupta
Chairman & Managing Director



Our sustainability framework is woven across a tapestry of environmental and social efforts that blend to deliver inclusive progress.

A Glimpse into the Report

The Havells Sustainability Report 2017-18 showcases the integrated sustainability practices followed by the company across all verticals. Besides following the 'In Accordance-Core' framework of the Global Reporting Initiative (GRI) Standard Sustainability Reporting Guidelines, it is also aligned to the Business Responsibility Report (BRR) requirements under SEBI Listing Regulation, 2015.

Reporting Boundary

The data in this report covers the period from April 1, 2017- March 31, 2018.

Future Reporting

We publish reports every year, with our last report having been published in 2017. Going forward, we will continue to report with GRI and other frameworks to provide a consistent insight into the entire gamut of our sustainability agenda.

Data Integrity

We have exercised strict internal controls to collect and analyse the relevant data that we have shared to support the various disclosures in this report. The information related to the environmental and social sustainability indices is based on our integrated data management system.

We strive to ensure that all information provided in this report is accurate and reliable, besides being unbiased, comparable and comprehensible. Where applicable, we have taken care to cite any significant limitations in the information presented in this report. With our commitment to total transparency, we have also taken adequate steps to communicate the impact of our business on the people and the planet in a fair and balanced manner.

(Note: You may find some anomalies in the totaling of numbers, which is due to rounding-off.)

Report Scope and Boundary

Havells Facilities	Performance Indicators Covered in Report		
	Economic	Environmental	Social
Manufacturing units			
(a) Neemrana, Rajasthan			
(b) Alwar, Rajasthan			
(c) Baddi, Himachal Pradesh			
(d) Faridabad, Haryana			
(e) Haridwar Fans, Uttarakhand			
(f) Haridwar Standard Uttarakhand			
(g) Sahibabad, Uttar Pradesh			
(h) Guwahati, Assam			
Corporate Office			
(a) Noida, Uttar Pradesh			



At Havells “Sustainability” means striking the appropriate balance between our environmental responsibilities, financial performance, and social commitments.

External Assurance

Cognizant of the importance of building trust and credibility with our stakeholders, we have got this report externally assured by KPMG, excluding economic performance indicators, which are derived from our audited financial reports. The

assurance is in accordance with the ‘limited assurance’ criteria of the International Standards on Assurance Engagements ISAE 3,000 (Revised). Details of the assurance approach, methodology, and observations are presented in the assurance letter in

Annexure 1, at the end of this report. Our aim, through the external assurance exercise, is to sustain the trust of our stakeholders, and, at the same time, facilitate continuing quality and process improvements.

Our Company

Havells is the leading brand in fast moving electrical goods (FMEG) and consumer durable in India. We are ranked amongst top 5 in most of the product categories such as MCB (we have 28% market share), Switches, Cables, Lighting and other consumer durables.

Our Business divisions include:

Switchgear, Cable, Lighting and Fixtures, Electric Consumer Durables (ECD), LLOYD Consumer Division.

Sustainability at Havells includes providing competitive products and services to make contribution towards Global challenges such as lack of resources and climate change. Furthermore, our switchgear, ECD, lightings, cables empowers continuous growth in business and provides numerous solutions and options to customers. The business model is structured in a way that our

business is carried out in 52 countries and 7 manufacturing locations. During the reporting year Havells hired 2083 employees across its business units and regions.

After acquisition of Llyod, we have focused on revenue generation and business expansion. In FY 2018-19, we will start production of Air conditions, TV and washing machines.

Revenue Generation

We have observed 24% improvement in revenue generation compared to last year. We also propose to expand our business by adding more manufacturing plants in the near future.

Revenue by segments

Segments	₹ Crores	
	FY 2016- 17	FY 2017- 18
Switchgears	1,406.5	1,407.7
Cables	2,379.4	2,600.2
Lighting & Fixtures	971.0	1,156.3
Electric consumer durables	1,378.4	1,560.2
Llyod consumer division	0	1,414.1
Total	6,135.3	8,138.5*

*Gross Revenue 8260 crore

We welcome your comments and suggestions to make the report more relevant and useful. You can share the same at sustainability@havells.com.



"To the Planet for the Planet" celebrating Sustainability day at Alwar with pledge, awareness, awards, tree plantation and engagement.

Sustaining Universal Goals of Sustainable Development

As one of India's leading FMEG and Consumer Durable Company, we are constantly working to align our sustainability goals with the global agenda of sustainable development. We have identified the United Nations' Sustainable Development Goals (SDGs) as a key focus area for enabling

sustainable progress across the social and environmental indices. Our strategic goals are driven by the need to strike a balance between exclusive profits and inclusive progress. In order to achieve this, we are continuously exploring and innovating

measures for effective and optimal resource management. At the same time, we have aligned many of our social and environmental goals to the SDGs, particularly in the field of sanitation and hunger, as well as climate change and clean energy.

Matching UN's SDG goals



Skill development through ITI



Mid-day meals to 59,000 kids every day



Maintenance of Nutrition value of mid-day meal



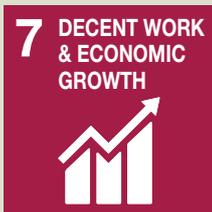
Infrastructure for Heritages, Schools, ITI and Sanitation



Construction & maintenance of 2,800 bio-toilets in schools



Renewable energy sources, with energy-efficient practices at plants



Improved productivity and increase in turnover



R & D centers across all plants to provide the best technologies, enabling zero defect services



Environmentally responsible products, customer-centric practices & employee-friendly organisational culture



Reduction in energy intensity and emissions, 1 Lac tree plantation



Tree plantation and nurturing ecosystem

We Support UN Sustainable Development Goals (SDGs)

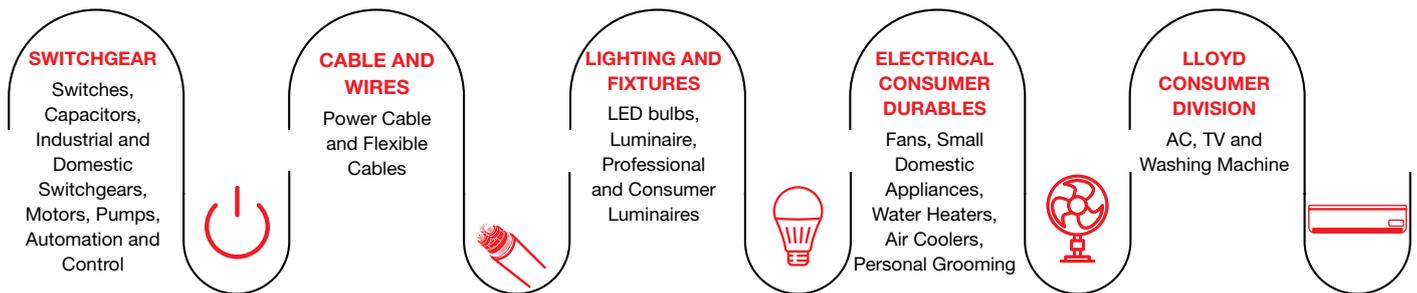


Our endeavour to align our sustainability charter with the universal goals will continue to steer our strategy in the future, as we intensify our sustained efforts to push innovation as a tool to create quality products.

Havells - A Sustainable Business Entity

Havells’ business model is structured around a diversified portfolio of quality and energy-efficient products, spanning key segments of growth in the electrical and consumer durable goods industry.

Our Business Divisions



Ownership and legal form

	(%)
Promoter & Promoter Group	59.58
Mutual Funds	4.53
Alternate Investment Funds	0.03
Foreign Portfolio Investors	24.93
Financial Institution/ Bank	0.5
Private Corporate Bodies	3.17
Indian Public	6.58
Central Government/ State Government	0.12
NRI/ Foreign Bodies	0.51
IEPF	0.03
Unclaimed Suspense A/c	0.04
TOTAL	100

We have an efficient interplay within our brand, distribution network, manufacturing, product bouquet for high market share, profitability, free cashflow and superior return to shareholders up to 39%.



Havells - An Overview

Over 1 Lakh

Retail Outlets

Over 9,800

Dealers

41

Branches

52

Countries

527

Brand Shops including Galaxy, Gallery, Lighthouse

12

Manufacturing Plants in India

30,498 cr

Market Cap as of 31st March 2018

5,789

No. of Employees on company roll

8,550

No. of Employees on contract

8,260

Revenue (Gross)



OUR VISION

To be a globally recognised corporation that provides the best electrical and lighting solutions delivered by the best-in-class professionals.

OUR MISSION

To achieve our vision through fairness, business ethics, global reach, technological expertise, building long-term relationships with all our associates, customers, partners and employees.

OUR VALUES

Customer Delight

A commitment to surpass our customer expectations

Leadership by Example

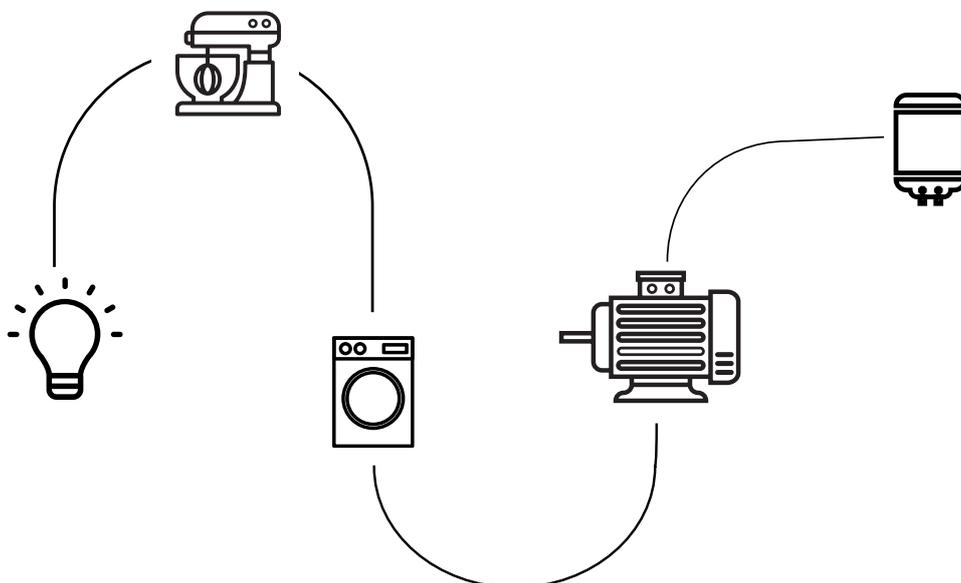
A commitment to set standards for our business and transactions based on mutual trust

Pursuit of Excellence

A commitment to strive relentlessly, to constantly improve ourselves, our teams, our services and products so as to become the best in class

Integrity & Transparency

A commitment to be ethical, sincere and open in our dealings.



Our Brands & Products

Spanning the complete spectrum of industrial and consumer electrical products, Havells stands tall as a brand designed to deliver sustainable growth. An innovative range of products defines our brand proposition, which we are continuously striving to sustain. Quality and reliability are the hallmarks of our brands and products, which have a top-of-the-mind brand recall across the key geographies.

Our offerings spell the highest levels of innovative excellence across our entire product range:

Industrial & Domestic Circuit Protection Devices, Cables & Wires, Motors, Fans, Modular Switches, Home Appliances, Electric Water Heaters, Power Capacitors, Water Purifiers, Air Coolers, Professional and Consumer Luminaires, Air Purifiers and Personal Grooming.

In Step with India's Sustainable Growth Story

Differentiated products, designed to address the evolving needs of India's growing aspirational customer base, are central to our story. With 90% of our innovative products manufactured in-house, we are active partners in the government's 'Make in India' initiative and supporting the nation's journey of sustainable growth.



Crabtree

LLOYD



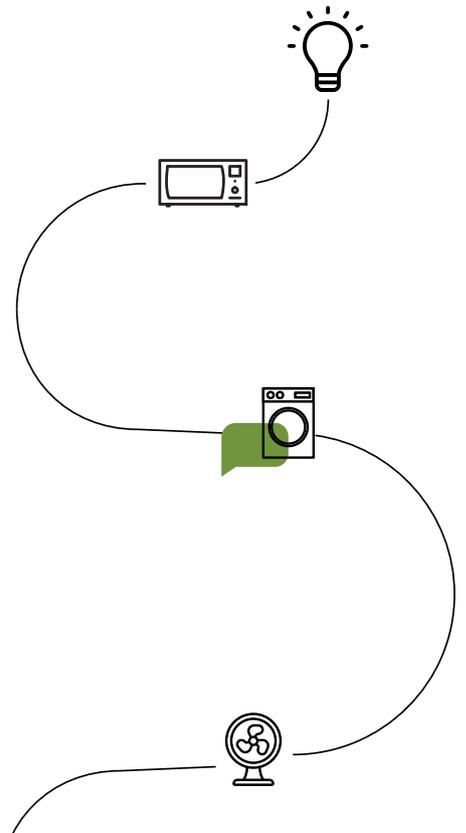
Availability of our products in more than 52 countries and more than 400 cities within India, with a robust network of over 9,800 dealers and a strong sales force backing our 40 offices spread across the country. Havells is the preferred choice of customers worldwide.

An Expanding Galaxy

To cater to a growing clientele in both, the industrial and consumer markets, we have established an exclusive chain of over 527 brand Shops as a convenient source of products for customers across the country.

Customer-centric approach

Our business strategy is centered around our customers. We pioneered the concept of doorstep service in the industry with our 'Havells Connect' initiative. We also set a new benchmark in customer support with our 24X7 customer service, which is available in nine languages in over 400 districts of India.





We believe that people empowerment, within the organisation and in the communities with which we work, is critical to our holistic growth. Our business goals are, thus, oriented towards value accretion not just for our investors and shareholders but also for our employees and the society at large.

Sustainable Value Chain for Sustainable Growth

We believe sustainability to be not just a goal but a business approach that underlines the systems and processes across our entire value chain – from raw material to manufacturing to supply chain management. Our partnership approach, which encompasses not just our external relationships but also our employee relations, is a key enabler of our sustainability agenda.

Sustaining growth across the supply chain

While we have in place a strong network of distributors to deliver value to our customers, our sustainable practices are actually manifested at every stage of our supply chain.

Sourcing with responsibility

When it comes to sourcing raw materials, our efforts are concentrated on local sourcing, where possible. With relationships of more than 1500 suppliers across the country, we spent

75.4% of our procurement budget on sourcing within India. The rest went into raw material procurement from 19 countries and 16 types of sub categories. In all these cases, we adhered to the most ethical business practices and environmental benchmarks.

Building sustainable partnerships

Our partnership approach has enabled us to create a robust network of distributors, whom we support consistently and continuously through IT infrastructure and supply chain upgradation. Our digital tools are the best in the industry, providing us with real-time inputs and feedback at every stage of our value chain. This helps us respond quickly and efficaciously to any disruptive concerns, thus enabling timely correction.

Stringent adoption of sustainable practices across the supply chain

has boosted our efficiencies while, at the same time, enabling us to keep costs and resource utilization under control. This policy translates into direct benefits for the environment and the society.

Input Materials used

We had optimised material consumption and when compared to turnover, we have recorded regular improvement in material used. Most of the materials used were under the category of recyclable/reused and most of our materials are RoHS, REACH compliant. We are continuously working on minimising the burden on landfill and incineration sites. We continued to maintain optimum use of materials and ensured better performance of product.

1720

Total Suppliers (Domestic)
1523 (In Mfg.Units) + 197
(Finished Goods)

75.4%

Spent on procurement budget

92%

Total purchases is from suppliers registered with GVP (Global vendor portal)

Major Countries (Import Purchase)

Thailand	Qatar
China	Taiwan
Hong Kong	Canada
Vietnam	Malaysia
Indonesia	Germany
Singapore	Utd.Arab Emir.
South Korea	USA
Japan	Italy
Marshall Islands	Belgium
Saudi Arabia	

Vendor Sub-Category

Aluminium Sheet/Rod/Strip	Plastic Moulding Parts
Brass Components	Press Components
Brass Strip	SE Copper Wire
Casting - Aluminium	Silver Tips & Rivets
Casting - CI	Engg. Plastic Raw Material
Copper Components	Aluminium Components
Copper Rod	
CRCA Sheet/Strip/Coil	
HARDWARE - Nut & Bolt/ Screw/Washer, etc.	
Packaging	

Decoding our Sustainable Growth Model

Building a strong foundation for sustainable growth requires not just a powerful intent and also the will to succeed. One of the major factor driving our sustainable growth agenda is our stringent adherence to the principles of trust and transparency, which are built in to our Corporate Governance framework. We have in place a cohesive Code of Conduct, which we have integrated into every function of our business. We have also extended the values of this Code to all our vendors and

suppliers, with whom we sign the Code to ensure statutory compliance with applicable laws of Environment Health & Safety Act, Child Labour Act, Contract Labour Regulations and Prohibition Act, among others. The Code is also imbibed in our Vendor Qualification, Development, and Evaluation requirements.

In view of the constraints faced by many of our suppliers, who are small producers with limited time and

resources, we have also developed a system to support their learning process and help them improve the quality and productivity levels at their end. As part of this system, we have set up 'HABIT (Havells Association of Business Innovation & Transformation) Society, wherein our Lean Manufacturing Consultants provide guidance to our suppliers and connect them with government-based financing for capacity building.

Sustaining Vendor Growth

We are, at present, supporting Six Vendor Clusters (comprising 57 suppliers) with steps to boost their manufacturing excellence through various techniques, which include:

5S System

Value Stream Mapping
Visual Control
Poka Yoke or Mistake Proofing
Standard Operating Procedures (SOP)

TPM (Total Productive Maintenance)

Just in Time (JIT)
Kanban System
Kaizen Blitz or Rapid
Improvement Process

Single Minutes Exchange of

Dies/ Quick Changeover
Cellular Layout
Vendor Portal

At present 92% of total purchases are from Havells GVP (Global Vendor Portal) which has 14 key features, resulting in ease of business.

Under the product quality and performance improvement we observed following reductions; 57% in manufacturing rework, 30% warranty return, 15% in service calls of plants, 50% In-process rejection, 66% in Incoming material from supplier in PPM.

We have audited 23 new suppliers out of 687 under social and environmental criteria.

Logistics

Average customer distance reduced from 149KM to 112 KM

- We are working on network optimization project to mitigate the impact on environment by 10% of fuel consumption reduction.
- Lloyd acquisition and GST provide unique opportunity to redesign our network to improve service levels at reduced cost.
- Consolidated Warehouses in NCR and Tri-city.
- Warehouses across India reduced from 60 to 31.

Supply Chain Spend Analysis

Our approach towards supply chain risk identification involves, assessing suppliers on risks such as environmental, social, legal, financial and operational. Each risk criteria is provided a certain weightage based on factors which include child labour, litigation, conflict mineral compliance, delay in payment, health and safety etc. Through the outcome of the risk identification process a rating is determined for the supplier.

Supplier Assessment : Key performance indicator

KPI 1	Assessment of critical suppliers	Target: 80%
		Target year: 2019-20
KPI 2	Assessment & Improvement of high risk suppliers	Target: 100%
		Target year: 2020-21
KPI 3	Sustainability assessment expert pool creation	Target: 2 person/plant
		Target year: 2019-20

In 2017, we have worked with 1179 tier-1 suppliers out of which 320 have been identified to be critical to our operations we regularly analyse our supply chain spend in order to optimise cost and our procurement practices.

Overview – Annual Purchase (FY 17-18)

(Value in Cr. Inclusive of taxes)

	Domestic	Import	Total
Mfg.Plants	3,328	1,084	4,412
Traded Goods	747	1,232	1,980
Grand Total	4,075	2,316	6,391
Overall Business Share(%)	64%	36%	

Spend Analysis (Mfg.Plants)

Commodity	Domestic	Import	Grand Total
Copper	718	513	1,232
Aluminium	781	11	792
Steel	493	35	528
Electronic Comp	251	271	522
Plastic	322	95	417
Paints & Chemicals	215	88	303
Others	166	49	216
Packaging	209	2	211
Capex & Consumables	113	20	133
Brass	32	0	32
Hardware	25	1	26
Grand Total	3,328	1,084	4,412
Overall Business Share(%)	75%	25%	

Spend Analysis (Trading Items)

Divison	Domestic	Import	Grand Total
LLOYD -AC	240	808	1,047
Lighting	156	128	284
LLOYD -LED TV	51	152	203
SDA	89	27	116
FAN	59	16	75
LLOYD - WM	5	56	61
EWA	48	1	50
Solar	27	19	46
Water Heater	32	6	38
Pump	22	2	24
Capacitor	13	-	13
Grooming	0	8	8
Automation	-	4	4
LLOYD -REF	0	4	4
Cooler	3	-	3
Wire	2	-	2
LLOYD -SDA	1	0	1
Grand Total	747	1,232	1,980
Business Share(%)	38%	62%	

Our Domestic Presence



- Plants**
- Alwar
 - Baddi
 - Faridabad
 - Guwahati
 - Haridwar
 - Neemrana
 - Sahibabad

- National Presence**
- | | | | |
|-------------|------------|-----------|---------------|
| Ahmedabad | Cochin | Jabalpur | Pune/Kolhapur |
| Amritsar | Dehradun | Jaipur | Rajkot |
| Assam | Delhi | Jammu | Siliguri |
| Bangalore | Eastern UP | Jharkhand | Srinagar |
| Bhopal | Goa | Jodhpur | Surat |
| Bihar | Haldwani | Kolkata | TN1 |
| Calicut | Haryana | Ludhiana | TN2 |
| Central UP | Himachal | Mumbai | Trivandrum |
| Chandigarh | Hyderabad | Nagpur | Udaipur |
| Chhatisgarh | Indore | Orissa | Vijayawada |
| | | | Western UP |

Map not to scale. For illustrative purposes only.

Expanding Frontiers of Sustainable Growth

Growing from a mere trading company into an FMEG and Consumer Durable Company with a global presence, we have scaled many frontiers of expansion while surging ahead on the sustainable growth path. Constant innovation, backed by transparency, ethics and accountability, has, to a large extent, defined our progressive journey.

We have 12 manufacturing facilities in seven locations across India to showcase our 'Make in India' philosophy, which dates back many years before the government launched the 'Make in India' campaign. Leveraging the strategic location advantage of these plants, and harnessing the strength of our 9800-strong dealer network and our more than 1 lac sales outlets, we

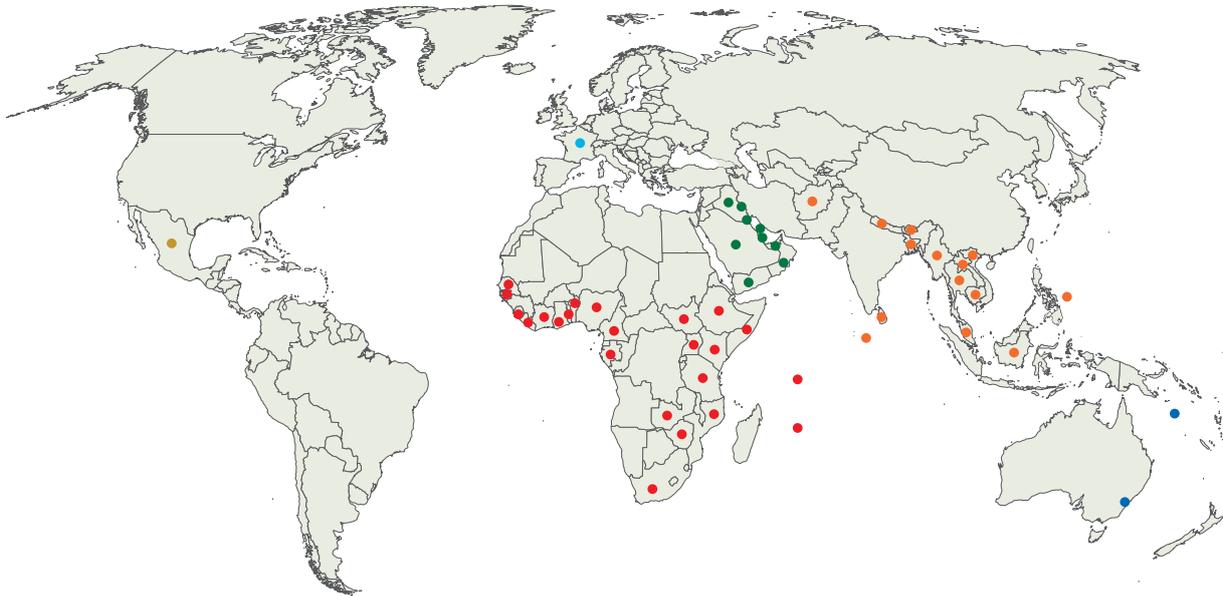
reach out to consumers across 400 cities with our path-breaking product range.

Our strategic diversification into the consumer durables, home appliances and personal grooming segments has emerged as a strong driver of our sustainable growth charter, enabling us to deliver sustained value to all our stakeholders.

Packaging Material Sustainability : Key performance indicator

KPI 1	Material sustainability	Target: Increase in usage of Sustainable material (bio-degradable or recyclable or recycled or material from renewable sources) by 15% Target year: 2020-21
KPI 2	Carbon footprint	Target: Reduce inwards logistics/travel distance for packaging material in to our IH plants by 25% Target year: 2020-21

Our Global Presence



Map not to scale. For illustrative purposes only.

Africa

- Uganda
- Ethiopia
- Tanzania
- Kenya
- Zambia
- Togo
- Nigeria
- Zimbabwe
- Mozambique
- Liberia
- Benin
- Ivory coast
- Cameroon
- Senegal
- Sudan
- Somalia
- South Africa
- DRC Gabon
- Ghana
- Sierra Leone
- Seychelles
- Mauritius
- Malawi
- Egypt
- Mali
- Gambia

Middle East

- UAE
- Kuwait
- Qatar
- Iraq
- Yemen
- Oman
- Saudi Arabia
- Bahrain
- Jordan
- Malta
- Lebanon

Asia

- Indonesia
- Nepal
- Bangladesh
- Sri Lanka
- Bhutan
- Myanmar
- Maldives
- Afghanistan
- Malaysia
- Vietnam
- Thailand
- Philippines
- Laos

Oceania

- Fiji Island
- Australia

Europe

- France

North America

- Mexico

Our Major Customers





We have generated **6%** of clean energy from roof top plants thus saving 1414 tonnes of CO₂ emissions that is equivalent to planting 4732 trees.



Solar Storage Solutions

- Solar home inverters
- Solar hybrid pcu's
- Solar portables & power packs
- Solar streetlights & mini masts



Solar Grid - Tie Power Solutions

- Mini utility scale projects
- Commercial roof top solutions
- Industrial roof top solutions
- Residential roof top solutions

In India we have installed 146 sites generating 5.50 Gwh of total clean energy so far in last one year and emissions Saved 2,157,419.35 kgs or 2157.42 tonnes of CO₂ equivalent to 7,191 trees planted

Awards and Memberships

Mr. Anil Rai Gupta received Emerging Business Leader award from All India Management Association (AIMA).

Our Lighting division won received “Best ICT Implementer” in Smart City at Business world’s 3rd Digital India Summit.

Havells India won the Dun & Bradstreet Corporate Award under the “electrical products” category.

Conferred with received “Bhamashah Samman” from Govt. of Rajasthan for its contribution towards construction of bio-toilets in govt. schools of Alwar district.

Havells India won the “CSR Excellence Award-2018” from Govt. of Rajasthan, for its flagship CSR programme – Mid-day meal - under the agriculture food and nutrition segment.

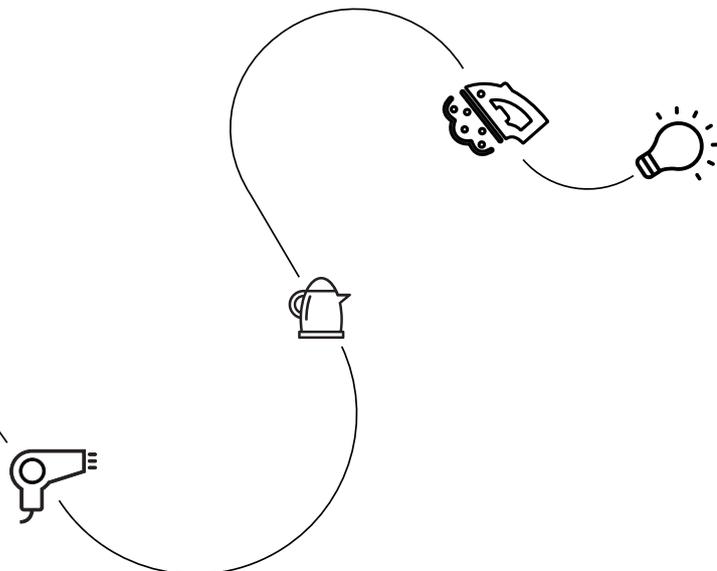
Mr. Anil Rai Gupta won the “ET Family Business Award”.

Our Neemrana plant won the Smartest Industrial Building Award from Network 18 and Honeywell.

Mr. Sachin Gupta, CIO, Havells India, won the CIO 100 award from IDG.

Won the Frost and Sullivan 2017 India LED Lighting Company of the Year Award.

Another proud moment for Havells was when Havells won the first Economic Times “Family Business of the Year” under the category- Mid-Sized Companies. The award was presented to Mr. Ameet Gupta at a glittering ceremony at The St. Regis Hotel, Mumbai.



Memberships

- IEEMA- Indian Electrical and Electronics Manufacturers Association
- Computer Society of India
- ELCOMA- Electric Lamp and Component Manufacturers Association of India
- ISLE - Indian Society of Lighting Engineers
- IFMA- Indian Fan Manufacturers Association
- Water Quality Association
- United Nations Global Compact (UNGC), India



Sustained Steps to Strengthen Stakeholder Engagement



To ensure sustainable business practices, stakeholder engagement is of paramount importance, we continuously try to strengthen our relationship with the stakeholders through interacting with them via different communication channels such as surveys, conferences, meetings etc. Our comprehensive list of stakeholders includes all those who are directly or indirectly affected by our business activities.

As part of our sustained efforts to ensure timely interventions, where needed, and continuous improvement in our systems and processes, we take regular feedback from our stakeholders, be it individuals or organisations.

We have created a materiality matrix of priority areas on the basis of the quantitative and qualitative surveys conducted among the stakeholders.

This matrix not only provides us with an assessment of opportunities and challenges faced by the company but also helps us come up with timely and sustainability-focused interventions.

At Havells, Corporate Governance is Responsible Governance

Havells conducting business with a deep commitment to ethics, transparency and accountability. It forms the basis of our internal and external operations, manage our supply chain, and engage our stakeholders.

Some material facts



Conducted the first materiality exercise in 2012-13 through structured stakeholder surveys with management and staff.



Acquired deep understanding of our business against key concerns from survey responses and accordingly initiated improvements.



Annual exercise - engaging with the internal stakeholders to pro-actively address their concerns.

During 2016-17, we conducted a rigorous materiality assessment exercise. Valuable feedback helped us to chart our sustainability roadmap for the future.

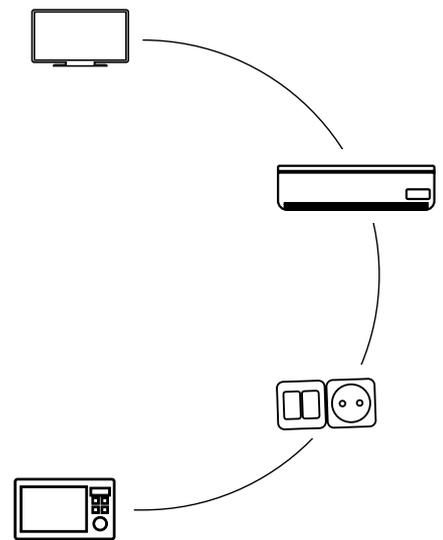
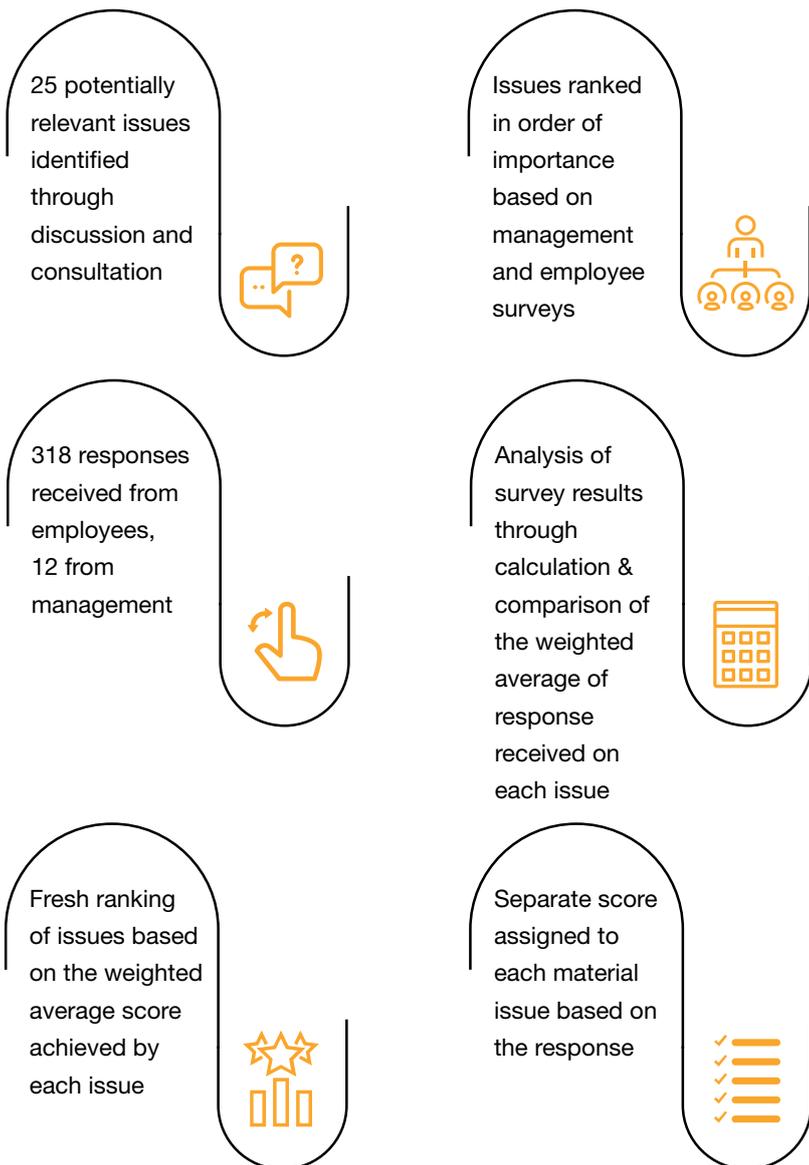


Materiality Assessment

Although we pro-actively engage with our internal stakeholders on yearly basis, the materiality assessment is performed as and when deemed necessary. We did not find any significant change in issues from last year, therefore we are continuing with previous year’s assessment to build a comprehensive strategy for the material issues identified in 2016-17.

Objectives	Assessment Methodology
Identify significant environmental, social and governance risks and opportunities for the company.	Potential issues’ identification
Identify areas for target setting to improve business and sustainability performance.	Management & employee surveys
Communicate a broader business strategy	Response analysis Identification of material issues & presentation to sr. management

The 2016-17 materiality exercise



Materiality findings during the year

The 2016-17 materiality exercise helped us identify 22 issues as most material and of top priority for the company. These issues have been presented to the top management for necessary action.

Environmental Issues



Energy Consumption and Efficiency

Encourage development of products which have low energy footprint for entire life-cycle (manufacturing to end of life use). Promote a culture of energy efficient practices at all our manufacturing plants.



Regulatory Compliance

Proactively update our compliance policy to the best industry standards and strictly adhere to all applicable laws across different spheres of our business.



Renewable Energy Sources and Use

Focus on reducing dependency on fossil-based energy resources. Promote exploration for greener sources of energy with the aim of adopting them and thus reducing our carbon footprint in the process.



Environment Impact of Products and Services

Innovating products that are resource efficient in their use and also have minimal impact on the environment for their entire life-cycle.



Input Materials Used

Increase share of recycled and alternative materials as input in our production process, reduce and reuse waste, improve material management process for greater resource efficiency. We are dedicated to reducing dependency on virgin materials and are also working towards phasing out hazardous materials.

Economic & Governance Issues



Revenue Generation

Focus on increasing community investment, reducing manufacturing costs, improving margins etc.



Wealth Distribution and Impact

By conducting business responsibly with our suppliers, paying taxes, making long-term capital investments, and paying wages and salaries we aim to contribute significantly to national and local economies.

Social Issues



Customer Satisfaction Practices

Customer-driven strategy for doing business has resulted in best-in-class customer management practices. Providing customer support and timely redressal is of paramount importance.



Employment Turnover

Keeping employees motivated through superior human resource practices, and strive to become a preferred employer of choice. Ensuring business growth through hiring and retention of skilled manpower.



Employee Benefits

Retaining the best talent has contributed to the continuous growth of the organization. We achieve this by ensuring best-in-class perks and incentives suite offered to employees, along with leading skill development programs.



Training and Skills Development

Enhance and strengthen the core competencies of our employees by providing them regular training. This has a direct impact on our sustainable growth.



Health and Safety Assessment of Products

Focus on proper due diligence during product development phases, and rigorous in-house checks and balances for ensuring our products are safe for use during and after their useful life. This is achieved by continuous investment in R&D and Testing practices.



Occupational Health and Safety

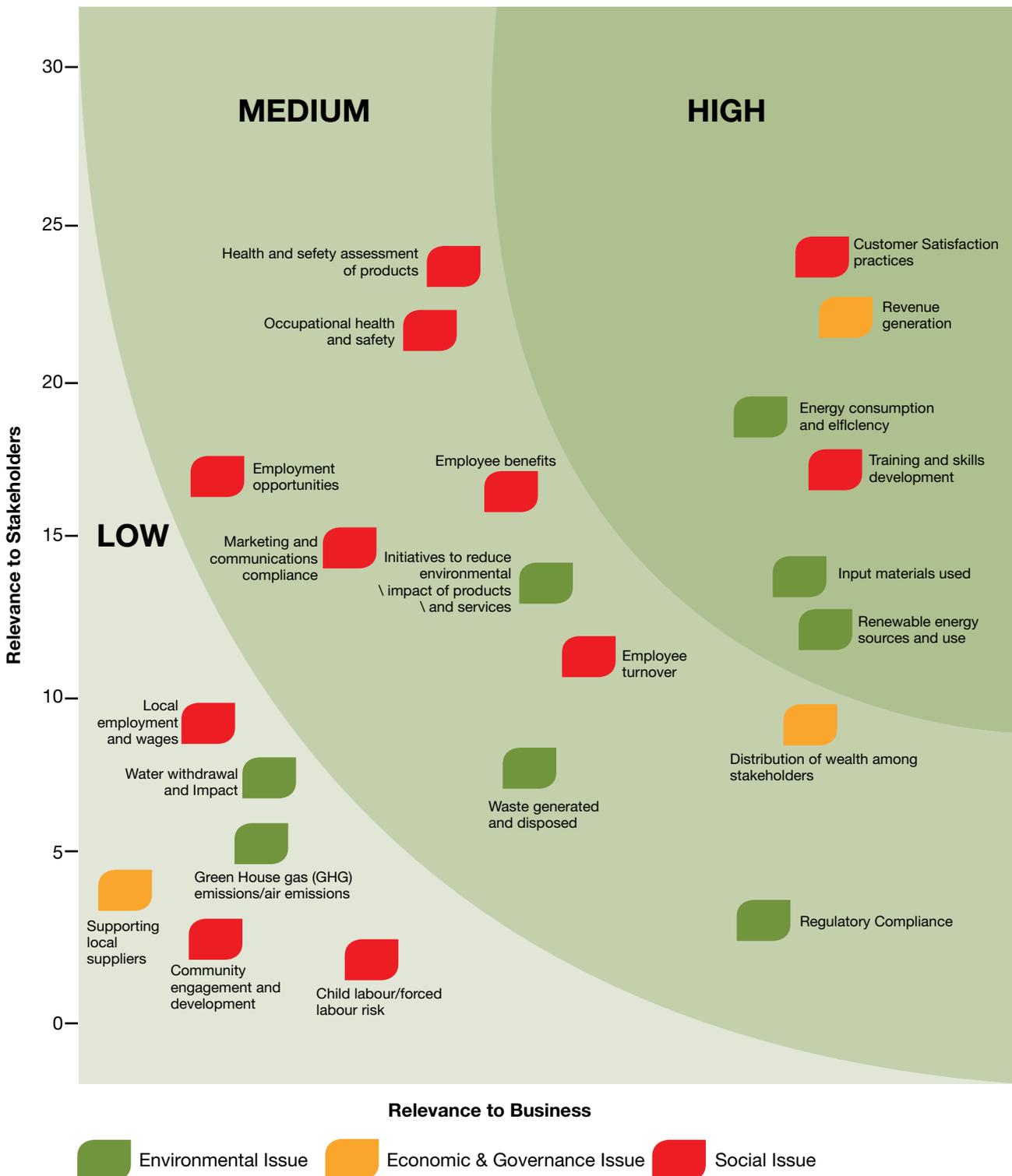
Zero-Tolerance policy related to providing and maintaining a safe and secure workplace for our employees, free from health, safety and harassment related risks.



Our Material Topics:

In 2016, we carried out a comprehensive stakeholder (internal and external) engagement exercise to facilitate understanding of our obligations to our stakeholders, this was consistent with our commitment towards corporate responsibility. We identified the material issues for the preparation of the GRI-based Sustainability Report. We have diligently worked on all Material (high) issues and observed significant improvements in most of them.

Havells Materiality Matrix





Investing in energy efficiency at our operations is one of the most effective ways in which we reduce greenhouse gas emissions, lower costs and create sustainable products.

Sustaining the Highest Levels of Corporate Governance

Stringent adherence to the principles of Corporate Governance is an important facilitator of our sustainable growth strategy. We remain committed to ensuring the highest levels of ethics, transparency and accountability across the entire value chain of our business. With the aim of achieving the triple bottom line impacts through sustainable growth, we follow best practices of Corporate Governance in terms of Board leadership, timely disclosures, transparent accounting policies and unwavering adherence to integrity in

decision-making.

We made sustained efforts through the year to boost accountability and monitoring by the Board, which is responsible for providing strategic guidance to the company. The Board remained committed to protecting the interests and rights of the minority, with equitable treatment of all stakeholders. Strengthening of the quality of our disclosures and upholding transparency and excellence also remained high on our agenda.

Our focused efforts to augment customer relationships are led by our promise of 'Leadership with Trust', which we are continuously nurturing towards greater excellence.

Board of Directors

In accordance with relevant laws and regulations of the country and the resolutions made at the Annual General Meeting (AGM), our Board of Directors is tasked with the critical functions of management performance and formulation of management policies.

They also take strategic business decisions in line with the company's sustainable growth goals.

A diversified Board composition, with members from various regions, cultural background, training, and level of education enables sharing of different

ideas for promoting the company's sustainability agenda. To the extent feasible and required by applicable regulations, we maintain a remuneration structure and compliance framework that is designed to uphold the principles of Corporate Governance.

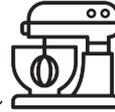


Board Mandate

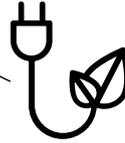


Oversee and periodically review of compliance reports pertaining to the applicable laws to the company

Keep abreast of materially important show- cause notices, demand, prosecution, penalty notices, non-compliance of any regulatory, statutory nature or listing requirements etc., if any.



(Note: The compliance reports may relate to, though are not limited to, resource optimization, energy efficiency, fatal or serious accidents, significant labour concerns and proposed solutions.)



Board Composition

It is our endeavour to always maintain an optimal mix of executive and non-executive directors. Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, requires that “at least half of the board of directors shall comprise of independent directors”, that is i.e. 50%. However, Havells exceed the independence requirement and almost 54% of the Board is comprised of Independent Directors.

Section 149(1) of the Companies Act 2013 requires certain companies to

have at least one women director. Havells has an Independent Director (Pratima Ram) as part of Board of Directors.

All statutory and other matters of significance, including information as mentioned in part A of schedule II to the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, are tabled before the Board so that it can discharge its responsibility of strategic supervision for the company.

As per regulations the minimum attendance requirement is at least one

board meeting and the average board attendance for the year ended 31st March 2018, was almost 84%.

During 2017-18, a total of four Board meetings were held, with the time gap between any two board meetings not exceeding 120 days. We received 5 shareholder grievances, all of which were resolved within the year.

The average tenure of the board for the year ended 31st March 2018 was 9 years.



Board of Directors



1 Upendra Kumar Sinha
Independent Director

2 Dr. Adarsh Kishore
Independent Director

3 Surender Kumar Tuteja
Independent Director

8 Vellayan Subbiah
Independent Director

9 Vijay Kumar Chopra
Independent Director

10 Ameet Kumar Gupta
Whole-time Director



- | | | | |
|--|---|---|--|
| <p>4 Puneet Bhatia
Non-Independent
Non-Executive Director</p> | <p>5 T. V. Mohandas Pai
Non-Independent
Non-Executive Director</p> | <p>6 Jalaj Ashwin Dani
Independent Director</p> | <p>7 Pratima Ram
Independent Director</p> |
| <p>11 Surjit Kumar Gupta
Non-Independent
Non-Executive Director</p> | <p>12 Anil Rai Gupta
Chairman and
Managing Director</p> | <p>13 Rajesh Kumar Gupta
Whole-time Director (Finance)
and Group CFO</p> | |

Board Committees

Committees of the Board as on 31st March, 2018

Audit Committee	<ol style="list-style-type: none"> 1. Shri Surender Kumar Tuteja Chairman 2. Shri Vijay Kumar Chopra Member 3. Smt. Pratima Ram Member 4. Shri Surjit Kumar Gupta Member
Stakeholders Relationship/Grievance Redressal Committee	<ol style="list-style-type: none"> 1. Dr. Adarsh Kishore Chairman 2. Shri Surender Kumar Tuteja Member 3. Shri Surjit Kumar Gupta Member 4. Shri Anil Rai Gupta Member
Nomination And Remuneration Committee	<ol style="list-style-type: none"> 1. Shri Vijay Kumar Chopra Member 2. Shri Surender Kumar Tuteja Chairman 3. Shri Surjit Kumar Gupta Member
Corporate Social Responsibility Committee	<ol style="list-style-type: none"> 1. Shri Vellayan Subbiah Chairman 2. Shri Surender Kumar Tuteja Member 3. Dr. Adarsh Kishore Member 4. Shri Anil Rai Gupta Member 5. Shri Rajesh Kumar Gupta Member
Enterprise Risk Management Committee	<ol style="list-style-type: none"> 1. Smt. Pratima Ram Chairman 2. Shri Anil Rai Gupta Member 3. Shri Rajesh Kumar Gupta Member

Our Code of Conduct

The Havells' Code of Conduct is mapped to the highest standards of accountability and transparency. We take all steps to ensure that the Code of Conduct is communicated to, and signed by each employee at the time of joining. The applicability of the Code to all the Directors as well as the senior management of the organization ensures its total compliance.

SATARK

'SATARK' is our whistle-blower policy, which empowers all those associated with the company to report unethical behaviour directly to the management, without fear or bias. Actual or suspected fraud, or violation of the company's Code of Conduct or ethics policy, are covered among the issues reported as part of SATARK.

IDEA

'IDEA' is a policy that seeks to promote an organisation-wide culture of innovative thinking and creativity across all technical and non-technical areas such as commercial, general administration, manufacturing processes, and cost savings.

NIRBHAYA

'NIRBHAYA' is our policy to check sexual harassment of women at the workplace through a structured approach to dealing with such cases.

PROHIBITION OF INSIDER TRADING

The Havells Policy for 'Prohibition of Insider Trading' helps deter employees from indulging in any securities-related malpractices.

RISK MANAGEMENT & OPPORTUNITIES FRAMEWORK

It encompasses practices relating to identification, evaluation, monitoring and mitigation of key risks to the business.

Designated teams are entrusted with the task of conducting periodic Enterprise Risk Management activities such as risk surveys. To guide our risk management plan, we regularly undertake periodic assessment of risks and their potential impact on business growth, profitability, talent engagement and market position.

External

Statutory Audit, Secretarial Audit, Cost Audit, Product Quality Assurance, Process Standardization, Certification Audit (ISO, OHSAS, ISI etc).

Internal

Assurance Service (Internal Financial Control), Advisory Service (Financial & Operational Performance), Statutory Compliance Assurance, Establishing Anti-fraud, Control Framework.

Management

Control Self-Assessment, Enterprise Risk Management, Monthly Plant & Branch Performance Rating, Business Process Improvement Through Formation of Various Groups

We follow a PSPD (Predictable, Sustainable, Profitable and De-risked) approach for risk management. This approach is benchmarked to COSO (Committee of Sponsoring Organisations of the Treadway Commission, USA) Internal Financial Control Framework, in accordance with the Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements) regulations 2015. It helps us promote a sustainable growth culture across the organizational fabric by providing an interactive management-centric approach to tackling key business challenges and harnessing opportunities.

	Description of risk	Potential business impact of the risk	Mitigating actions
Emerging Risk 1	Product Innovation : Increasing use of Electronics & Software in products	Existing technology obsolescence and sales of such advanced products	<ul style="list-style-type: none"> Development of IOT enabled connected devices <ul style="list-style-type: none"> Development of communication enabled range in Switchgear-MCB & ACB Smart Switch range Level-1 & Smart Socket to make existing appliance smart Outdoor smart lighting matching with smart city requirements enabled for mesh and star topology Smart Fan Indoor smart light meeting requirements of HCL(Human centric light) , IPS(Indoor positioning system), OLED & lifi.
Emerging Risk 2	E- Waste management	Can impact on sales	<ul style="list-style-type: none"> Strategy being worked out for future targets of collection of E-waste. E-waste disposal being ensured through an accredited recycler .

Corporate Governance : Beyond mere compliance

While we remain committed to total compliance with the mandatory requirements of Corporate Governance, our efforts are oriented towards the bigger goal of imbuing the organisation with a culture of Corporate Governance that goes beyond mere compliance.

To ensure this, we are continuously striving to promote the highest standards of corporate governance among our employees and business partners, with dedicated and persistent efforts to help them understand our value system and follow it in letter and in spirit.

To ensure that all national and international regulations are strictly complied with, we have established strong environmental management system with the latest technologies and equipment to control pollution and waste level. These are in line with the limits prescribed by the Pollution Control Board. Authorised vendors are

used for the safe and effective disposal of hazardous solid waste generated at our plants.

We have adopted the strict OHSAS-18001 standard to ensure health and safety of our workforce at our manufacturing facilities. We also strictly follow all laws and regulations related to child labour, forced and compulsory labour, freedom of association and the right to collective bargaining, disciplinary practices, working hours and remuneration of employees.

As a result of our commitment to compliance, we maintained a complete check against discrimination, child labour or forced labour during the reporting period. No fines or non-monetary sanctions were levied on the company for non-compliance with environmental laws and regulations.

Further, there were no incidents of non-compliance or fines levied with respect

to the regulations or voluntary codes relating to the health and safety impacts of Havells' products and services, products related communication and product information disclosure and labeling.

Regulatory compliance: Zero Tolerance to Non-compliance

We have a stringent policy which emphasizes on zero tolerance to Non-compliance. As per Company's policy Compliance of all the Statutory Laws applicable to the Company is the primary responsibility of every employee.

In accordance with the provisions of Section 135 of the Companies Act, Havells contributed a sum of Rs. 14.95 crores towards various social causes during the reporting period.



Alignment to BRR Principles

Principle	BRR principles to assess compliance with ESG norms	Coverage in section of Sustainability Report 2016-17	Page
1	Businesses should conduct and govern themselves with ethics, transparency and accountability	Our Code of Conduct: Fostering communities - Sustainably	43, 63
2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle	Sustainable value chain for Sustainable growth Energy, Water and Raw material Product Responsibility	22, 49, 51 - 53 73-74, 81 - 85
3	Businesses should promote employee well-being	Nurturing a culture of people excellence, New employee Hire and Turnover, Abiding by law- Labour practices & Human Rights, Nurturing Human capital development	89, 91, 92, 93
4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.	Materiality assessment Abiding by Law: Labour practices & Human Rights, Fostering communities - Sustainably	32 - 35, 63, 92
5	Businesses should respect and promote human Rights	Abiding by Law: Labour practices & Human Rights, Fostering community - Sustainably	63, 92
6	Businesses should respect, protect, and make efforts to restore the environment.	Sustainable approaches to business : Precautionary approach Energy Water and Raw material	49, 51-53 73-74, 81 - 85
7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner	Our Code of Conduct, Awards & Memberships, Stakeholder Engagement	43, 28, 30
8	Businesses should support inclusive growth and equitable development.	Sustainable approach to business : Economic performance, Precautionary approach Nurturing a culture of people excellence : Corporate social responsibility, Training & skills development	48, 49, 89, 90, 93
9	Businesses should engage with and provide value to their customers and consumers in a responsible manner	Stakeholder Engagement, Risks & Opportunities and Materiality Analysis, Product Responsibility	30, 32 - 35, 43



We are charged by a **passion**
for efficiency and creating
shared value.

Persistent focus on environmental, economic and social Issues sustainability continues to drive **cost and energy efficiencies in our business**, enabling us to deliver sustained growth to our **stakeholders, year on year.**



Sustainable Approach to Business

We follow a customer-led approach to business, with a strong focus on sustaining margins and market share. As partners in the nation's progress, we contribute to with the economy, as well as the economies of various regions, through our business with suppliers, through wages, salaries and taxes paid and long-term capital investments.

The economic performance highlighted in this report is based on the financial statements of the company.

Economic Performance

Our sustained efforts to promote sustainable growth guides our business approach. Innovation, investment, expansion and efficiencies are the pillars of our business model, which is

crafted to deliver long-term success for the company and high value to our stakeholders.

During the reporting year, our Net Revenue grew by 33% and Net profit before exceptional items rose 32%. Earnings before interest, tax, depreciation and amortization went up by 27%.

Financial Performance Summary

Standalone Financials (INR crores)*	2017-18	2016-17	2015-16
Economic value generated			
Revenues (Gross)	8,260.3	6586	5775.5
Economic value distributed			
Operating costs	7,211.1	5762	5020.5
Profit After Tax (PAT)	712.5	539	712
Total expenditure on employees	649.7	500.4	370.8
Payments to investors and shareholders	301.5	226	451
Contribution to the exchequer	2230.2	1363.4	1168
Voluntary community investments	14.95	13.4	11.4
Benefits for carrying out R&D	9.33	15.5	11



Local Purchasing

With the aim of benefitting the local economy, we source all our raw materials, to the extent possible, within India, where our manufacturing plants are also located. Working closely with our suppliers, we ensure that we are able to procure the best quality raw material. It is our constant endeavour to strengthen our local supply chains through our far-flung network of suppliers with whom we are continuously working to align our policies on quality and procurement.

During 2017-18, we spent 75.4% of our total procurement budget on local purchasing.

Precautionary Approach

We follow a precautionary approach to design practices in order to minimize the risks and impact of our business operations on the environment. Further, we have implemented Environmental Health and Safety (EHS) management systems in our plants to address issues related to these subjects. We get our EHS management system audits conducted on a regular basis by third-party certification agencies.

All our facilities are ISO 9001 certified. They are also ISO 14001 and OHSAS 18001 certified with the exception of Guwahati plant. Except for Guwahati, Standard and Haridwar (fan), all our plants are covered by ISO 50001 standard.

We have created sustainable energy management systems at our plants to ensure accurate measurement and documentation of energy use and consumption, thus facilitating our efforts to improve our energy performance on a sustained basis.

Our initiatives on clean technology, energy efficiency, and renewable energy are covered in the environment section of this sustainability report. Any emissions or waste generated within

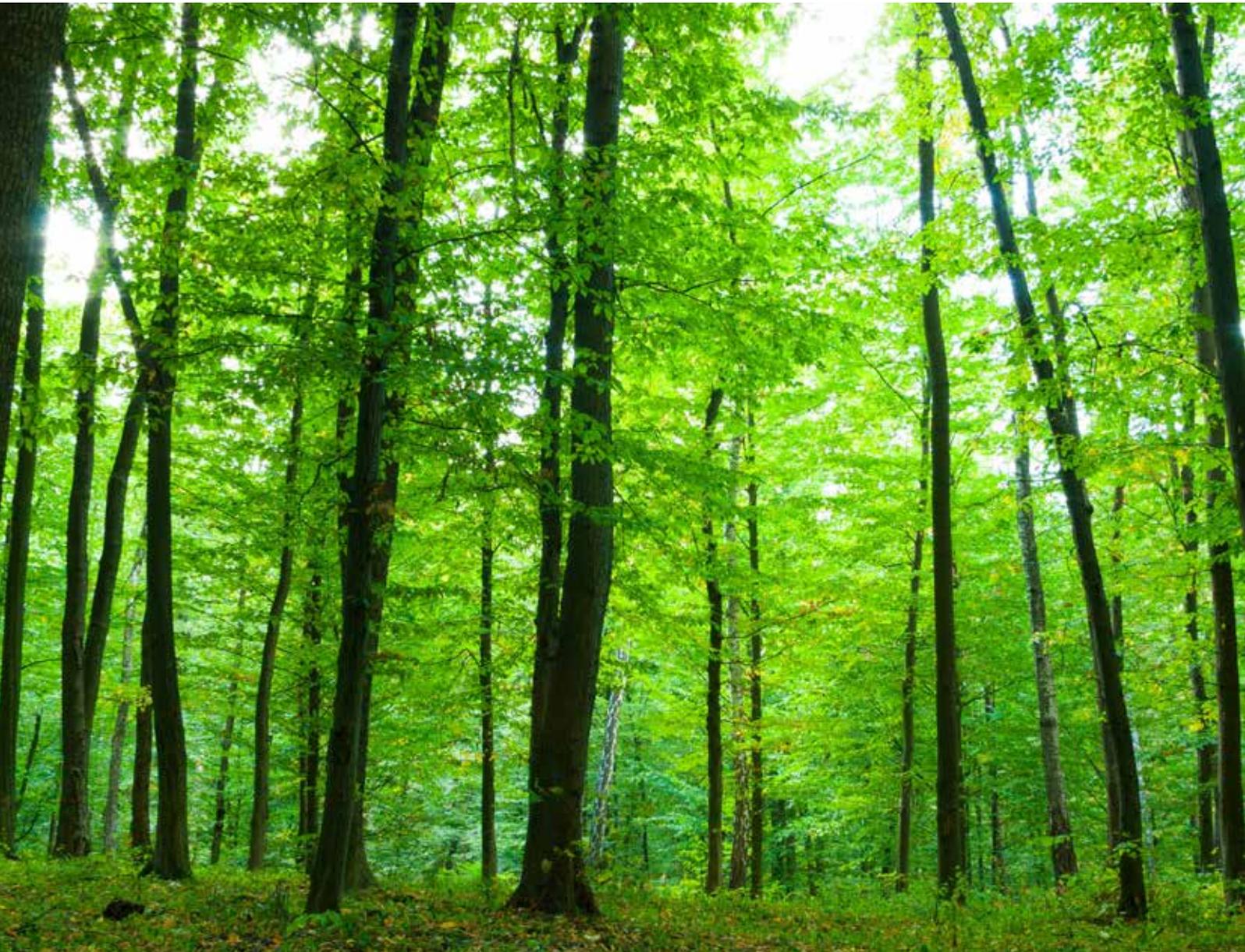
our business is within the permissible limits set by CPCB/SPCB for the financial year 2017-2018 and there have been no show causes/legal notices received from CPCB/SPCB.

During the reporting year, we invested Rs. 2.17 crores in environmental initiatives across our manufacturing plants to boost energy efficiency, lower emissions, manage waste in a responsible manner, conserve water and ensure optimal use of materials.

Environmental Key Performance Indicators (KPIs)

KPI-1: Water Positive	Target: 5% reduction in consumption per employee
	Target Year: FY 2020
KPI-2: Increase in Renewable Energy share in total energy use.	Target: 5% increase compared to 2017
	Target Year: FY 2020
KPI-3: E-waste management (EPR Collection)	Target: 5100.1 MT (in weight)
	Target Year: FY 2023

Plants	ISO 9001	ISO 14001	OHSAS 18001	ISO 50001
Alwar	●	●	●	●
Baddi	●	●	●	●
Faridabad	●	●	●	●
Guwahati	●			
Haridwar	●	●	●	
Neemrana	●	●	●	●
Sahibabad	●	●	●	●
Standard	●	●	●	



We take pride in our uncompromising commitment to sustainable growth, which we are aggressively promoting through regular investments in social and environmental capital.

Making the Planet More Liveable



Energy Consumption
Reduced by

53,909 GJ



GHG Emissions
Declined by

7,620 tCO₂eq



2.17 Cr.
Invested in
Environmental Initiatives



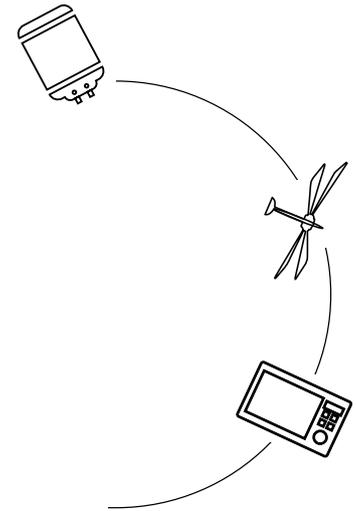
3.3 MWp
Renewable Energy
Installed



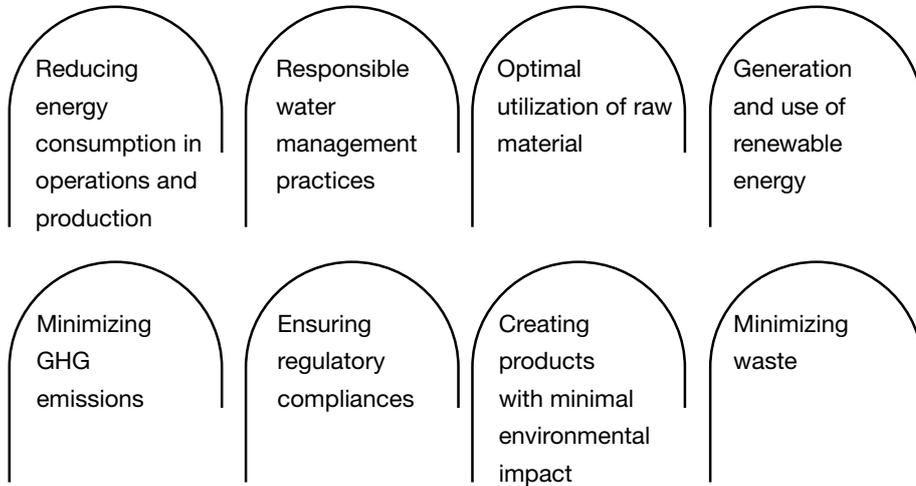
Towards a Healthier Planet

As an environmentally aware and responsible organisation, we have imbued into our business DNA an ethics-led approach that is focused on reducing the environmental footprint of our facilities. Steered by an innovative culture, we create products that maximize energy and resource

efficiencies, resulting in reduced emissions and improved environmental conservation. Our environmental concerns are underlined by a multi-pronged approach, backed by focused initiatives.



Our environmental agenda



Our energy intensity has reduced considerably as a result of the use of LEDs and introduction of natural light in our factories, besides strategic innovations in the utilization of energy in our processes.

Aligned with global Climate Change goals we, at Havells, have also stepped up our momentum to reduce our GHG emissions and resource intensity. Our sustainable charter is aligned to both, the national and international Climate Change goals.

Our focus on lowering energy utilization through initiatives to enhance efficiencies, coupled with increased clean energy generation, has enabled us to consistently lower our emissions footprint. This has also helped us achieve energy self-sufficiency in our operations.

Energy-saving initiatives undertaken at our factories, offices and other premises include:

- Replacement of conventional motors with VFD motors
- Replacement of DC motors to AC motors
- Replacement of Mercury Halide lamp with CMI lamps
- Replacement of CFL with LED lighting
- Replacement of conventional tubelights with LED lights
- Optimization of energy consumption in production, testing and non- production processes
- Redesigning assembly line systems
- Improving Jig density
- Switching higher energy chemicals with lower energy-using chemicals

The primary source of our energy is electricity from the grid, followed by HSD (High-Speed Diesel) and Natural Gas.

Energy Consumption and Efficiency

At Havells total energy consumed last year was 3,55,887 GJ and 91,759 GJ of energy was saved. Hence Energy Intensity was improved by 40% compared to 2015-16 (base line). Numerous innovations have been introduced resulting in 4,405 energy efficient new products, recording a sales value of ₹ 479 crores as sum of sales value. We are committed to maintain this efficiency in the future too.

Impact

New initiatives have successfully reduced our energy consumption by 12.6% over the previous year. Our energy savings stand at 91,759 GJ and our GHG emissions declined by 20%.



Innovation, backed by better management practices, lies at the heart of our strategic thrust on increasing productivity and improving energy efficiencies across our business functions.

Leading change through Innovation

The industries in which the company competes are characterized by rapid changes in consumer preferences and technological advances, the company's ability to compete successfully depends upon its capability to ensure a continuous and timely flow of competitive products, services and technologies to the marketplace

CRI (Center for Research & Innovation)

With the objective of becoming a trendsetter it is important to enhance R&D facilities. Hence the Company is investing in world class infrastructure and testing laboratories at all its plant locations. The Company's CRI (Centre for Research and Innovation) team focuses on continuous and sustainable product innovations, working across various stages of product design, development, manufacturing and usage.

The Company is setting up a separate R&D Centre at Sector 59 Noida. During the year, R&D activities continued to focus on developing intelligent, eco-friendly and energy efficient products, as well as, extending the range of existing products, catering to Low cost products and the niche premium segment.

SOCH

To focus and encourage Innovations a dedicated platform, "SOCH" was set up, whereby anybody can come forth with innovative ideas either verbally and/or in writing. This initiative was also open to vendors, customers to boost the spirit of Innovation. With an eye on the future technology trends, many advanced engineering study projects are being undertaken to further strengthen the Company's engineering capabilities. There is an increasing focus on six sigma, statistical tools for improving co-relation between virtual

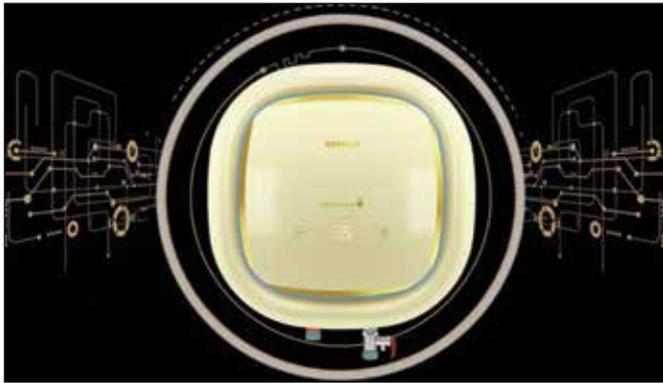
Computer Aided Engineering, Mold Flow Analysis and manufacturing, so as to reduce the number of trials in the development cycle.

The Company currently holds a broad collection of intellectual property rights. This includes patents, copyrights, trademarks and other forms of intellectual property rights in India and a number of foreign countries.

The Company continues to develop new technologies to enhance existing products and services, and to expand the range of its offerings through R&D.

This year the Company filed 100+ IPR's. Although the Company believes that the ownership of such intellectual property rights is an important factor in its business and that its success does depend in part on such ownership, the Company relies primarily on the innovative skills, technical competence and marketing abilities of its personnel.





ADONIA-I – wifi Water Heater



Mobile App

Features

- Adonia-I is an IoT enabled [Wi-Fi] water heater which can be monitored and controlled via internet.
- Schedules will ensure that the geyser is switched-off after use two prevent energy wastage.
- Errors or malfunctioning can be tracked easily and service request will be generated automatically from mobile App.



Case Study

Havells Sahibabad Plant: Replacement of Thermoset (DMC) material with Thermosetting (Nylon) which helps in recycling and reuse in moulding.



Challenge:

Previously we used DMC for MCCB G, for A & L frame. DMC is a non-recyclable material.

Challenges found during manufacturing were:

1. Breakage and difficulty in rework
2. Non-recyclable
3. Low productivity
4. Rework due to heavy flashes

Steps taken:

As a responsible business organisation of India, we are trying to make continuous improvement in the field of waste management. We are following 3R technology for waste reduction (Reduce, Reuse & Recycle) . So our dedicated team came up with a new idea to recycle and reuse our material. By replacing DMC with Nylon through design & technology upgradation. Nylon is a recyclable material. We optimized our resources with the use of a recyclable material instead of a non-recyclable one.

Challenges observed during upgradation were:

1. Marketing and CRI acceptance
2. Design change
3. Product validation
4. Machine availability and load balancing
5. Colour combination
6. Renewed process parameters

Benefits achieved by this replacement include:

1. Use of eco-friendly material.
2. Reduction in waste with the use of recyclable material.
3. Use of recyclable material has rendered us more environmentally sustainable.
4. Cost saving: In addition to cycle time reduction, we have also reduced our costs.

This initiative has direct linkage to SDG 11, 12.

- SDG 11: Sustainable cities and communities: to make our cities and human settlements inclusive, safe, resilient and sustainable. For which it is very much required to manage the generated waste.
- SDG 12: Responsible consumption and production: ensuring sustainable consumption and production patterns

From 2014-15, we have achieved 27% reduction up to 2017-18 in non-recyclable material consumption. At the same time, we have increased our recyclable material consumption.

We have improved our productivity by reducing cycle time by 60-70% per piece.

As a result we also saved cost. by shifting to Nylon from DMC. We have achieved an annual savings of Rs. 62.8 lacs.

Designing To Boost Efficiencies

It is our earnest desire to deliver the best-in-class product efficiencies to our customers. Over 90% of our products are energy efficient, resulting in significant cost and resource savings, and thus promoting sustainable living.

Center for Research and Innovation

Our ISO 9001:2000 certified Center for Research and Innovation (CRI) is recognized by the Department of

Scientific and Industrial Research (DSIR), Ministry of Science and Technology, Government of India. While all our industrial design work is carried out under the aegis of CRI, each vertical of the Company has its own dedicated in-house R&D teams to innovate new design and develop/upgrade more efficient products with higher cost-efficiencies. The CRI

ensures that all our designs conform to the highest standards of ergonomics, functionality, efficiency and safety practices. Rigorous research led by qualified and expert teams has led to the development of several advanced manufacturing technologies since 2005.

Steered by continuous product design improvements, which address the health and safety impacts of our products and services during their lifecycle, we assessed all products for improvement on these parameters during the reporting year, as in the previous years. We ensured that there were no incidents of non-compliance with such requirements.



Diagnostics & Field Study Center at Alwar plant

We continued to invest in the development of the Diagnostic and Field study center which we had set up at our Alwar plant in the previous year. The center, aimed at conducting research for making custom modifications to our cables (along with other initiatives), is helping us address various issues at the plant and has given us a strong technical and competitive edge. It has also given us a robust platform for improving our Aerial Bundle cable business in India, besides helping in the development of a knowledge-based systems program for selecting the right cable to check any installation

problems. It is further helping us develop a methodology to assess the accuracy and compatibility requirements of cable installation accessories.

Adherence to product labeling:

We stringently adhere to all product labeling standards, including those for transportation and marketing, thus facilitating our customers in making informed decisions. We also ensure that information regarding the handling of our products at the end of their use is included in our packaging and labeling.

We follow the guidelines laid down by IATA (for shipments by air), IMDG (for shipments by sea) and ADR (for road transport). We also observe the BIS

labeling standard for products marketed in India, and adhere to country-specific standards such as CE, FIA, TAC and DNV KEMA standard disclosures. Our products are also labeled as BEE-star, S3, HIR, RoHS, Halogen-free, in addition to any other certifications as applicable to the product line.

There were no incidents of non-compliance with regulations and voluntary codes in relation to product and service information, as well as labeling, in the reporting year.



Miniature Circuit Breaker (MCB) for Low Cost Housing

MCB (Miniature Circuit Breaker) is one of Havells' signature products. Havells recently launched MCB with –'REO Armour' that comes with pre-determined load. The goal of this launch is to provide a high quality product for the low cost housing sector, which relies on sub-standard MCBs to guard against short circuits and other electrical hazards. The specialised design of REO Armour offers a safety solution for houses and office/shops under Havells' REO brand.

This launch enables us to bring our reliable and superior quality product into the affordable housing segment offering enhanced value to our consumers across rural and semi-rural sectors.

This new product has been designed and developed by the in-house R&D team of Havells and introduces the concept of protection against electrical risks such as short circuits and overload to the affordable housing sector at a time when most consumers are increasing their use of multiple

electrical and electronic devices. The product comes with pre-installed isolator and has the option for cable entry from top/ bottom/ rear to make installation easier. It is manufactured at the company's state-of-the-art plant at Baddi in Himachal Pradesh.

REO Armour is safe and easy to install thereby making it a preferred choice for consumers who are lured to purchase. Sub-standard products that may not offer adequate protection against electrical risks.

Havells Makes the World's most Advanced Water Heater in India

Havells India Limited has launched the Adonia series of water heaters that use colour changing LED technology to communicate changing water temperature levels to users. Designed and manufactured by Havells in India, these water heaters have set a new benchmark in the global industry, and are a source of pride for the Havells family. Adonia water heaters come with a patented temperature sensitive LED

that changes color from blue to amber as the water heats up to 75 degrees (maximum), thus allowing users to choose the 'right' temperature as per their requirement. It also protects against sudden exposure to water at high temperature. The Adonia series comes with a digital temperature indicator and easy to use feather touch controls to create energy efficiency.

The inner container of the heater is built using innovative Feroglas TM technology, which ensures high

resistance against corrosion, giving the appliance a longer life span. In-built Incoloy Glass Coated Heating Element gives excellent resistance to both oxidation and carbonization at high temperature, and high precision digital thermostat cut-out for optimum water temperature and safety. These five-star rated water heaters come with integrated shock resistant plugs that safeguard against shocks, again a first in the industry.





Besides delivering stakeholder value, our CSR initiatives are designed to support the nation's goal of inclusive growth and the United Nations Sustainable Development Goals.

How we delivered Sustained Growth during 2017-18



CSR Expenditure
14.95 Cr



Net Revenue
8260.3 Cr



Mid-day meals
Children/day
59,000



PAT
(after exceptional items)
712.5 Cr



Total expenditure on employees
650 Cr



Case Study

Havells Neemrana Plant: Installation of five new automatic state-of-the-art German Welding Fumes Extraction System and filters Unit, Kemper at Welding Shop & Water Heater Plant

Challenge:

Previously we had only 2 nos. of fume extraction system and there were visual fumes in plant

Some of the challenges faced during procurement :

1. Selection of highest efficiency fume extraction system
2. Online Remote Monitoring
3. Selection of the right product
4. Automatic dust tray cleaning alarm
5. Visual air quality status display

Steps taken:

As a responsible business organisation of India, we are trying to make continuous improvement in the field of Occupational Health & Safety. Hence we selected a world-class welding fume extraction system to mitigate chronic health hazards.

Some of the difficulties we faced while selecting this system:

1. Multiple manufacturers
2. Selecting a proven and reliable product
3. Previous 2 nos of fume extraction system were of sub-standard quality

Advantages of installing a new fumes extraction system:

1. **Mitigate Chronic Health Hazard to employees:** We extract all welding fumes from source of generation.
2. **Zero Air Pollution:** We filter hazardous fumes particulates matters (PM 2.5) from welding fumes and cleaned air is released in the plant.
3. **High Filtration Efficiency** of all the Kemper units is more than 99.99% and it can filter up to 0.1 micron size metal dust which is carcinogenic in nature.
4. **Improve motivation of welders :** Now operators feel safe and confident while working at the Weld shop.
5. **Inside view of the Plant is very clear :** welding fumes are not visible.

This initiative has direct linkage to SDG 03, 12

SDG 03: Ensure healthy lives and promote well-being for all at all ages

Substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination

SDG 12: Ensure sustainable consumption and production patterns

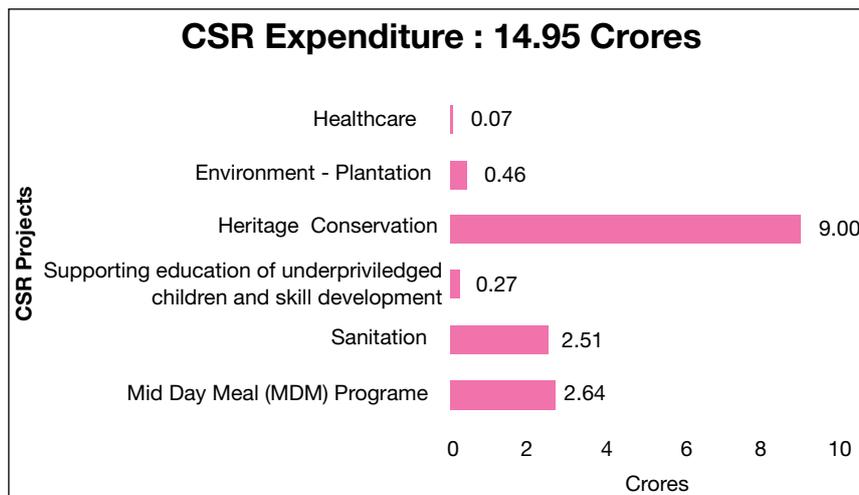
Significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment



Fostering Communities, Sustainably

Our sustainability ethos focus on the welfare of the communities we work with, especially those linked with our manufacturing operations. We have a powerful Corporate Social Responsibility (CSR) framework of Health & Nutrition, Sanitation, Education, Environment, Skill Development and Heritage Conservation.

Our manufacturing systems are designed to ensure social and economic benefits for the communities around our plants. Our project teams closely interact with the local teams to ensure that our interventions are beneficial to the communities in the vicinity of our Plants.





With our sustainability agenda structured towards inclusive growth, we are continuously strengthening our CSR framework in line with the vision of our founder Chairman, Late Shri Qimat Rai Gupta. Our CSR initiatives are focused on the vital areas of Health & Nutrition, Sanitation, Education, Environment, Skill Development and Heritage Conservation.

While our mid-day meal programme covers 690 government schools in Alwar district, our cleanliness drive now extends across a total of 2800 toilets in 366 schools in Rajasthan.

Mid-day Meals for School Kids

The company engages with school children in a variety of programmes but the Mid Day meals provided to 59,000 school children in Rajasthan stands out as the most powerful and beneficial initiative. By helping to alleviate the hunger of these children, we are able to create an enabling environment for their

physical and intellectual nurturance. This intervention is motivated by our understanding of the need for nutrition, particularly among children, to bring them out of the vicious cycle of poor malnutrition and health, which in turn adversely affects their growth and development.

Our mid-day meals program, run in Alwar district in collaboration with the Government of Rajasthan since 2005, has emerged as one of our most successful and long-running social impact initiatives.



66 million

Meals served so far to children

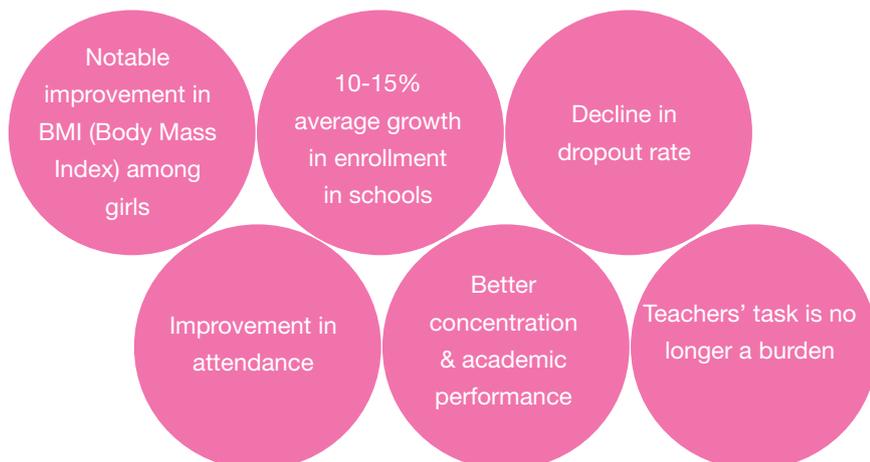




Success factors



Impact Assessment



We have a well-equipped and hygienic kitchen spread over 4 acres of area and operated by 160 personnel, including cooks, helpers and drivers. Timely and smooth delivery is ensured through a fleet of 26 vans.

(Based on interviews with students, parents, and teachers conducted on the 10th anniversary of Havells' Mid-Day Meal program)

Improved Sanitation & Cleanliness

Water and sanitation facilities are important to promote good hygiene behaviour among children. Schools provide an excellent opportunity for children and parents to learn about healthy hygiene practices. Hence we partner with schools to provide these

basic amenities to students. Adequate hygiene facilities reduce absenteeism and drop-out rates in schools, especially among girls. Inadequate water supply and sanitation in schools are health hazards and affect school attendance, retention and educational performance.

In line with the Government of India's Swachh Bharat Mission, Since 2014, we are building eco-friendly bio-toilets in the schools in Alwar where we already serve mid-day meals.

2,800
Bio-toilets built in 250
government schools of
Rajasthan

The eco-friendly bio-toilets built by us use special bacteria developed by DRDO (Defence Research & Development Organization) to convert human waste into biogas and water. The water so produced can be used for gardening, cleaning or groundwater recharge.



Planet



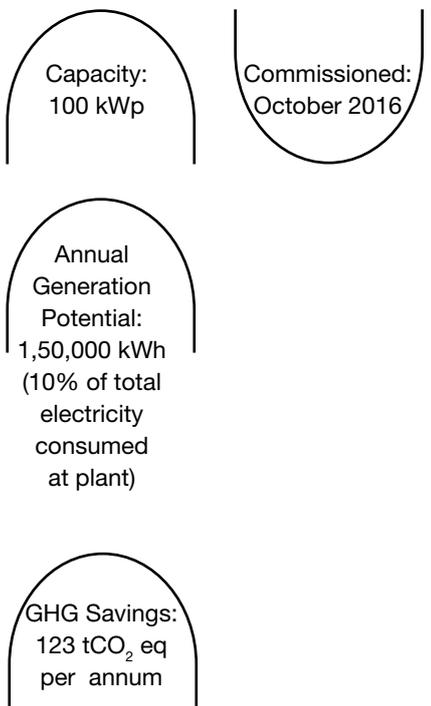
At Havells, we believe that energy security comes not just from saving energy but, even more importantly, from making a strategic shift towards renewable energy sources, such as Solar power.

Harnessing the Power of Renewable Energy

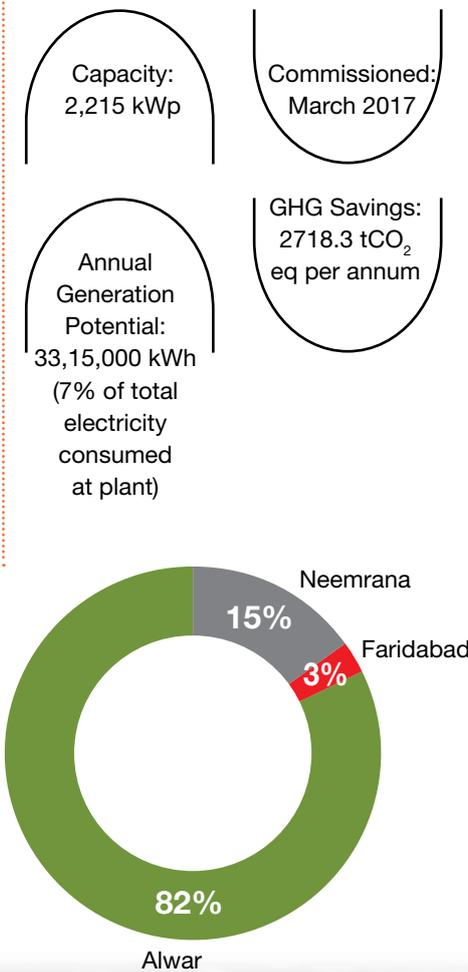
Renewable energy source and use

In addition to last year, we installed 0.998mWp rooftop solar projects at Neemrana. Now we have total 3.3 mWp installed capacity and have generated 6% (3.55 GWh) of clean energy thereby saving 1395 tonnes of CO₂ emissions equivalent to planting 4667 trees. This investment created a new path towards renewable energy and risk mitigation.

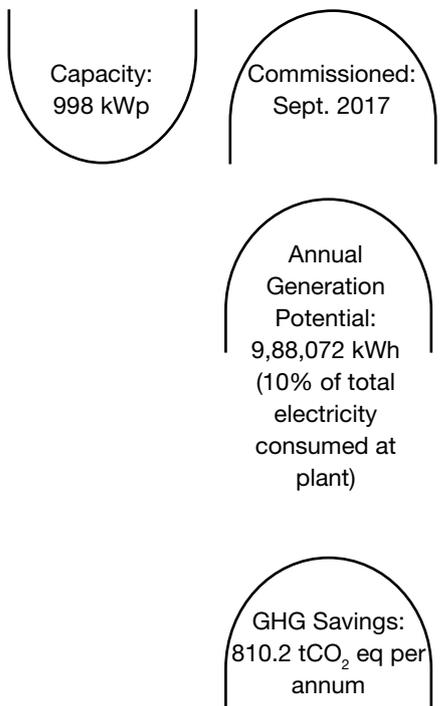
Solar Power Installation in Faridabad



Solar Power Installation in Alwar



Solar Power Installation in Neemrana



Boosting Energy Efficiency at Plants

In order to improve systems and processes at our manufacturing units, we continuously endeavour to increase productivity and enhance energy efficiencies.

Bringing energy efficiencies across our plants

We have reduced our energy consumption by nearly 15% from 2016-17. This has resulted in GHG emissions saving of approx. 2000 tonnes of CO₂ eq.

Energy-Saving Initiative

Some of the major initiatives that impacted our energy savings include:

1. Introduction of thermal insulation jackets in moulding shop.
2. Productivity improvement through increase in JIG density.

Reducing PNG consumption

PNG has been one of the major contributors to our energy. Through various initiatives and change in processes we have been able to reduce our dependency on PNG. PNG consumption as well as PNG intensity has been on the decline over the years. This year the decrease was around 20% this year we have seen a decrease of around 20%. In PNG consumption from previous

year while the decrease in PNG intensity was 35%. This reduction has been achieved by following initiatives:

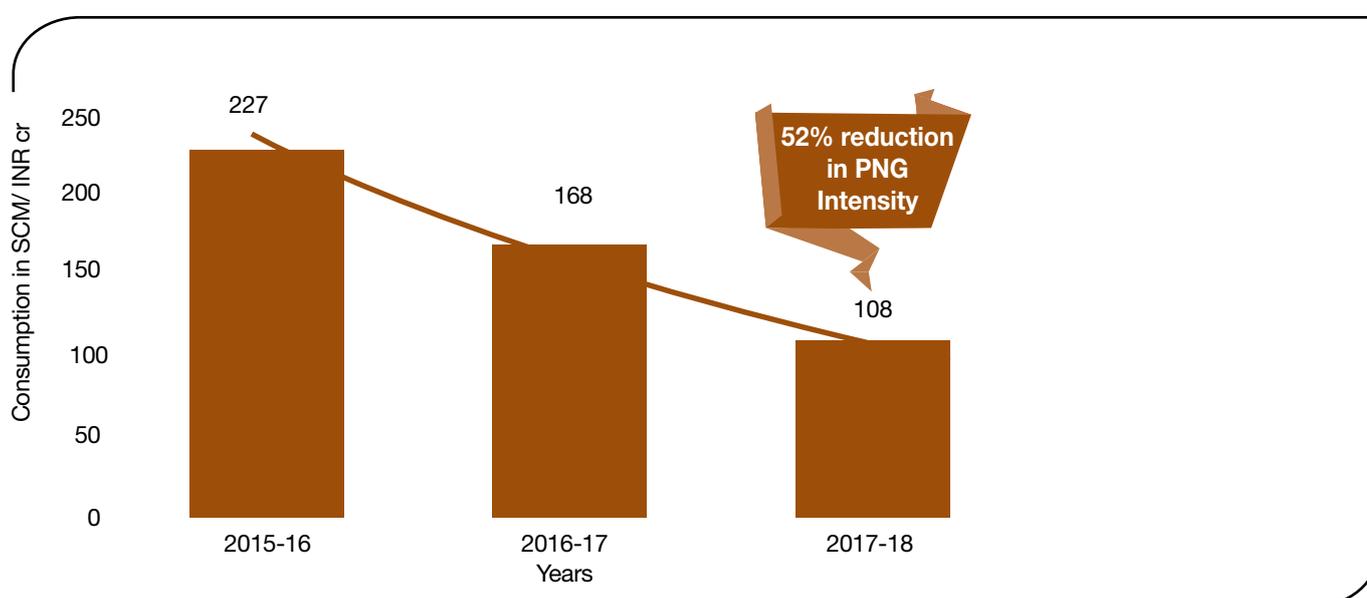
1. Paint shop to function in just 2 shifts.
2. Increasing JIG density.
3. Increase in conveyor speed to improved productivity.
3. Daily tracking of energy on department-wise basis.
4. Introduction of high volume exhaust fan for paint shop shed.
5. Introduction of VFDs and Solar Panel.
6. Use of solar tube and more energy efficient equipment in plants.



PNG Consumption

Year	Unit - GJ	Intensity (GJ / INR Cr)
2015-16	47,907	227
2016-17	40,336	168
2017-18	32,194	108
% PNG reduction from 2015-16	33%	52%

PNG INTENSITY



GHG Intensity (Scope 1 + Scope 2)

Year	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
GHG Emissions (tCO ₂)	59543	65744	70343	74076	73787	66167
Revenue (INR cr)	4224.99	4719.69	5238.69	5775	6586	8260
GHG Intensity (tCO ₂ /INR cr)	14.09	13.93	13.43	12.83	11.20	8.01
GHG Reduction		1%	4%	4%	13%	29%
GHG Intensity improvement (2012-17)	43%					

Return on Environmental Investments

Year	FY 2014	FY 2015	FY 2016	FY 2017
Capital Investments (in INR millions)	13.70	6.15	111.64	68.97
Operating Expenses (in INR millions)	7.47	11.90	12.40	21.70
Total Expenses (Capital Investments + Operating Expenses)	21.17	18.05	124.04	90.67
% of operations covered	100%	100%	100%	100%

Energy Consumption and Savings

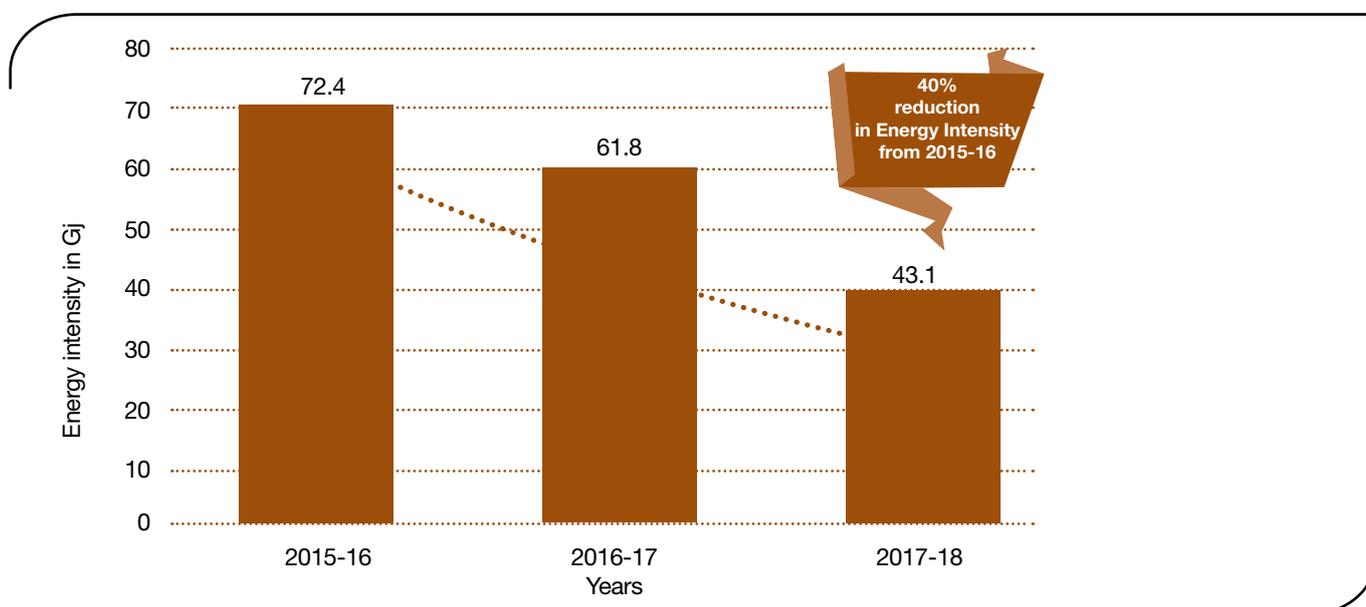
Fuel	Unit	Consumption	Gigajoules (GJ)
HSD	Litres	1,499,014	54,144
Furnace Oil	Kg	105,167	4,249
LPG	Kg	51,181	2,421
Natural Gas	SCM	882,506	32,194
Biomass	Kg	3,993	46
Electricity	kWH	73,009,224	262,833
Total energy consumption (2017-18)			355,887
Total energy consumption (2016-17)			407,127
% Energy reduction			14.92%

Category	
Total energy savings (GJ)	91,759
Total energy saving (kWH)	25,488,543
Total GHG emissions saving (Kg CO ₂ eq)*	19,968,183
% energy savings (absolute in Kg CO ₂ eq.)	1262%

*Includes saving from solar energy

Energy Intensity Reductions

Reduction in Energy Intensity



Year	Energy Intensity (GJ / INR Cr)
2015-16	72.4
2016-17	61.8
2017-18	43.1
% Energy intensity reduction from 2015-16	40%

Making the Most of Water Resources

Water conservation and management is today the need of the hour. Keeping this in mind, we have introduced water conservation practices across our industrial and individual applications. In addition, our plants are equipped with rainwater harvesting systems to help us save on water. Though we received the SGS 'Water Positive Company' Certification for our water management efforts in

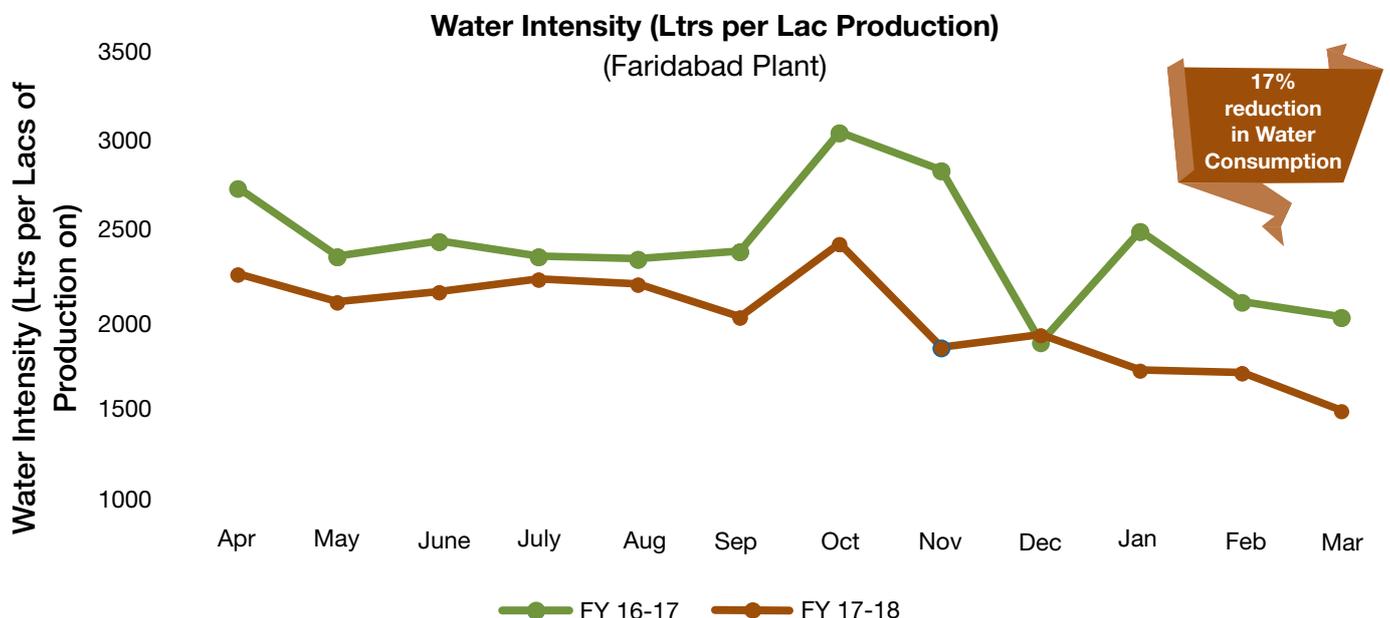
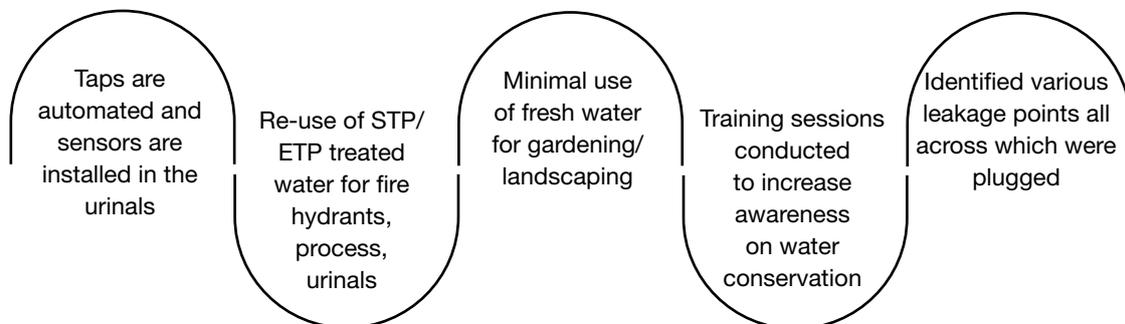
2015-2016 (Annexure -2) – a testimony to our successful efforts to boost the efficient utilisation of water resources and recharge water levels - we have become complacent. Our initiatives, led by a continuous evaluation of water usage across our plants, are an ongoing practice. Besides water conservation, we focus on reducing water waste by recycling used water.

During FY17-18, we succeeded in achieving 10% reduction in water consumption per person as a result of our efficient water management and conservation initiatives.

Havells perform Sensitivity Analysis and Stress Testing at all plant levels. Following indicators are covered:

- Changes in Water Availability
- Water Quality
- Operational Risks
- Compliance Risks

The Havells Water Conservation Proposition



Water Consumption

	Unit	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
A. Total municipal water supplies (or from other water utilities)	Million m ³	0.0040	0.0335	0.0270	0.0232
B. Fresh surface water (lakes, rivers, etc.)	Million m ³	0	0	0	0
C. Fresh ground water	Million m ³	0.0930	0.0977	0.1128	0.1422
D. Water returned to the source of extraction at similar or higher quality as raw water extracted (only applies to B and C)	Million m ³	0	0	0	0
E. Total net fresh water consumption (A+B+C-D)	Million m ³	0.0970	0.1312	0.1398	0.1654

Waste generated and disposed

As per National guidelines for safe disposal of waste we maintained all compliance requirements under Hazardous waste and Non Hazardous waste category. As far as waste is concerned, we have observed significant improvements. Major reduction is recorded in Waste oil. We will commence work on “Zero waste to landfill” in the ensuing years.

		FY 2017-18	FY 2016-17	Waste Intensity (FY2017-18)	Waste Intensity (FY2016-17)	Reduction
Non-hazardous Waste	nos	4,34,988	5,10,150	53.5	77.5	-31%
	Kg	81,18,324	70,11,706	998.0	1,064.6	-6%
Hazardous Waste	kg	1,73,813.7	1,69,155.5	21.4	25.7	-17%
	ltr	2,808	11,057	0.3	1.7	-79%

Waste disposed

	Unit	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Total waste disposed	metric tonnes	6,113.2	6,651.9	8,174.8	9,111.0

Hazardous Waste

	Unit	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Hazardous Waste Generated	metric tonnes	44.1	204.0	198.8	202.8





At Havells, we believe in creating the right synergies to achieve holistic growth across all parameters of social, environmental and economic responsibility.

Case Study

Havells Faridabad Plant: Improvement of Energy Performance

Challenge faced:

Non-renewable energy resources of the earth are fast getting depleted. Hence there is an urgent need to explore new sources of energy.

Steps taken:

Keeping this in mind, the Faridabad plant of Havells is switching over to renewable sources of energy such as solar energy.

We use energy from different renewable sources at Faridabad plant.

Some of the initiatives leading to energy savings:

1. Installation of 100 kWp capacity solar plant.
2. Introduction of Energy Performance Indicators (EnPI) for each department.

The main objective of EnPIs is to help in achieving individual yearly target for reduction in respective specific energy consumption.

For example, EnPIs for Paint shop for Electricity and PNG are tracked by Energy consumed per square inch of area painted.

To reduce energy consumption, we have also optimized the process and reduced downtime. Apart from this, we have also introduced several energy saving measures.

Some of the improvements achieved through this replacement include:

1. Reduction in overall energy consumption.
2. Introduction of the concept of Clean energy
3. Energy optimization is achieved through renewable energy.

4. Conservation of non-renewable energy.
 5. Reduction in downtime and increase in productivity.
- These initiatives have direct linkages to SDGs 13 and 7.

- SDG 7: affordable and clean energy; by energy efficient practices and renewable energy sources.
- SDG 13: climate action; by afforestation, adaptation and reduction in emission.



**Energy intensity reduced
by 19.07% in 2017-18
over 2016-17.**

Environment management and Initiatives to reduce environmental impact of products and services

Havells manufactures Electrical and Consumer durable products on a large scale. The resources used to manufacture are restricted to environment and health hazards. Our efficient environmental management system at all locations contributes to minimizing the impacts over the entire lifetime of our products. This is achieved by adopting these methods

- Reducing and avoiding the use of critical to environment or hazardous substances in the product and production process.
- Efficient use of energy and raw materials for manufacturing our products.
- Recycling, reusing our products to start work on Zero waste to landfill in coming years.
- Reduce CO₂ emissions by our products.
- Innovative designs followed by 7 gate process keeping in mind

energy and environmental impacts.

Digitalisation in sustainability is important for improving data analytical practices. We launched Havells Re-Sustain software mapping GRI standard, SDGs and BRR.

This software helped us to analyse data on a monthly basis and assign targets for each indicator. All plants are on the same platform with clear understandings of each parameter followed by trainings with user and approvers. The objective is to expand & strengthen this further. Most of our production plants maintain efficient environment and energy management systems. Sustainability champions and Plant heads implement concrete measures at all sites. The EHS department is connected with government agencies and industrial associations on a variety of platforms. In addition, each site is timely reviewed by inspection and regular audits.

Havells defines concrete annual targets after successful completion of past year's targets.

Our plant Sustainability champions have overall responsibility for overseeing environment protection, occupational health, Compliance and encouraging employees towards sustainable development. Each result is monitored and discussed quarterly and appropriate action is taken on abnormal trends.

Besides, reducing our carbon footprint and welding fumes at the Neemrana plant, we have installed one of the most advanced mobile filter units that can filter 99.99% of 0.1 micron size carcinogenic metal dust generated during the process.

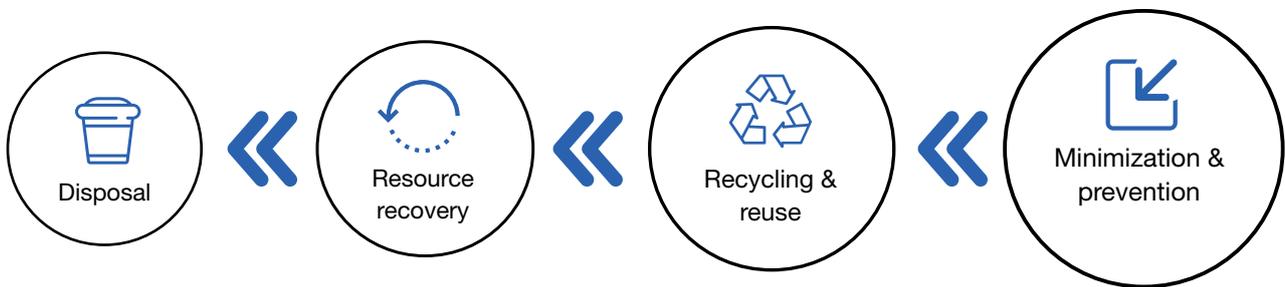


Best Practices In Waste Management

At Havells, recycling and reuse practices have become an integral part to waste management philosophy. We have in place several processes to ensure that the waste generated at our plants is systematically disposed off.

Besides metal scrap (mainly Copper, Aluminum and Brass), our waste products include wood scrap, dust, DMC, MPP films, powder, XLPE, glass etc. We sell this waste to authorized vendors, enabling recycling/reuse of more than 95% of the total waste generated at our plants.

Stages of waste management



**While disposal is the least preferred option, minimization and prevention is what we ideally aim for.*

***The bulk of our recent initiatives are covered in Stage 3 (Recycling and reuse).*

Havells complies with E- waste management, Plastic Waste and Biomedical waste management rule 2016. We ensure safe disposal of Hazardous and recycling of Non-Hazardous waste.



Nylon v/s DMC - A success story

Among other recent measures to ensure better water management, we have replaced the Thermoset (DMC) material with Thermosetting (Nylon) material for MCCB G, and A & L frame, which helps in recycling and reuse in moulding.

There were several challenges in making this transition, both at the level of manufacturing and in design for upgradation. However, dedicated efforts have led to remarkable benefits for the Company, including:

- Eco-friendliness
- Waste reduction
- Recyclability
- Cost saving

Benefits

29%

Reduction in non-recyclable material consumption as compared to 2016-17.

08%

Improvement in productivity per piece through reduction of cycle time

2.38 Cr

Annual cost savings achieved

Benefits of Closed Loop Cycling at Standard & Neemrana plants

Our Standard and Neemrana plants were generating around 57 tonnes of wood waste from raw material packaging every month. With our innovative closed loop recycling initiative, involving reuse of waste wood into wooden benches for schools, we have not only reduced this waste but have provided tens of hundreds of students the necessary infrastructure to nurture their learning. Waste wood is turned into benches at these plants, and the same is donated to nearby schools.

Tackling Hazardous and Non-Hazardous Waste

At Havells, it is our endeavor to generate minimal waste at our facilities, and whatever is generated is handled responsibly, in line with disposal regulations. Our non-hazardous waste, including metal, paper, plastic scrap, plastic bags, drums & buckets, wood dust, glass & rubber waste, is also disposed off in a responsible manner to vendors for reuse and recycling.



Hazardous waste (2017-18)

Waste Type	Waste quantity (weight) in kg	Waste quantity (volume) in L	Quantity in number
Waste oil (Used Oil, Cutting Oil)	3,531	2,198	0
Paint -Acid	76,696	0	79
Chemical	260	0	0
Grease	156	0	0
ETP Sludge	3,399	0	0
Waste Batteries	2,250	0	0
Mercury and Mercury Compounds	3,335	0	0
Cotton Waste	1,543	0	0
Oily soaked Cotton clothes	2,563	0	0
Process waste , residue and sludges	19,795	0	0
DG and Compressor Filter	90	0	91
Empty cans	50	0	7,224
Discarded Containers	7,342	0	0
E- Waste, Ink, Tubelight, CFL, Moulding Components waste, other waste	34,043	610	453
	155,053	2,808	7,847

Non Hazardous waste (2017-18)

Type of Waste	Waste Type	Waste Quantity (Weight) in kg	Waste Quantity (Volume) in L	Quantity in number
Metal Scrap	Aluminium	768746.4	0	0
	MS and Copper scrap	3044181.95	0	10474
Paper Scrap	Old Gatta	1027164.85	0	0
	Wooden	735451	0	0
Plastic Scrap		320643.26	0	207093
Other Scrap		2222493.304	1728294.464	1780997.464
One Off Waste		0	0	0
	Total	8612879.604	1728294.464	2051267.464

Optimising the use of Raw Materials & Resources

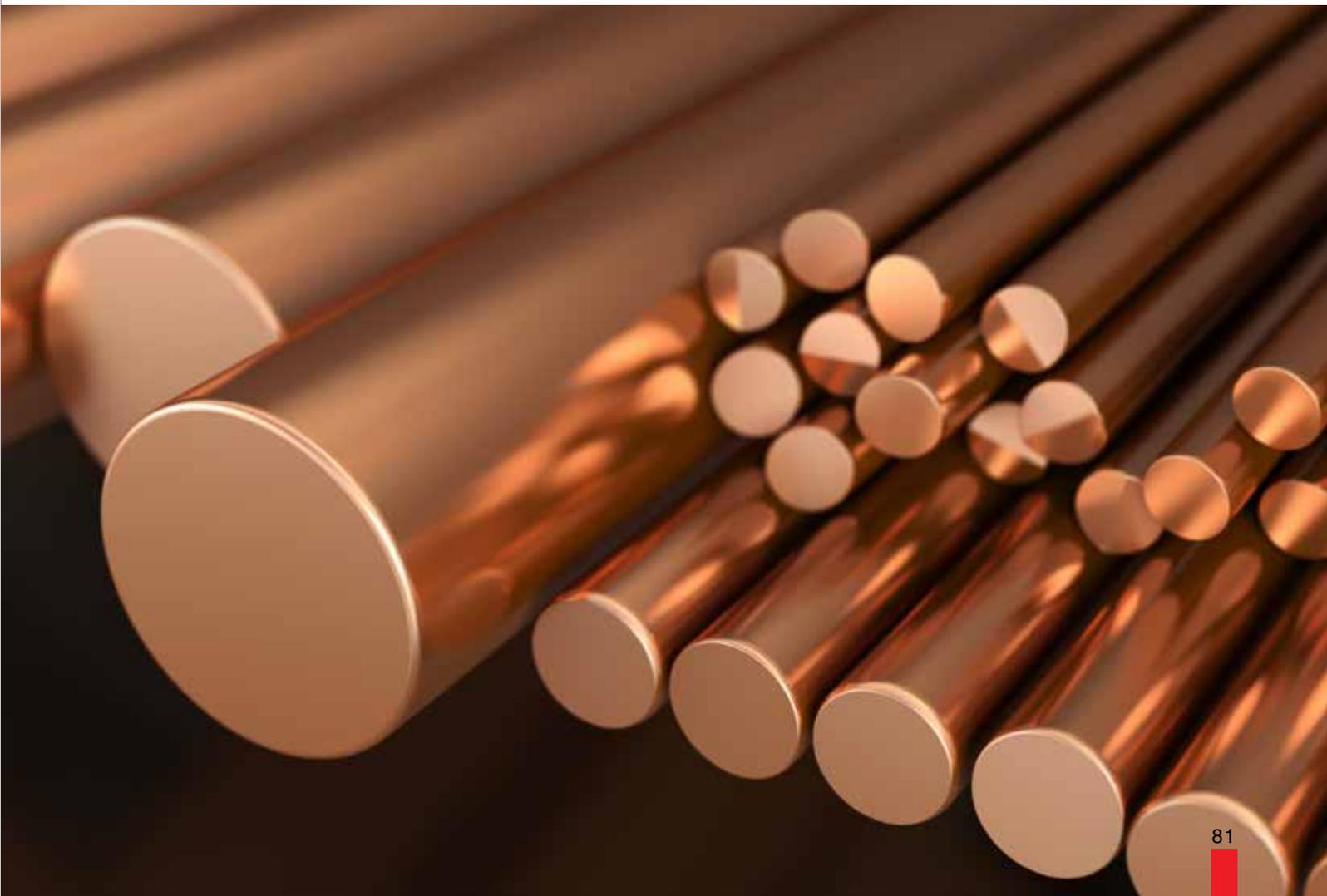
Raw materials being integral to our manufacturing processes, we are fully aware of the need to ensure their optimal

consumption. The Havells' raw material portfolio is made up of copper coils, copper sheets, copper tapes, steel, aluminum, zinc, brass coils, brass strips,

bearings, CRCA steel, thermoset resin, polycarbonate, polyamide, other engineering plastic, elastomers, transistor, diode, MPP Films and similar materials.

Materials used by weight or volume

Category	Nos.	kg	Meter	Litres	Others
Material Consumption	4191195035	135000430	14616982	851831078	39754615
Packaging Material Consumption	463038830	3868413	19921107	30966692	1666858



Case Study

Havells Alwar Plant: Alternative eco-friendly techniques of combustion

Challenge faced:

One of the problems we were facing in our Alwar plant was that when the furnace oil is atomized with air in the burner and fired, it produces hot flue gases which then pass into the boiler tubes to generate steam. Furnace oil fired boilers contribute to greenhouse gas emissions and secondary pollutants as well.

Problems faced:

1. Excess emission of SO_x, CO₂, NO_x.
2. We had to use fossil fuel for the operation.
3. Breathing problems were observed hence it became an emergency for us to solve the issue.
4. Supreme Court banned the usage of furnace oil in National Capital Region for any power generation operation.

Steps taken:

Our dedicated team discovered that briquette is a better alternative to address this issue.

The efficiency of the new combined fire tube and water tube boiler is determined by using indirect method approach, also called as heat-loss method. The efficiency of boiler when fired with briquettes is found to be lower than when fired with furnace oil.

Valuable benefits from this change include:

1. A significant reduction in the operating cost of boiler is achieved by fuel conversion technology.
2. Emissions of furnace oil boiler as compared to briquette boiler. The Sulphur oxides (SO_x), Nitrogen oxides (NO_x), Carbon dioxide (CO₂) emission levels are low while firing briquettes. Carbon monoxide (CO) emission level due to incomplete combustion of fuel is more when firing briquettes. But it can be controlled by an optimized combustion process.
3. This conversion of fuel utilizing briquettes in boiler offers many economic, social and environmental benefits.

This alternative method also helps us in achieving SDG 13. (Afforestation, Emissions Reduction, Adaptation)

1. Conserving fossil fuel reserves i.e., reducing petroleum oil requirement by use of renewable source of energy can be achieved.
2. Reduction in the amount of greenhouse gas emissions i.e. CO₂ emission reduction is obtained.

3. Higher CO emissions are observed during briquette combustion. However the emissions due to incomplete combustion can be effectively controlled by an optimized combustion process, i.e., enhanced mixing.
4. Reduction of secondary pollutants i.e., SO_x and NO_x is achieved

This initiative helps us to achieve a total savings of INR 16,53,423.



Getting the packaging right

Since packaging is vital to a consumer business like ours, reducing the use of packaging material from non-renewable based sources and substituting them with renewable materials has become a major pillar of our sustainable

business growth philosophy. A key aspect of this relates to designing of systems to rationalize changes in the packaging material, thereby leading to improved functional performance.

Since we have large packaging requirements, we have initiated a series of measures to cut down on use of resources in packaging and to dispose off waste in a responsible manner.

Packaging source reduction & responsible disposal

As part of this, we have been continuously exploring opportunities for "source reduction" in packaging without any dilution of our packaging material standards and is strictly based on a risk based validation approach. These initiatives are driven

by continuous external & internal benchmarking. They are optimized in such a way that we do not disrupt our packaging system and at the same time we rationalize usage of precious non-renewable natural resources. In continuum, we also strive to

make sure that the disposal impact of our packaging on Mother Nature is minimized as much as possible. Targets are set right in the beginning of the year and BU wise work plans are designed and executed round the year to achieve these goals.

Packaging material – renewable & recycled source

Our focus has always been to avoid use of packaging material from non-renewable fossil fuel based sources, and new efforts are made to replace these with renewable/recyclable substances. These initiatives are introduced to mitigate our overall packaging carbon footprint.

Pack optimization

In packaging, optimization is an ongoing process to meet the changing needs of the business and continuously align with larger enterprise level goals of environmental sustainability. This

internal process suitably leverage trade expectations and emerging technologies to rationalize packaging material consumption with improved functional performance.

Commercially implemented Initiatives

- 5 ply to 3 ply – corrugated boxes for ceiling fans 2 in 1 configuration for 1200 mm sweepsize
- Removal of OPP lamination film from ceiling fan motor cartons for all ceiling fans
- 7 ply to 5 ply IP for all common master cartons
- Density reduction/ weight reduction of EPS for coolers/ WH
- Move from Offset printed to Flexo Brown packaging for coolers & W/Hs
- Eliminating Metallized PET from 90 mtrs wire carton
- Thermocol replacement for G frame MCCB
- Removal of stapling pins from

- fan 3-ply master cartons
- Thermocol replacement with Corrugated filler in Wellglass PLUM
- Multilayer non-recyclable laminate replaced by recyclable corrugated brown box for 180 mtrs wire SKU
- PE based recyclable packaging introduced for 200 mts wire
- Thermocol replacement with Corrugated filler in D1 & S1 pump models
- Removal of Stretch wrapping material by shifting all the coolers to Brown box packaging
- Elimination of wholesale pack in LED lamps
- Elimination of OPP lamination in all Water heater cartons

Program initiated but not fully commercially implemented during FY 17-18

- Eliminating Metallized PET from EWA 10s carton
- EPS removal in A frame
- Replacement of Virgin kraft with Semi/ recycled kraft
- Fan motor carton spec to move from 260/150/150vk to 250/140/ 140 sk
- Fan blade carton spec to move from 260/120/120sk to 250/100/100 sk
- Enticer moving from EPS to pulp tray
- Removal of OPP lamination film from dry iron cartons
- D1 & D2 pump model to move to brown box from fully printed and laminated box.
- Trials for Bio degradable film completed for DB boxes & C/Fan category

Lowering GHG Emissions to Combat Climate Change



As an organization aligned with the goals of combating climate change, we are continuously working on reducing our GHG emissions through energy savings and packaging optimization, among other measures.

Besides reducing the use of PNG and electricity, which has led to energy savings of 8143 GJ, we have optimized our packaging to improve logistics and transportation efficiencies in our in-bound and outbound value chains, to significantly lower our emissions footprint.

In accordance with the GHG reporting standards, we have segregated the calculations of our Scope 1 and Scope 2 emissions. During the year, we reduced our direct consumption of fossil-fuel based energy at our plants by 22% in absolute terms over the previous year, resulting in savings of 1,789 tCO₂ equivalent, through various initiatives detailed in the energy section of this report.

Our Scope 3 indirect emissions are managed through the deployment of efficient technologies and systems

that reduce emissions from travel and commute. Our offices are equipped with state-of-the-art conferencing facilities to encourage our teams to interact effectively through the latest web-enabled video and audio conferencing systems. We are in the process of assessing and monitoring our indirect consumption of energy with the aim of disclosing it in the future and offsetting its impact.

There have been no spills in the past year at our facilities.

Direct Greenhouse Gas Emissions (Scope 1)

	Unit	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Total direct GHG emissions (Scope 1)	mtCO2 eq	8650.0	8904.8	8089.0	6299.8
HSD	mtCO2 eq	5199.9	5216.2	5080.0	4012.1
Furnace Oil	mtCO2 eq	684.8	706.0	703.0	328.9
LPG	mtCO2 eq	412.7	295.0	43.0	152.8
Natural Gas	mtCO2 eq	2352.6	2687.6	2263.0	1806.1

Indirect Greenhouse Gas Emissions (Scope 2)

	Unit	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Indirect greenhouse gas emissions from energy purchased and consumed (scope 2)	mtCO2 eq	61693.0	65170.7	65698.2	59867.6

Total Energy Consumption

	Unit	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
A. Fossil fuels (HSD, Furnace oil, Natural gas, LPG etc.) purchased and consumed (for energy purpose)	MWh	35397.7	40696.2	36507.0	28642.9
HSD	Litres	1942794.0	1948885.0	1898179.9	1499014.2
Furnace Oil	Kg	1149549.0	225764.0	224871.0	105166.8
LPG	Kg	218973.0	98853.0	14358.5	51181.0
Natural Gas	SCM	138280.0	1313246.0	1105714.0	882505.6
Biomass	Kg	4929.0	5225.0	2900.0	3993.0
B. Electricity (Non - renewable) purchased	MWh	75235.3	79476.5	80119.8	73009.2
C. Steam / heating / cooling and other energy (nonrenewable) purchased	MWh	nil	nil	nil	nil
D. Total renewable energy (Solar + Biomass) generated.	MWh	16.0	17.0	250.4	3565.3
Solar	MWh	0	0	241.005	3552.3
Biomass	MWh	16.0	17.0	9.4	13.0
E. Total non-renewable energy (electricity and heating & cooling) sold	MWh	nil	nil	nil	nil
Total non-renewable energy consumption (A+B+C-E)	MWh	110633.0	120172.6	116626.8	101652.2
Total costs of energy consumption Please select one of the costs*	Currency (INR):	4159800.8	4518490.1	4385167.5	3822120.9

*Costs (avg. taken from https://www.iocl.com/Product_PreviousPrice/Indane19KgPreviousPrice.aspx)

Case Study

Havells Haridwar Plant: Reduction in power consumption through VFD

Challenge:

Power consumption at our paint shop at Haridwar plant was very high. The overall unit consumption at this unit was 190 Unit/hr. resulting in high power consumption for the entire process.

Steps taken:

To solve this problem, our dedicated team has installed a Variable Frequency Drive in the liquid paint shop that has reduced the power consumption at this facility. A variable frequency drive is a type of motor controller that drives an electric motor and has the advantage of changing the frequency and voltage supplied to the electric motor. A VFD facilitates running of a motor. at the required load instead of running it at peak load all the time.

Impacts of the transformation:

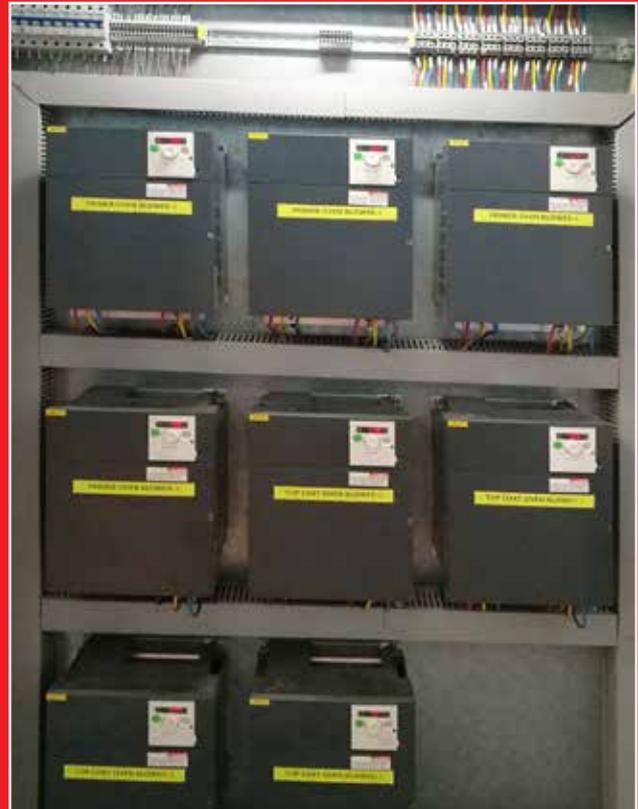
The installation of VFD results in reduced power consumption as compared to the previous system.

Related SDG's

This action aligns with SDG 12: Responsible Consumption and Production: Ensuring Sustainable Consumption & Production Patterns.

Remarkable reduction in electricity consumption at liquid paint shop from 190 unit/hr to 160 unit/hr.

- **Annual electricity saving @ Rs. 6.22/unit.**
- **Total savings achieved Rs. 113,97,260**



Governance and Stakeholders satisfaction: We define corporate governance strategically, which encompasses not only what we do as a Company with our profits, but also how we make them. This section is elaborated on page 30 and 37.

Ethics

An implicit sense of ethical business conduct has been the cornerstone of our corporate governance. On issues ranging from customer care and business excellence to financial propriety and more, explicit rules and regulations supplement the traditional values on which our group companies have been shaped.

ODS Consumption and Air Emissions

In our continuous efforts to reduce emissions, we have been using R-22 gas in condensers, chillers and air conditioning units. Going forward, we are looking at replacing our air conditioners with eco-friendly machines using R-410a, R-32 Gas.

ODS Consumption

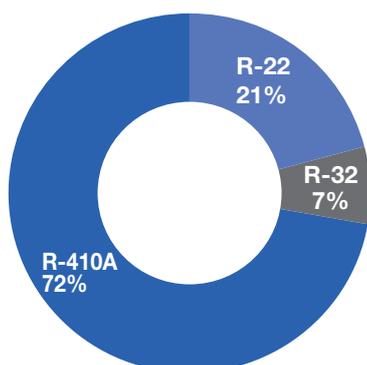
Year	Total R 22 consumption (Kg)	Ozone depleting potential	CFC equivalent
2015-16	789	0.055	43.4
2016-17	367.5	0.055	20.2
2017-18	449.7	0.055	24.7
% Increase from 2016-17			22%↑

SO₂, NO_x - Air emissions

Year	SO ₂ emissions (Tons)	NO _x emissions (Tons)
2015-16	0.22	6.15
2016-17	0.2	4.2
2017-18	0.16	4.3
% Increase/ Decrease from 2016-17	20%↓	2%↑

We are in process of reducing R-22 emissions in our plants. We are promoting products having R-32, R-410a (whose global warming potential is almost negligible). This can be seen from the chart, products which consumes R-410a has 72% sales volume as compared to R-22 which has 21% sales volume share. Furthermore we are working to increase sale volume of R-32 in future.

Towards R410a and R32 Gas Sales Volume For FY 2017-18



People



Community outreach is a key facet of the Havells sustainability value matrix, and we remain committed to ensuring that our business operations and actions have a positive impact on the society.

Nurturing A Culture of People Excellence

Our workforce comprises of 5,789 permanent employees at our manufacturing plants, branches and the corporate office and 4% of our total workforce comprises of women.

To promote gender equality and women leadership, we added 45 permanent

female staff members to our employee roster during the year. We also employ 8550 temporary staff and contract labor. We do not have unions at any of our plants.

With the aim of promoting a culture of excellence among our people, we have

adopted the best practices in Human Relations, underlined by initiatives to promote employee engagement, equality and diversity, career and skill development.

Category (Designation)	FY 2017-18	
	MALE	FEMALE
Sr. Management - Under 30 Years old	0	0
Sr. Management - 30-50 Years old	58	1
Sr. Management- Over 50 Years old	35	0
Middle Management - Under 30 Years old	160	11
Middle Management - 30-50 Years old	2583	73
Middle Management - Over 50 Years old	235	5
Junior Management - Under 30 Years old	913	88
Junior Management - 30-50 Years old	1493	61
Junior Management - Over 50 Years old	68	5

Getting the best people

The Company is an equal opportunity employer and continuously strives to build a work culture that promotes dignity of all employees. We retain the best talent in the industry. We recruit all our employees locally, from within the country, thus doing our bit to boost employment.

During the reporting period, we recruited 447 new employees across management and permanent worker categories. Of these, 10% were females, 30% were less than 30 years old and 68% were between 30 and 50

year age group. 7% were over 50 years of age.

In terms of employee turnover, or the number of employees who leave the organization voluntarily or due to dismissal, retirement or death, a total of 243 employees separated from the company during the year across the management and permanent workers categories. Of these, 203 were males, 40 were females, 40% were younger than 30 years of age and 49% were between 30-50 years of age. 10% were over 50 years of age.

In a bid to evaluate and improve our HR practices and retain the best talent, we undertake comprehensive exit interviews with employees leaving the Company.

Employee Engagement	FY 2014	FY 2015	FY 2016	FY 2017
Employee Engagement (Unit: % of actively engaged employees)	Nil	Nil	3.91 out of 5.0	4.1 out of 5.0
Data Coverage (Unit: % of total employees)			100% employees of eligible employee with 93% participation rate	35% sample Employees (Dip Stick survey) with 81% participation rate

Employee turnover

At Havells, people are at the centre of our operations. We recognise employees as our most valuable asset. We observed about 5% reduction in employee turnover and tremendous increase in new hires.

Training and Skills development

We organised numerous training programs to develop and engage with people to improve quality of life at work. Significant improvements were made in work practices and behaviour of people at work. A record breaking 10,750 hrs training was recorded, which was 47 times higher than last year. This was due to a large number

of employees participating in training programmes from Alwar and Faridabad plants. Training programs focused on Lean Management, Sustainability awareness, Energy, PFMEA, DFMEA, Quality tools, DMAIC, BIS, LOTO (Lockout and tagout), Behavioural based safety, confined space, chemical safety, Mockdrills, First aid for medical emergency, ISO awareness etc. Last year we invested about Rs. 1.5 crore for employees’ skill development programs from Corporate office for across the group.

Policy initiatives

Our HR policies provide healthy growth opportunities to all our employees irrespective of age, race, color, gender, religion, nationality or disability. Our leave policy is aligned to the Factory Act, under which provisions for earned, sick and maternity leave apply for all employees. During the reporting year, 05 of our female employees took maternity leave and rejoined work.

Our HR department informs employees of any significant operational changes through institutional procedures. We follow a 7 days probation period and after probation the minimum notice period is 30 days.



Training Hours
per Employee Increased by
10521 manhours



New hires and employee turnover

		Haridwar	Neemrana	Sahibabad	Baddi	Faridabad	Standard	Alwar	Guwahati	Corporate
New Employees hired										
Under 30 Years male	no's	8	35	1	8	2	2	6	10	38
Under 30 Years female	no's	0	1	1	0	0	0	2	2	18
30-50 Years male	no's	10	28	4	10	2	1	5	0	221
30-50 Years female	no's	0	0	0	0	0	0	0	0	21
Over 50 Years male	no's	0	0	0	0	0	0	0	0	11
Over 50 Years female	no's	0	0	0	0	0	0	0	0	0
Employee turnover										
Under 30 Years male	no's	5	17	3	5	0	2	12	6	28
Under 30 Years female	no's	1	1	0	1	0	0	0	0	17
30-50 Years male	no's	9	21	3	9	0	7	7	0	46
30-50 Years female	no's	4	1	0	4	0	1	0	0	8
Over 50 Years male	no's	1	3	1	1	1	0	0	0	16
Over 50 Years female	no's	0	0	0	0	0	2	0	0	0
		20	43	7	20	1	12	19	6	115

Category	Nos of complaints filed during the financial year	Nos of complaints pending as at the end of the financial year
Child Labor	NIL	NIL
Forced Labor	NIL	NIL
Involuntary Labor	NIL	NIL
Sexual Harassments	NIL	NIL

People: Key performance indicators

KPI descriptions	Targets
KPI-1 Employee Turnover	Target: 5% reduction Target Year: 2020-21
KPI-2 Expected Community investments	Target: 17 crore Target Year: 2020-21
KPI-3 NPS Score	Target: 60 Target Year: 2018-19

Human Rights

Integrity, trust, fairness and honesty are the basic guidelines that define our strategies, behaviour and the relationships we build with people internally and externally. These guidelines serve as pillars in areas where local regulations are assessed as weak or non-existent. We are non-tolerant to any human rights violation that comes to our attention within our organisation and supply chain. We endeavour to identify, assess and

manage human rights impacts within operations and amongst identified suppliers considered to have significant risks for the following, viz. respect for human rights including non-discrimination, prohibition of child and enforced labour. We do not engage or support the use of forced labour. The terms and conditions relating to the employment are communicated prior to recruitment. During the reporting period, there have been no cases identified or

registered related to forced labour. Child labour is strictly prohibited at our plants and offices. We do not work with any supplier or contractor known to operate with unacceptable labour practices. The agreements with contractors and suppliers also mandatorily include necessary clauses on human rights and child labour as specified by the Government of India and Factory Act. There have been no cases identified or registered related to child labour so far.

Abiding by the law

As a responsible corporate, we strictly adhere to applicable labor and HR practices laid down under the law. We have institutionalized policies to ensure that due processes and practices are

in line with the laws and regulations. Child or forced labor is strictly prohibited in the Company, and, as in the previous years, we did not report any incidents of child labor, forced labor

or compulsory labor in our operations or among our suppliers during the year. We have two employees with disabilities but have not hired any one with disabilities in the reporting year.

Employees with Disabilities	Male	Female
Employees	02	NIL

Human Capital Development

Aligning our HR policy with our sustainable growth philosophy, we are continuously investing in the

learning and development of our employees through training and other programs. There has been a marked improvement in productivity as a result

of this exercise, which involves the creation of new and innovative training modules and higher levels of employee engagement.



People Development and EEHS

As one of the premier companies, we are aware of the need for providing skill development and training in the areas of Energy, Environment, Health & Safety (EEHS) to our employees.

Trainings on People development and EEHS

Category	Man-hours	
	Male	Female
Senior Management	49.5	0.0
Middle Management	3864.5	177.2
Junior Management	5672.2	986.7

Occupational Health & Safety

With the target of maintaining a Zero-accident environment at our workplace, especially our plants, we have implemented the best global safety practices at our plants, with strict compliance to OHSAS 18001. There were no accidents or any incidents of workers with high risk of any diseases at our plants in the reporting year. We are also continually investing in the upgradation of safety technologies and infrastructure, and conduct regular communications and awareness programs at the workplace. Good health and well-being of our people is our top most priority. Our policies and procedures are employee friendly and we adhere to best practices as per OHSAS

requirements. All employees across the plants regularly undergo medical check-ups to ensure they are not subjected to any occupational health hazards. Timely health awareness camps ensure good quality of health and fitness for all our employees. We are happy to share that we achieved zero occupation health disease cases and fatalities across our plants. 1210 employees received health & safety training and 1390 employees got skill-upgradation training. Employee well-being and workplace safety is of great significance to the Company and is embedded in our culture. During the FY 17-18 we have

observed close to 85% reduction in major incidents as compared to last year. To keep that track record going, we have given extra focus on enhancing our management systems, standards and approaches towards developing a culture where we proactively identify potential risks, hazards and eliminate, or mitigate the risk to as low as reasonably attainable. We continue to concentrate on 'zero-Incidents, absentee rate and lost days' rates. Regular safety trainings are conducted on unsafe conditions, unsafe acts, incidents and accidents to ensure a zero harm and safe environment for our workforce.

Incidents Trend 2017-18

Injury Count	Fatalities	Occupation Disease Cases	Lost Days
9	0	0	1.89

Lost-Time Injuries Frequency Rate(LTIFR) - Employees

LTIFR	FY 2014	FY 2015	FY 2016	FY 2017
Employees (n/million hours worked)	1.23	1.82	0.99	0.65

Occupational Illness Frequency Rate (OIFR) - Employees

We track (OIFR) - Employees, nevertheless in our record it was nil during these periods.

Case Study

Havells Baddi Plant: Towards Zero Accidents:

Challenge:

There are total 40 power presses in our Baddi plant. Rendering the operations of these presses 100% safe is a major H&S concern area.

Difficulties identified:

1. Though these are power presses, setting the tool is a manual process to be done by employees before operation commences.
2. As the tool setting process is manual the operator is vulnerable to dangers of cutting or injury.

Steps taken:

Havells India Limited is committed to providing provide an ultimate safe work environment for all its employees with zero accidents.

Our dedicated team explored solutions and finally came up with integrated power presses with engineering control which could stop power operation if the hands of the operator inadvertently touched the machine.

This was achieved through:

1. Light Curtain Type IV installed at power presses. Designed to automatically stop the press cycle (stroke) if the sensing field is interrupted.
2. Mechanical Guards with Electrical interlocks installed to stop press when guards are opened:
 - a. Guard shall prevent entry of hands or other body parts into the point-of-operation by reaching through, over, under or around the machine.
 - b. Guard shall offer visibility of the point-of-operation, consistent with requirements of the operation being performed.
 - c. Guard shall be fixed with fasteners which cannot be easily removed by the operator to minimize the possibility of misuse or removal of essential parts.

Benefits accruing through this initiative include:

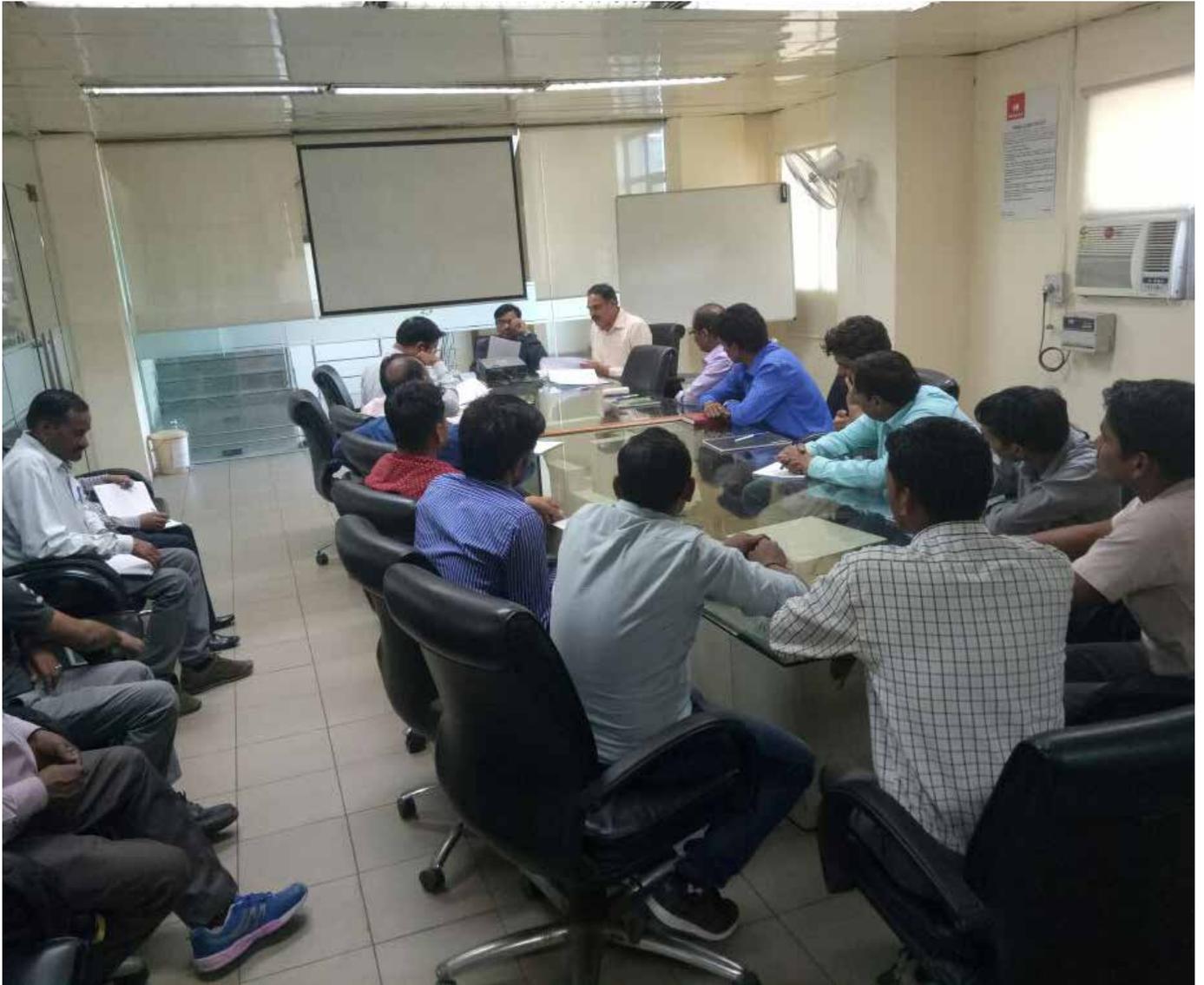
1. 100% safety while working at power presses.
2. Safety interlocks are designed and programmed not to be bypassed.
3. Full automation of pressing operation.

Related SDGs:

1. SDG 3: Good health and wellbeing: Ensure health and safety and promote wellbeing for all irrespective of age.
2. SDG 8: Decent work and economic growth: promoting sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

100% workplace safety for press operators.





Safety Committee Members

Alwar		Neemrana		Faridabad		Sahibabad		Baddi		Haridwar		Standard		Guwahati	
Non Mgmt	Mgmt	Non Mgmt	Mgmt	Non Mgmt	Mgmt	Non Mgmt	Mgmt	Non Mgmt	Mgmt	Non Mgmt	Mgmt	Non Mgmt	Mgmt	Non Mgmt	Mgmt
11	11	6	6	13	13	9	13	22	14	16	16	14	10	10	8

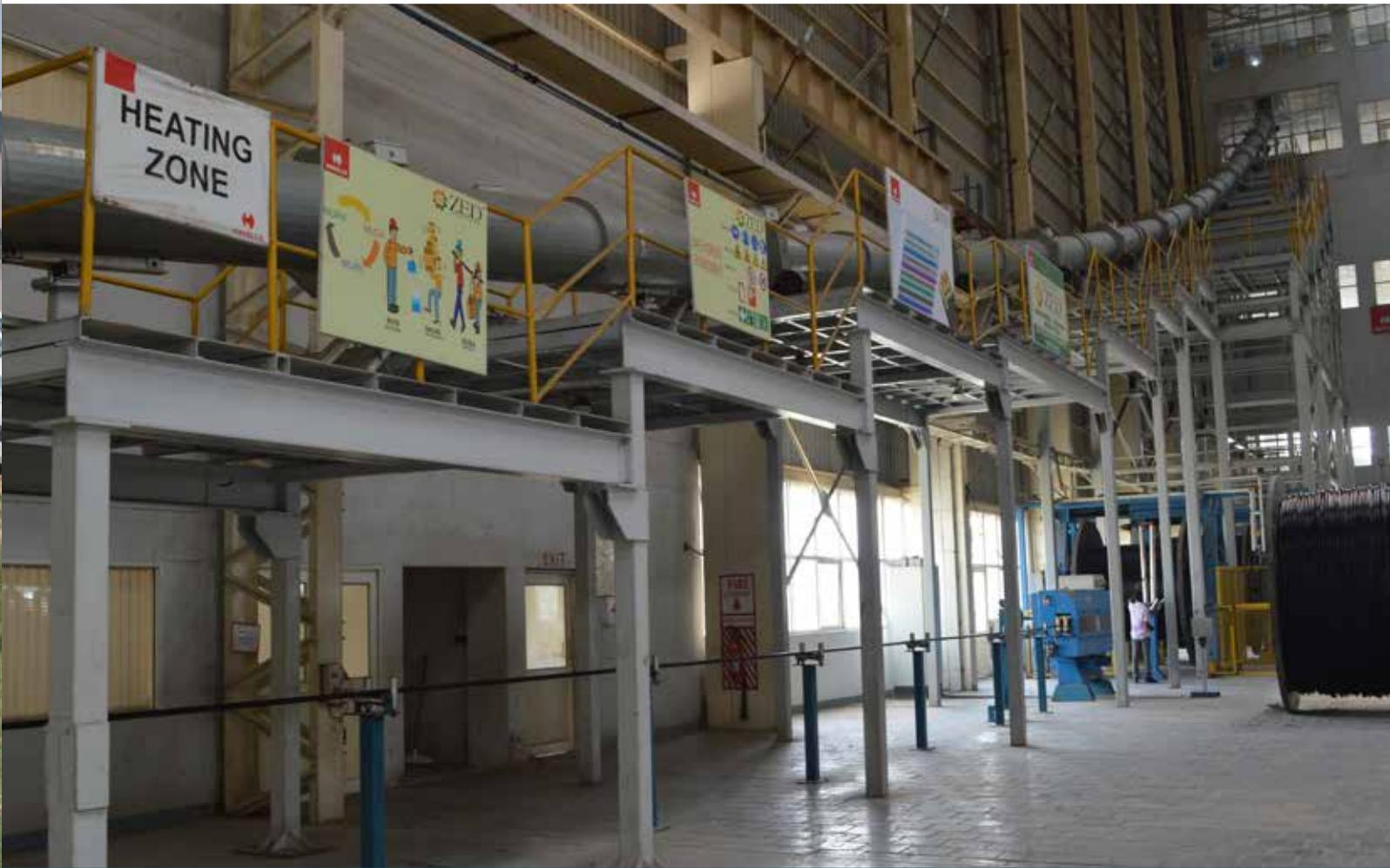
Towards 'Zero - Incidence and Lost Days'

Our journey in safety has evolved from 'compliance driven by standards and guidelines' to a 'behaviour centric - safety culture'. We believe that this positive transformation in employees' attitude and perception towards safety through inculcation of ownership would help us to achieve the goal of 'Zero Incidents and lost days'. Accordingly, behaviour based safety programmes have been initiated in our plants. Havells has identified risk management framework as

one of the integral steps towards building a strong safety management system. Accordingly, risk assessment process encourages employees for identification and assessment of risks in their operations. Some of the control measures for risk management are; Safety Procedures, Job safety analysis (JSA), Plants Safety monitoring, etc.



Our responsible growth strategy encompasses the entire gamut of our business operations, with product responsibility a key feature of our sustainability focus.



All Havells manufacturing facilities feature state-of-the-art infrastructure and best practices in occupational safety, inspiring a culture of innovation and excellence.



Children - our change agents

Working closely with schools we appreciate that children can play a useful role in impactful transformation. This holds true for health and hygiene as well, with children quick to adopt positive hygiene behavior learnt in schools and make it a life-long habit. We, therefore, conduct regular behavioral change workshops on Sanitation to inculcate, among children, knowledge and understanding of good hygiene habits. This is an effective tool, which we plan to use on a regular basis in the future too.

WASH philosophy

Influencing young minds is important for bringing about change in improved sanitation and hygiene especially in rural areas, for maintaining good health. Sanitation is a major public health issue in India. Poor sanitation can affect the health of children. Simple tools such as hand washing can help to improve sanitation and hygiene. Hand washing with soap is among the most effective and inexpensive ways to prevent diarrhoea - a major health hazard especially among children in rural India. This entails to promote the concepts of WASH, we held various sensitization

workshops in schools during the year. These were targeted not only at students but also the teachers, keeping in view the role that the latter could play in sensitizing parents and the community at large. Interactive activities such as songs, wall paintings, quizzes and painting competitions were held to In some cases street plays are also organised.

Impact

The positive impact of these initiatives can be assessed from the increased participation by girls, and a marked improvement in hygiene habits of community members.

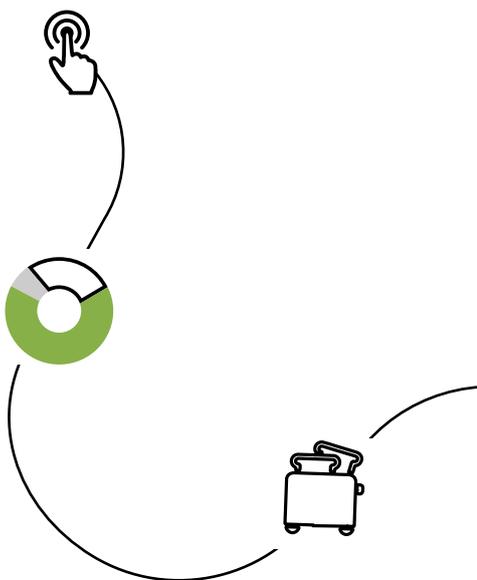
Maintenance & Upkeep

To ensure the success of any change programme, it is important to monitor it. Hence our teams regularly meet community members for their feedback, ensure supervision of funds and maintenance of clean toilets.

Donation of School Benches

Our environmental conservation initiative led to donation of benches in the schools around our plants. This helped students to have proper classrooms for study.

As part of our direct plantation drive, we planted approx 1000 trees across our plants during the year.



Centered on the Customer

Customers are our most important stakeholders. This belief motivates us to provide the best-in-class products and after sales service. We use various tools and methodologies to gauge customer satisfaction and secure their feedback on a regular basis. During 2017-18, we used the Net Promoter Score (NPS), an international indicator of customer satisfaction to measure their level of confidence and satisfaction in the Havells brand. Customer satisfaction survey was conducted with a total of 2,053 customers, and 55% reported

satisfaction with our products. We are also engaged in strengthening our customer delivery channels and customer relationship management systems. To this end, we regularly invest in the training of our people to align them better with evolving consumer aspirations and to make them more responsive to customer concerns and market trends. We are not facing any case filed by any stakeholder regarding unfair trade practices, irresponsible advertising or anti-competitive behavior. During the year, we received nine complaints

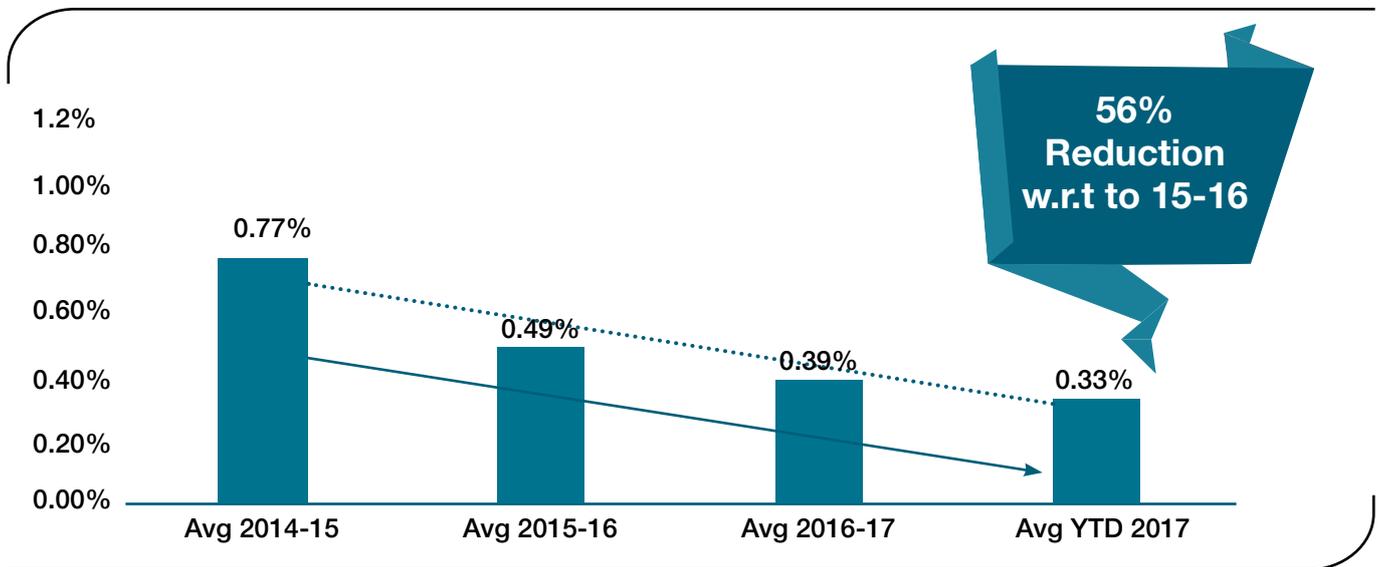
relating to minor product defects, of which three were resolved and six are in the process of being resolved.

Our call centers, that operate in nine languages, provide regional, national and international support to our customers to ensure sustained value for them.

CUSTOMER SATISFACTION PRACTICES

Customer satisfaction is important to enhance our brand image and build customer loyalty. We analyse NPS (Net promoter score) along 5 indicators – access, experience, service, brand and loyalty. We achieved a customer satisfaction score of 55% in FY 17-18 which covered 7 product categories and 2053 sample products.

%Service calls of plants





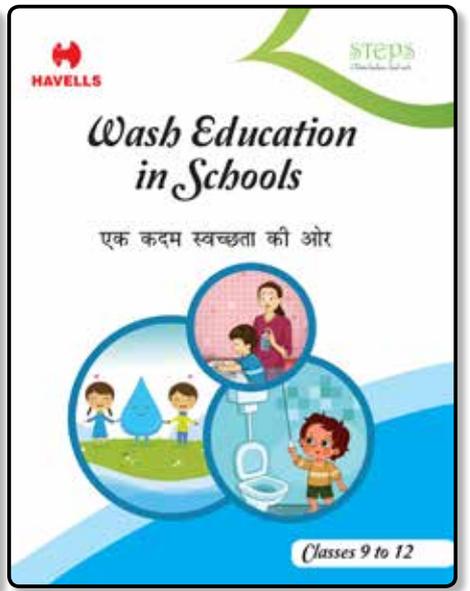
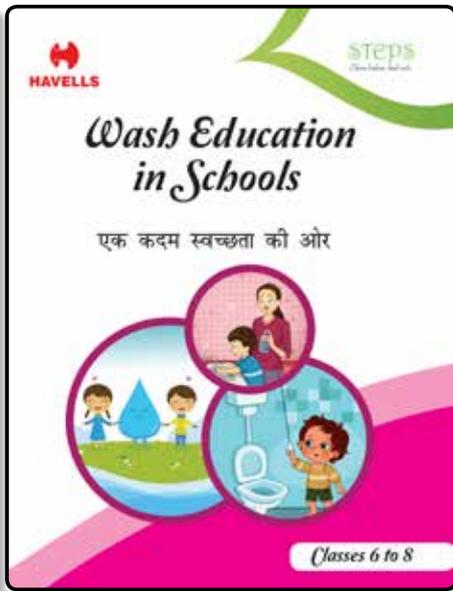
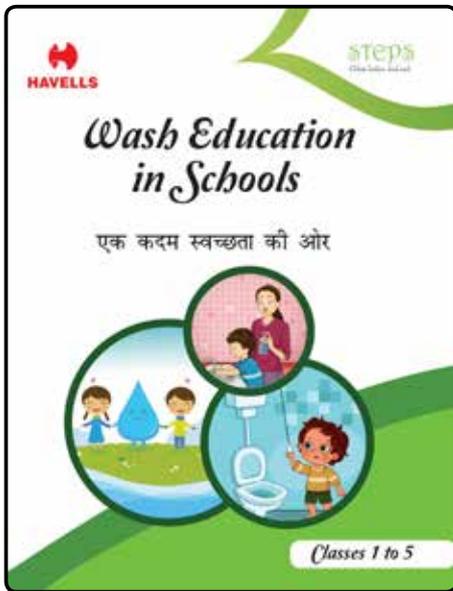
We have made a firm commitment to ourselves to continue to follow the best sustainability and CSR practices that are aligned with the broad social and economic agenda of the government, in order to create a healthier environment for the people on this planet.

Communicating With Responsibility

Our corporate social responsibility extends to every function of our business, including marketing, communication and advertising. A variety of avenues are used to communicate effectively with our stakeholders and maintain healthy interaction.

We follow the best ethical practices to ensure that our communication is clear, socially relevant, and not in any way violative of the moral ethos of our culturally diverse customers.

We follow the guidelines and standards set by ASCI (Advertising Standards Council of India). There were Zero complaints lodged with ASCI during the reporting year.



 <https://www.facebook.com/havells>

 https://www.instagram.com/havells_india

 https://twitter.com/havells_india

 [YouTube https://www.youtube.com/user/havellsindia](https://www.youtube.com/user/havellsindia)

Our communication and marketing collaterals are designed to deliver positive messaging that resonates with the social and cultural values of the people.

Launch of Water Purifier

We spend hours and days on research and analysis before we buy a mobile phone or a TV or a car. But do we indulge in similar exercise before we buy a water purifier? As we have entered the summer season, which will be followed by a three months of monsoon, time is apt to actually ponder on the subject.

Let us spare a moment analyzing about India having one of the worst track records on water borne diseases. As per the Health Minister Jai Prakash Nadda's reply in Lok Sabha, on April 6, 2018, Diarrhoea remained the leading killer, causing about 60% of all deaths in India. Another report by World Health Organisation (WHO) on viral Hepatitis puts India on top when it comes to water borne diseases.

If we see situation about availability of drinking water than, essentially, half of the whole year we are prone to water borne diseases – natural contamination during summers and man made contamination during monsoons. Over and above this, anyway biological, toxic, organic, and inorganic

pollutants contaminate 60 percent of India's surface water resources and groundwater reserves.

Cholera, filariasis along with Diarrhoea and Viral Hepatitis are some of the common water borne diseases. But when it comes to deciding on a water purifier, we generally do not spend much time – unlike when we buy a mobile phone or any other electronic goods.

We generally go by general trend. For example, in urban areas we blindly buy Reverse Osmosis (RO) water purifier. What we tend to ignore is the fact that RO purifier also removes essential elements, which is necessary for human body.

Till this point it is okay to ignore the removal of essential minerals from the water, as we are assured of “pure” drinking water. But what we do not know is that the water we drink is not pure.

The reason lies in the dynamics of the reverse osmosis process. With removal of important minerals within water, the taste of water gets bitter as it becomes

more acidic in nature (pH imbalance in the water). Obviously, a glass of bitter water is not what a person would expect from a good RO purifier. Hence the manufacturers started adopting the great Indian “jugad”.

The RO manufacturers consciously allow bypassing some part of tap water through ultrafiltration (UF) membrane so that it dilutes the acidity and better the tastes. Though, this is not a big problem where municipal authorities treats water well before supplying but we know in most part of urban India do not get that. Hence, just like mileage of good motorbike remains 100 kilometer per liter under standard testing condition; a glass of pure drinking water also remains in “standard testing condition”.

So what should a family look for before buying a water purifier or if one wants to replace the existing one? Two broad categories should generally decide which water purification technology a household needs.

1. Level of hardness in water (TDS - total dissolved solvents)

TDS Level	Quality	Type of purifier
0-80	Very good for drinking	NONE
80-150	May or may not be that good	UV
150-400	Hard	RO
Above 400	Very hard	RO+UV+UF

2. Type of water supply: This is important to decide what kind of water purifier you need.

Supply Type	Impurities	TDS	Purifier
Surface water from rivers, lakes (supplied by civic authorities)	Low: Bacteria & Virus	Low	UV
Tube well or salty water	Low: Bacteria & Virus	High	RO+UF
Underground, Bore well or tanker supplied	High: Bacteria & Virus	High	RO+UV+UF

The above criteria is only for deciding the type of water purifier. However, when one goes to the market, all the water purifiers flash same criteria for “purifying” the water, without mentioning the bypassing technique that mixes normal contaminated tap water to make the water taste better and hence posing the danger of missing some impurities in drinking water.

The need of the hour is to stop the bypassing some part of tap water and rather balancing of acidity through mineral fortification. Also, recycling of UV treated water that is stored in the water purifier is a must to ensure freshness and purity of water as stored water in a tank can lead to recontamination.

If one sees the water purifiers available in market, probably only one or two companies offer all the required qualities needed for a pure and fresh drinking water.

Just like before buying any electronic goods, as a customer one should do a through research before buying or changing the water purifier. We never know if inadvertently we are putting our families into danger of drinking unsafe water.

GRI Index

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102-13	Membership of associations	28			
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GRI STANDARD	Disclosure	Omission			
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GRI STANDARD	Disclosure	Omission			
		Page Nos. and /or URL's	Part omitted	Reason	Explanation
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103-2	The management approach and its components	48			
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GRI 301: Materials					
GRI 103	Management approach disclosure	11, 37			
301-1	Materials used by weight or volume	81			
301-2	Recycled input materials used	Nil			
301-3	Reclaimed products and their packaging materials	Nil			
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302-1 EN3	Energy consumption within the organization	51, 73, 85			
302-2	Energy consumption outside of the organization	Nil			
302-3 EN5	Energy intensity	52, 73			
302-4 EN6	Reduction of energy consumption	51, 72, 81			
GRI 303: Water					
303-1	Water withdrawal by source	75, 76			
303-2	Water sources significantly affected by withdrawal of water	None			
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305-1 EN15	Direct (Scope 1) GHG emissions	52, 69, 85			
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305-3	Other indirect (Scope 3) GHG emissions	None			
305-4	GHG emissions intensity	71			
305-5	Reduction of GHG emissions	71			
305-6 EN20	Emissions of ozone-depleting substances (ODS)	87			
305-7 EN21	Nitrogen oxides (NOx), Sulphur oxides (SOx), and other significant air emissions	87			
GRI 306: Effluents and Waste					
306-1	Water discharge by quality and destination	None			
306-2 EN23	Waste by type and disposal method	74			
306-3 EN24	Significant spills	Nil			
306-4	Transport of hazardous waste	Not Reported			
306-5	Water bodies affected by water discharges and/or runoff	Not Reported			
GRI 307: Environmental Compliance					
307-1 EN29	Non-compliance with environmental laws and regulations	38, 44			
GRI 308: Supplier Environmental Assessment					
308-1	New suppliers that were screened using environmental criteria	23			
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401-3 LA3	Parental leave	None			
GRI 402: Labor/Management Relations					
402-1 LA4	Minimum notice periods regarding operational changes	92			

GRI STANDARD	Disclosure	Omission			
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GRI 403: Occupational Health and Safety					
403-1	Workers representation in formal joint management-worker health and safety committees	95			
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	93			
403-3	Workers with high incidence or high risk of diseases related to their occupation	Not Reported			
403-4	Health and safety topics covered in formal agreements with trade unions	Not Reported			
GRI 404: Training and Education					
404-1	Average hours of training per year per employee	93			
404-2	Programs for upgrading employee skills and transition assistance programs	93			
404-3	Percentage of employees receiving regular performance and career development reviews	100%			
GRI 405: Diversity and Equal Opportunity					
405-1	Diversity of governance bodies and employees	89			
405-2	Ratio of basic salary and remuneration of women to men	Not Reported			
GRI 414: Supplier Social Assessment					
414-1	New suppliers that were screened using social criteria	23			
414-2	Negative social impacts in the supply chain and actions taken	None			
GRI 416: Customer Health and Safety					
416-1 PR1	Assessment of the health and safety impacts of product and service categories	None			
416-2 PR2	Incidents of non-compliance concerning the health and safety impacts of products and services	None			
GRI 417: Marketing and Labeling					
417-1	Requirements for product and service information and labeling	58			
417-2 PR4	Incidents of non-compliance concerning product and service information and labeling	None			
417-3 PR7	Incidents of non-compliance concerning marketing communications	None			

GRI STANDARD	Disclosure	Omission			
		Page Nos. and /or URL's	Part omitted	Reason	Explanation
GRI 418: Customer Privacy					
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	None			
GRI 419: Socioeconomic Compliance					
419-1	Non-compliance with laws and regulations in the social and economic area	None			





Annexure -1



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Independent Limited Assurance Statement to Havells India Limited on their Sustainability Report for Financial Year 2017-18

To the Management of Havells India Limited, QRG Towers, 2D, Sector 126, Noida- Greater Noida Expressway Noida, Uttar Pradesh- 201304.

Introduction

Havells India Limited ('the Company' or 'HIL') has requested KPMG in India ('KPMG', or We) to provide an independent assurance on its Sustainability Report 2017-18 ('the Report').

The Company's management is responsible for identifying its material topics, engaging with its stakeholders and developing the content of the Report.

KPMG's responsibility is to provide limited assurance on the Report content as described in the scope of assurance.

Reporting Criteria

HIL applies its sustainability performance reporting criteria, derived from the 'In-accordance Core' option as per Sustainability Reporting Standards of GRI as detailed in the 'Report scope and boundary'.

Assurance standards used

We conducted the assurance in accordance with

- Limited Assurance requirements of International Federation of Accountants' (IFAC) International Standard on Assurance Engagement [(ISAE) 3000, (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information]. Under this standard, we have reviewed the selected information presented in the Report against the principles of relevance, completeness, reliability, neutrality and understandability.

Boundary Scope, and Limitations

The following is covered under the scope and boundary of the assurance engagement:

- The scope of assurance covers the sustainability performance of HIL's sustainability performance disclosures for the period of 01 April 2017 to 31 March 2018, as per the table below.
- The boundary of the report includes the data and information from HIL sites as mentioned in the Sustainability Report section – Reporting Boundary:
 - Haridwar (Uttarakhand)
 - Neemrana (Rajasthan)
 - Alwar (Rajasthan)
 - Baddi (Himachal Pradesh)
 - Faridabad (Haryana)
 - Sahibabad (Uttar Pradesh)
 - Corporate Office, Noida (Uttar Pradesh)
- HIL has included the Faridabad and Sahibabad manufacturing units in the report boundary during this reporting cycle.
- The assurance scope excludes:
 - Aspects of the report other than those mentioned in the table below;
 - The Company's financial performance;
 - Data and information outside the defined reporting period;
 - The Company's statements that describe expression of opinion, belief, aspiration, expectation, aim or future intention provided by the Company and assertions related to Intellectual Property Rights and other competitive issues;

The disclosures subject to assurance as per GRI Standards were as follows:



Standard Disclosures	Topic-Specific Standard Disclosures
<ul style="list-style-type: none"> Organizational Profile: GRI 102-1 to GRI 102-13 Strategy and Analysis: GRI 102-14 Ethics and Integrity: GRI 102-16 Governance: GRI 102-18 Stakeholder Engagement: GRI 102-40 to GRI 102-44 Reporting Practice: GRI 102-45 to GRI 102-56 Management Approach: 103-1 to 103-3 	<ul style="list-style-type: none"> Economic: Indirect economic impacts (GRI 203-1, GRI 203-2) Environment: Materials (GRI 301-1), Energy (GRI 302-1 and 302-4), Emissions (GRI 305-1 to 305-2 and 305-5 to 305-7), Effluents and waste (GRI 306-1 to 306-2), Compliance (GRI 307-1) Labour Practices and Decent Work: Employment (GRI 401-1), Occupational Health and Safety (GRI 403-1, 403-2), Training and Education (GRI 404-3), Diversity (GRI 405-1) Supply Chain: Supplier Social Assessment (GRI 414-1), Supplier Environmental Assessment (GRI 308-1) Product Responsibility: Customer Health and Safety (GRI 416-1), Customer Privacy (GRI 418-1), Marketing and Labelling (GRI 417-2 to GRI 417-3)

Assurance procedures

We have obtained sample evidence, information and explanations that were considered necessary in relation to the assurance scope and have arrived at conclusions mentioned below. Our work included a range of evidence-gathering procedures including:

- Assessing that the report is prepared in accordance with the GRI Standards: Core option.
- Understanding the appropriateness of various assumptions used for estimation of data by HIL.
- Verifying systems and procedures used for quantification, collation and analysis of sustainability performance indicators included in the Report.
- Assessing the systems used for data collection and reporting of the Universal Standard Disclosures and Topic-Specific Standard Disclosures of material aspects as listed in the assurance scope above.
- Reviewing the Report to ensure that there is no misrepresentation of disclosures as per scope of assurance and our findings.
- Reviewing the materiality and stakeholder engagement framework deployed at HIL.
- Testing on a sample basis, the evidence supporting the data and information.
- Holding discussion with senior executives at the plant locations and at the corporate office to understand the risks and opportunities from a sustainability perspective including the strategy that HIL has adopted to address the same.
- Assessing data reliability and accuracy.
- Verifying select key performance data through site visits to operational locations and corporate office for:
 - Testing reliability and accuracy of data on a sample basis.
 - Assessing stakeholder engagement process through interactions with relevant internal stakeholders and review of related documentation.
 - Limited review of the materiality assessment process.
 - Reviewing the processes deployed for collection, compilation and reporting of sustainability performance indicators at corporate and plant level.

Appropriate documentary evidence was obtained to support our conclusions on the information and data verified. Where such documentary evidence could not be collected on account of confidential information our team verified the same at HIL's premises.

Conclusions

We have reviewed the Sustainability Report of HIL. Based on our review and procedures performed as described above, nothing has come to our attention that causes us not to believe that the sustainability data and information presented in the Report is appropriately stated, in material aspects, and in accordance with GRI Standards.

We have provided our observation to the company in a separate management letter. These, do not, however, affect our conclusions regarding the Report.

Independence

The assurance was conducted by a multidisciplinary team including professionals with suitable skills and experience in auditing environmental, social and economic information in line with the requirements of the ISAE 3000 (revised) standard. Our work was performed in conformance to the requirements of the IFAC Code of Ethics for Professional Accountants, which requires, among other requirements, that the members of the assurance team (practitioners) as



well as the assurance firm (assurance provider) be independent of the assurance client, in relation to the scope of this assurance engagement, including not being involved in writing the Report. The Code also includes detailed requirements for practitioners regarding integrity, objectivity, professional competence and due care, confidentiality and professional behavior. KPMG has systems and processes in place to monitor compliance with the Code and to prevent conflicts regarding independence. The firm applies International Standard on Quality Control (ISQC) 1 and the practitioner complies with the applicable independence and other ethical requirements of the International Ethics Standards Board for Accountants (IESBA) code

Responsibilities

HIL is responsible for developing the Report contents. HIL is also responsible for identification of material sustainability issues, establishing and maintaining appropriate performance management and internal control systems and derivation of performance data reported. This statement is made solely to the Management of HIL in accordance with the terms of our engagement and as per scope of assurance. Our work has been undertaken so that we might state to HIL those matters for which we have been engaged to state in this statement and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than HIL for our work, for this Report, or for the conclusions expressed in this independent assurance statement. The assurance engagement is based on the assumption that the data and information provided to us is complete and true. We expressly disclaim any liability or co-responsibility for any decision a person or entity would make based on this assurance statement. By reading this assurance statement, stakeholders acknowledge and agree to the limitations and disclaimers mentioned above.



Manpreet Singh
KPMG in India
11 May 2018

Annexure -2



Water Inventory Verification Statement Number
F530101/GUR/ENV/C000039

Water balance inventory in the period 1st April 2015 – 31st March 2016 for

Havells India Limited

Corporate Office: 2-D, Sec-126, Expressway,
Noida 201304, India

has been verified against the requirements of the following criteria

**Transparency, Relevance, Completeness,
Consistency & Accuracy**

To represent the total 'Water Positive' status by Havells India Limited
by 6,500 Kilo Liters based on the following verified aspects:

- total direct water consumption (water debit) quantity of: 139,269 KL
- total water conservation/ recharged (water credit) quantity of: 145,769 KL

Lead Assessor: Nilesh Pojge
Assessor: Vishal Goyal
Technical Reviewer: Ajoy Gupta

For the following activities:
Pan India Based Fast Moving Electrical Goods Manufacturing Units

The organizational boundary was established adopting concept of operational and maintenance control by Havells India Limited on the facilities.

Verification Statement Date: 06th February 2017

Authorized by



Dipjyoti Banerjee
Business Director
Environment, Health and Safety
Date: 06th February 2017
SGS India Private Limited, 226 Udyog Vihar, Phase I, Gurgaon 122 016 Haryana, India

This Statement is not valid without the full verification scope, objectives, criteria and findings available on pages 2 to 5 of this Statement.





HAVELLS

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CIN: L31900DL 1983PLC016304