



HAVELLS



*Sustained efforts for
Sustainable Growth*

What's Inside

Our Approach	1
Our Sustainability Journey	2
Highlights	3
Chairman's Message	4-5
About the Report	6-7
About Havells	8-20
Sustainability at Havells	21-39
Financial Performance	40-42
Environmental Stewardship	43-53
Social	54-62
Awards and Membership	63
Exhibits	64-73
GRI Index	74-77



Our Approach

Havells business philosophy is built around environment and communities that are of paramount importance to us. Our focus has been on reducing our environmental footprint particularly around reducing emissions to combat climate change which is viewed as the largest threat not only to businesses but the entire mankind. Our commitment to "Call to Action", an initiative based on Science Based Targets, is directed to reduce our absolute emissions below 1.5 degrees threshold.

Over the last three years, we have reduced our energy intensity by 42%. We continue to enhance our renewable energy footprint. Today over 6% of our energy consumption across our plants comes from roof-top solar. We became one of the few companies in the country to be Water Positive. With an aim to provide better quality of air to our future generations and be carbon positive, we planted over 2 lakh trees in FY 18-19.

We have been reporting our Scope 1 and Scope 2 emissions since 2013 and are proud to say that our initiatives have helped us in further reducing these emissions. From this year, we have started reporting on Scope 3 emissions generated by "Employee Commuting" and will strive to reduce the same.

Our debut participation in Dow Jones Sustainability Index (DJSI) was encouraging. We ranked 7th globally in Electrical Components & Equipment Category and scored 96 in both Environmental Reporting and Occupational Health & Safety. This underscores our visible testimony and pledge to environment

protection and management, concern for the health & safety of our employees and of the society at large.

Another important highlight of the year was that the Company set up its first greenfield project for manufacturing Air Conditioners and other consumer durables at Ghiloth, Rajasthan. The plant commenced operation in March 2019 and is expected to run at optimum capacity by October 2019. The quality is being assured through multiple tiers of rigorous tests in the manufacturing process and through in-house NABL accredited laboratory.

With our continuous endeavour to keep people and planet as our first priority we strive in our operations to lower our carbon footprint and aim to be a carbon positive company. We strive to enhance our social performance through community engagement and ensuring well-being of people around us. This will help us in continuing our environmental and social stewardship in order to provide a sustainable foundation for our future growth.



Our Sustainability Journey

FY 13



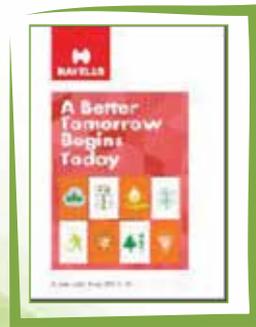
FY 14



FY 15



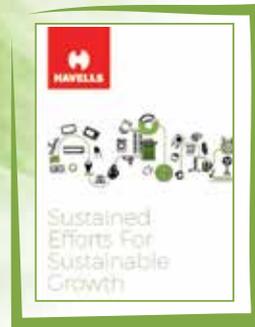
FY 16



FY 17



FY 18



FY 19



Highlights



42%
Emission Intensity
Reduced from 2015-16

4.5
GWh of Renewable
Energy Generated

45%
of Water Recycled

2,00,000
Planted trees



60,000
Mid-day meals
meals per day

9,30,00,000
Over meals served so
far, since 2005

4,000
Bio-Toilets till FY 2019

48,181
Over man hours of
training



₹ 10,058 Cr
Net Revenue

₹ 832 Cr
Employee Expenditure

₹ 792 Cr
Net Profit

₹ 17.4 Cr
CSR Expenditure

Chairman's Message

Dear Stakeholders,

I am happy to present to you the 7th edition of our Sustainability Report. It is our long-standing belief that the business can only be as strong and successful as the communities we serve are. Our core philosophy of 'Shubh Laabh' has been at the forefront of our sustainability journey, where we believe in 'doing good deeds and profits would follow'. The journey has been immensely enriching and rewarding.

For the last seven years, this report has traced the contours of Havells performance across all the dimensions of the Triple Bottom Line- People, Profit and Planet. As we continue to expand our way into new market segments and product categories this past year, our revenues grew by 24% and profit by 11% as compared to last year, vindicating our core philosophy.

I am pleased to note that the progress we made in embracing sustainability internally and across our

value chain has earned Havells global recognition. In the first year of our participation in Dow Jones Sustainability Index, we took the 7th place globally in Electrical Components & Equipment Category and have a leadership position in both Environmental Reporting and Occupational Health & Safety, a testimony to our commitment towards environment and health & safety of our employees.

We are reducing our impact on climate change by using clean energy sources and driving energy efficiency in our operations. Over 6% of our energy across our plants is now coming from solar energy thus reducing our GHG emissions.

Amidst the acceleration of global efforts to mitigate climate change risks, your company continues to make efforts to drive change through innovation. We have committed to 'Call to Action' initiative from



Science Based Targets and are on the path to meet the requirement of reducing our absolute emissions and limit global warming to 1.5°C. In line with the target, we have planted 2 lakh trees in the reporting period sequestering close to 4,300 tonnes of CO2 per year.

The world is undergoing transformational technological change. Keeping in-sync with this change, we have launched several mobile applications and portals to bring our customers, partners and consumers closer. We have also launched a range of products that are smart and IoT (Internet of Things) ready, adding to the convenience of our consumers.

We continue to invest in state of the art technology across our plants. Our Ghiloth plant that recently commenced its commercial production is on track to be a certified green building and is equipped with next generation technology including robots and automated guided vehicles for higher productivity and quality control.

Our people have been vital to our success. Their training and development has been a focus area for the company. During the reporting period we hired around 1900 people and invested over 48000 man hours of training for continued development of our people.

Owing to our core philosophy, we are committed to the well-being and growth of the communities around us. We take pride to have created several initiatives across health, sanitation and hunger prevention that continue to deliver long-lasting value. Our mid-day meal programme in Rajasthan continues to feed over 60,000 children every day. We have built over 4000 bio-toilets and provided reusable sanitary napkins to over 22000 girls.

I thank all employees, the board and other stakeholders for their whole-hearted commitment, engagement, and contribution in our journey. Going forward, we will strive to pursue sustainable practices in the management of all business areas, continue growing, and shape a better future together with our valued stakeholders.

We look forward to your continued support and interest.

Regards



Anil Rai Gupta



Our people have been vital to our success. Their training and development has been a focus area for the company



About the Report



This report discloses the sustainability performance of Havells as a group across India for the reporting period from 1st April 2018 to 31st March 2019

Our commitment towards integrating sustainability in our operations has been highlighted in the Sustainability Report. The Company's performance refers to all of its operating units. The report is prepared in line with the requirements of the BRR (Business Responsibility Reporting) and in accordance with the 'Comprehensive' option of Global Reporting Initiative (GRI) Standards Comprehensive. Guidance from the globally recognised standards such as the World Resources Institute, Green House Gas (GHG) Protocol, IPCC (Intergovernmental Panel on Climate change) and principles of United Nations Global Compact network (UNGC) have been applied to energy and emission calculations. Applicable national and local laws, rules and regulations have been taken into account for calculation and disclosure of environmental, social and safety performance indicators.

The Statutory Statements and Financial Reports which are part of this document adhere to: the requirements of the Companies Act, 2013 (including the rules made thereunder), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Indian Accounting Standards and the applicable Secretarial Standards.

Report Boundary

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

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 environmental and social sustainability indices is captured from 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. Wherever 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 totalling of numbers, which is due to rounding-off.)

Future Reporting

We have been publishing our Sustainability Report every year since FY 12-13. Going forward, we will continuously strive to provide a consistent insight into the entire gamut of our sustainability road-map by adhering to GRI and other relevant frameworks.

Any queries on this Report or about the sustainability agenda of the Company may please be sent by email to: sustainability@havells.com

External Assurance

Cognizant of the importance of building trust and credibility with our stakeholders, we have got this report externally assured by KPMG India, 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 3000 (Revised). Details of the assurance approach, methodology, and observations are presented in the assurance letter in Annexure 1, at the end of this report.

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.

About Havells



Incorporated in
1983, Havells
India Limited is a
leading fast Moving
Electrical Goods
(FMEG) company
with a strong
domestic presence

Incorporated in 1983, Havells India Limited is a leading Fast Moving Electrical Goods (FMEG) company with a pan India presence and headquartered in Noida, India. Powered by a strong culture of innovation, extensive product portfolio, state-of-the-art manufacturing, world-class quality and a robust distribution network, the Company has built an impressive reputation in the industry.

Havells enjoys an admirable presence in the domestic market with a wide range of products: **Industrial & Domestic Circuit Protection Devices, Cables & Wires, Motors, Pumps, Fans, Modular Switches, Small Domestic Appliances, Electric Water Heaters, Power Capacitors, Luminaires for Domestic, Commercial and Industrial Applications, Water Purifiers, Personal Grooming Products, Consumer durable like AC, TV and Washing Machine**. The business takes a responsible approach towards nature and environment, while keeping pace with the challenging customer requirements.

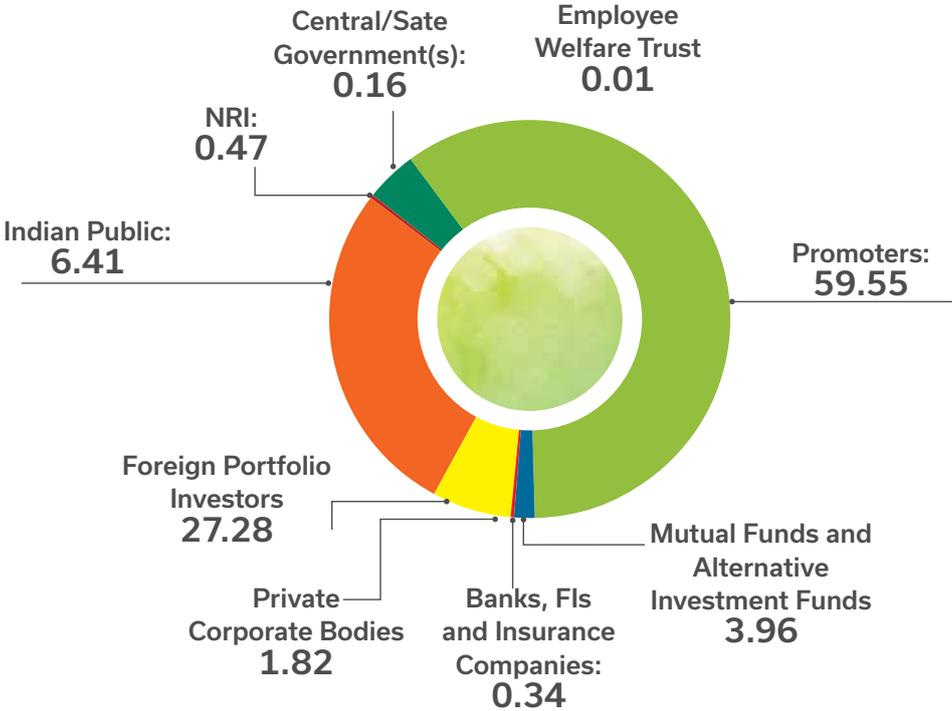
A smooth interplay between brands, distribution network, manufacturing, R&D ensures a high market share and profitability enabling superior return to shareholders.

All our facilities are

ISO 9001 certified.

Most of these plants are ISO 14001, OHSAS 18001 and ISO 50001 certified.

OWNERSHIP PATTERN AS ON 31ST MARCH 2019 (%)



GUIDING US ON OUR JOURNEY



Our Vision

To be a globally recognised corporation for excellence, governance, consumer delight and fairness to each stakeholder including the society and environment we operate in.



Our Mission

To achieve our vision through 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



PROPELLING GROWTH

Havells is a customer centric brand with a focus on making a difference in the lives of its customers. Built around consumer requirements, Havells – the finest brand for electrical goods – believes in providing great functionality, durability and quality service. We manufacture globally acclaimed products, synonymous with excellence and precision in the electrical industry. We are committed to powering the world with our state-of-the-art innovations and energy-efficient solutions. Over 90% of these products are manufactured in-house. Havells maintains the same premium quality for the domestic and international markets.

Today, we own a range of reputed and trusted brands including Lloyd, Crabtree, Standard and REO. We have appropriately earned the distinction, for creating the most useful category of FMEG or fast moving electrical goods in the country.

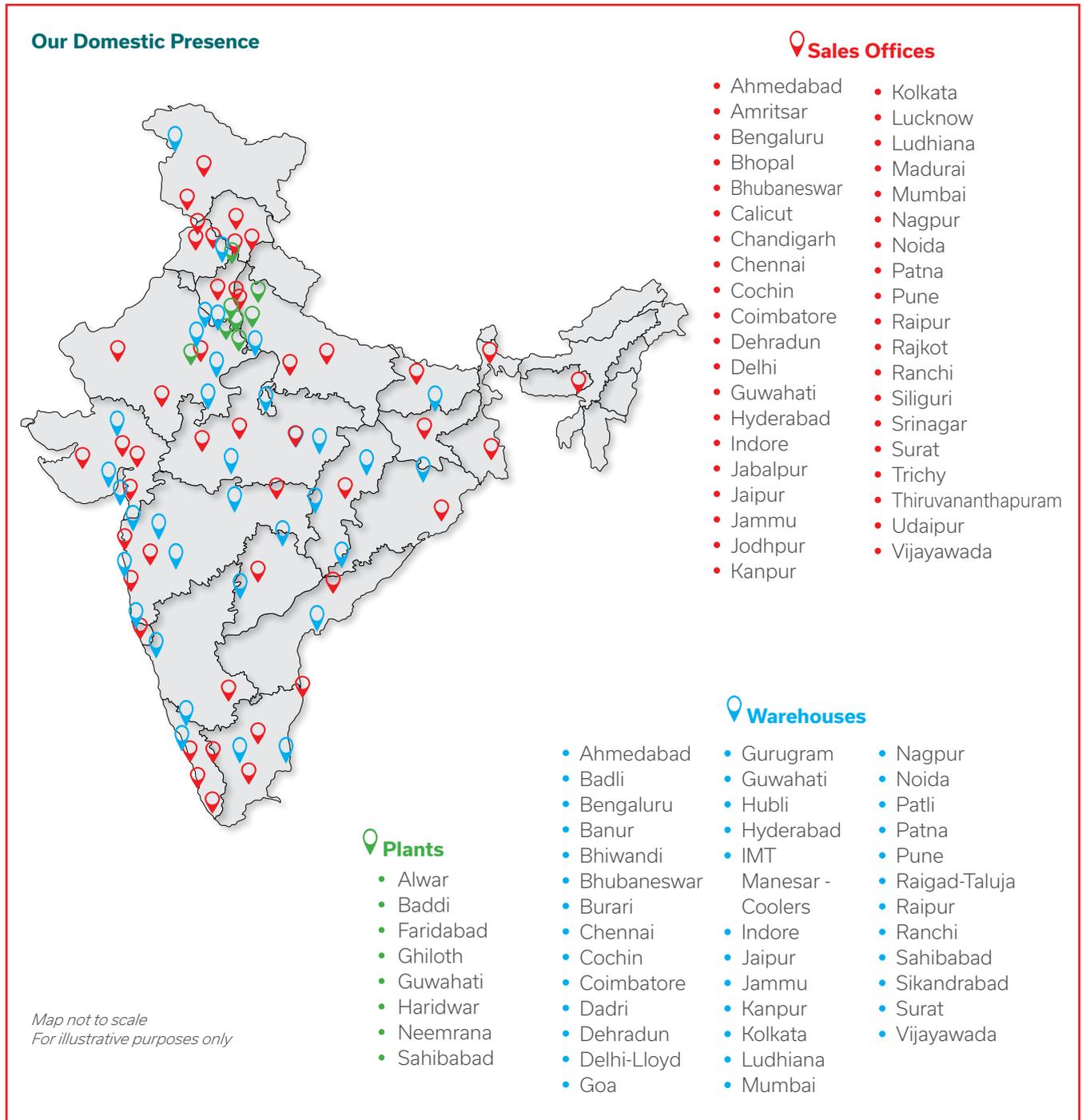
The Company pioneered the concept of exclusive brand showroom in the electrical industry with 'Havells Galaxy' stores years back. Today, over five hundred 'Havells Galaxy' stores across the country are aiding customers,

both domestic and commercial, to choose from a wide variety of products for different uses and applications. The Company became the first FMEG Company to offer door-step service via its initiative 'Havells Connect'. Through the high quality of our products and quick customer service, we ensure higher customer satisfaction.

Havells has scaled its business significantly over the years. Evolving from its humble beginnings of being a trading company it has transformed into a leading FMEG and consumer durable company with a strong domestic presence. Our journey towards sustainable growth is anchored in the fundamentals of constant innovation, business transparency, ethics and accountability. Today, our products are available in 50 countries and more than 45 cities in India, backed by our network constituting of over 6,500 professionals, over 9,380 dealers and 40 branches spread across the country. The Company, along with its brands, has earned the distinction of being the preferred choice of electrical products for both, retail as well as industrial consumers; in India and abroad.

OUR DOMESTIC PRESENCE

In India, we have strategically expanded our manufacturing and distribution presence to give ourselves a competitive edge and capture significant market opportunities.



We have 13 manufacturing facilities in 8 locations across India to showcase our `Make in India' philosophy, which dates back to many years before the government launched the `Make in India' campaign. Leveraging the strategic location advantage of these plants, harnessing the strength of our 9,800 strong dealer network and utilising our 1 lakh sales outlets , we reach out to consumers across 400 cities with our path-breaking product range.

ROBUST PRODUCT PORTFOLIO

Sustainable growth requires continual expansion of product offerings to meet evolving customer needs. At Havells, we have always been mindful of this business imperative. Innovative product development and in-house manufacturing (for 90% of our products) gives shape to our strong understanding of customer requirements.

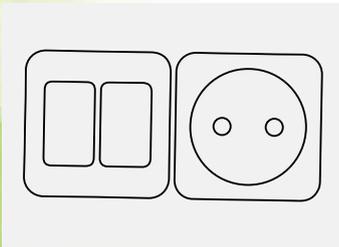
Our product portfolio spans the complete gamut of industrial and consumer electrical products, enabling us to serve almost every electrical need. These products are structured under the Business divisions

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

SWITCHGEARS

Switches

Havells provides the best modular switches for home, office and industrial use. The switch line includes - coral modular range, Oro metalica range, Oro Modular range, Fabio modular range, Instanline automatic transfer switch, Euroload by pass changeover switch, Kompact plus switch disconnecter fuse unit, Euroload changeover switch and Euroload switch disconnecter.

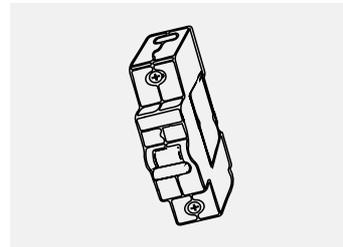


16%

Revenue contribution in premium modular plate switches

MINIATURE CIRCUIT BREAKERS'

Havells range of circuit breaker devices for industrial applications offer customized solutions based on different load requirements. The Titania range of Air Circuit Breakers is amongst the most sophisticated industrial circuit breakers available in the country. Loadline range of Moulded Case Circuit Breakers (MCCBs) is available in a wide range of ampere and pole requirements.



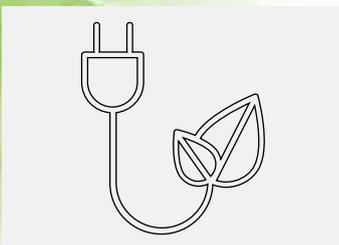
28%

Revenue contribution in MCB

CABLES

Domestic flexible cables

Havells range of cables includes heat resistant flame retardant cables, flame retardant low smoke cables, halogen free flame retardant cables, flame retardant with lifeline, multicore round cables, flat submersible cables, telecom switch board, CATV coaxial cables, LAN cables, CCTV cables and speaker cables.

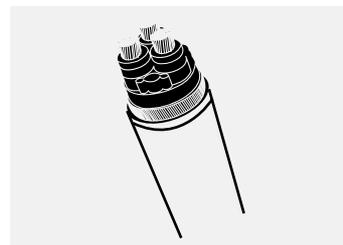


16%

Revenue contribution in domestic flexible cables

Industrial cables

Havells, being India's largest manufacturer of cables and wires, produces a wide range of industrial cables including Multicore Cables, Low Voltage and High Voltage cables, EHV capable, Extra High Voltage Cables, etc. The cables are manufactured under eco-friendly norms and are safe, reliable, fire retardant, fire resistant, lead free and halogen free.



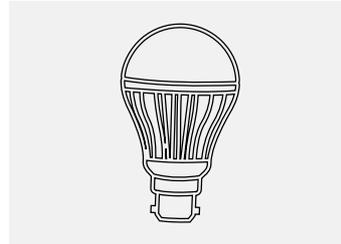
10%

Revenue contribution in industrial cables



LED LIGHTING

Havells offers an environment friendly, highly efficient, best in class and low on power set of lights. We bring a wide range of energy efficient lighting solutions, user-friendly and unique spectrum of lighting products, including- LED, Portable Lighting, Home Décor Lightning, Downlighter etc.



10-14%
Revenue contribution in LED Lighting

ELECTRICAL CONSUMER DURABLES

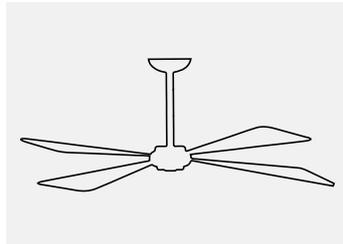
Fans

Havells entered the fan business in mid-2003. Today, be it a wall fan, ceiling fan, table fan, an exhaust or a personal fan, the entire range of Havells fans is manufactured from the best material that give optimum results and last long. Our fans communicate class, luxury, style and efficiency. Fans have always been the most successfully grown product division of Havells.

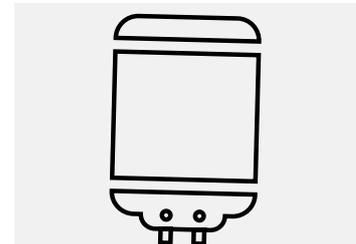
Water Heaters

Our water heaters/geysers are available with high standards of safety, protection, compact designs, aesthetic and functionality. We provide a complete range of storage water heaters, instant gas water heaters and solar water heaters.

16%
Revenue contribution in fans



15%
Revenue contribution in water heaters



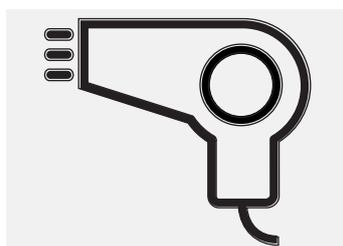
OTHER APPLIANCES

Through our continuous efforts towards expansion, we have forayed into all kinds of electronic durables. We take care of consumer needs by providing eco-friendly and power saving consumer products. Other appliances in Electrical Consumer Durables include Air purifier, Air cooler, Pumps, Personal grooming appliances, Solar portables, Food preparation appliances, Garment care appliances & climate control appliances.

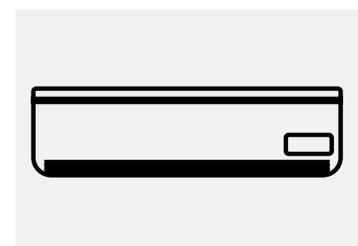
LLOYD

Havells acquired Lloyd in early 2017. Currently it offers consumer durable products including AC, TV and washing machine. During the year we started our first greenfield manufacturing plant at Ghiloth, Rajasthan.

3%
Revenue contribution in other appliances



13%
Revenue contribution in room air conditioners



GOOD GOVERNANCE : Key to our Sustainability

Effective corporate governance and high standards of ethical behaviour are essential for maintaining the trust and confidence of stakeholders and drive business growth.

At Havells, our corporate governance is structured to maintain internal checks and balances, strengthen management's accountability and foster responsible decision making. A robust governance structure is the key towards driving sustainability integration across our business.

BOARD OF DIRECTORS AS ON 31ST MARCH, 2019



1 Upendra Kumar Sinha
Independent Director

3 Surender Kumar Tuteja
Independent Director

5 T. V. Mohandas Pai
Non-Independent
Non-Executive Director

2 Dr. Adarsh Kishore
Independent Director

4 Puneet Bhatia
Non-Independent
Non-Executive Director

6 Jalaj Ashwin Dani
Independent Director

10

11

MODEL CORPORATE GOVERNANCE

In accordance to relevant laws and regulations of the country and the resolutions made at the Annual General Meeting (AGM), our Board of Directors are 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 drawn from various regions, cultural background, training and educational levels and experiences, enables

sharing of different ideas for promoting the company's sustainability agenda. All Directors are eminent professionals in their respective fields and can advise the company on matters of relevance.

To the extent practical and required by applicable regulations, we maintain a remuneration structure and compliance framework that is designed to uphold the principles of Corporate Governance, and is in line with industry standards.



7 Pratima Ram
Independent Director

9 Vijay Kumar Chopra
Independent Director

11 Surjit Kumar Gupta
Non-Independent
Non-Executive Director

13 Rajesh Kumar Gupta
Whole-time Director
(Finance) and Group CFO

8 Vellayan Subbiah
Independent Director

10 Ameet Kumar Gupta
Whole-time Director

12 Anil Rai Gupta
Chairman and Managing
Director

BOARD MANDATE

The Board has adopted a formal mandate that sets out their responsibilities and the stewardship. Besides supervising the management of Havells' business and affairs with the objective of enhancing shareholder value, the Board's role is to oversee and periodically review compliance reports pertaining to the laws applicable to the Company.

(Note: The compliance reports may relate to, though are not limited to, resource optimisation, 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 50%. However, Havells exceed the independence requirement and almost 58% of the Board, as on 31st March, 2019, 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 (Smt. 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 2019, was almost 95%.

During 2018-19, a total of 5 Board meetings were held, with the time gap between any two board meetings not exceeding 120 days. We received 8 shareholder grievances, all of which were resolved within the year.

The average tenure of the board for the year ended 31st March 2019 was 11 years.

AUDIT COMMITTEE

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

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

1. **Shri Vijay Kumar Chopra**
Chairman
2. **Shri Surender Kumar Tuteja**
Member
3. **Shri Surjit Kumar Gupta**
Member

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

ENTERPRISES RISK MANAGEMENT COMMITTEE

1. **Smt. Pratima Ram**
Chairman
2. **Shri Anil Rai Gupta**
Member
3. **Shri Rajesh Kumar Gupta**
Member

CODE OF CONDUCT

The Havells' Code of Conduct underpins the commitment to integrity and sets out fundamental rules for interacting with others as we drive our business forward. Mapped to the highest standards of accountability and transparency, the Code of Conduct is aimed at addressing issues of business ethics, bribery and corruption. 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 organisation ensures its total compliance. This Code is displayed on the Company's website at www.havells.com and on the Intranet portal of the Company.

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. In addition to our "SATARK" policy, we also have code of conduct for employees and vendors, which has reporting mechanism for unethical practices including fraud and corruption. Necessary communication and awareness is created among relevant stakeholders through appropriate forum on a regular basis. No incidents of corruption were reported during the financial year.

https://www.havells.com/HavellsProductImages/HavellsIndia/pdf/About-Havells/Investor-Relations/Codes_Policies/VigilMechanism_Satark%20Policy.pdf

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. Employees are suitably rewarded and the news item is put on the Company's Intranet portal or newsletter in order to share its best practices.

Nirbhaya

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

PROHIBITION OF INSIDER TRADING

Code of Conduct to Regulate, Monitor, Report Trading by Designated Persons helps deter employees from indulging in any security related malpractices.

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. 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. Authorized 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 nonmonetary sanctions were levied on the company for non-compliance with environmental laws and regulations. Further, there were no incidents of noncompliance 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 labelling. At Havells, we strongly uphold policies and procedures to prevent the organization and employees from breaking laws and regulations.

RISK MANAGEMENT

Mitigating risks and achieving resilience is fundamental to achieving our sustainability goals. We have in place a robust framework for risk management and internal control system that is designed to foster our core values, and culture of transparency and ethics.

We follow a PSPD (Predictable, Sustainable, Profitable and De-risked) approach for risk management.



Key Business Challenges / Opportunities

RISK MANAGEMENT FRAMEWORK



A comprehensive risk management system permits the management to take calibrated risks, which provides a holistic view of the business wherein risks are identified in a structured manner from a top down and bottom up approach.

The bottom-up approach is conducted through workshops with respective teams at branch, factory, and corporate functions. The top-down approach enables discussion of all risks and opportunities at the management level, to be included thereafter in the subsequent reporting process.

The twin purpose of Enterprise risk management at Havells is to minimise adverse impacts and to leverage

market opportunities effectively. The objective is to sustain and enhance short-term and long-term competitive advantage to the business while keeping an eye on likely threats and opportunities. It must be noted that every business risk after analysis may turn into a business opportunity and an avenue for fresh revenues

The importance of risk management has been growing steadily over the last several years for a variety of reasons including legal, political, and medical liability, increased use of technology, and higher litigation costs.

KEY RISKS

Strategic risk	Reputational risk	Operational risk	
1. Geographical & Channel Concentration	3. Brand Salience	7. Cyber Security	10. Technological Changes and obsolescence
Financial risk	Compliance risk	8. Quality Assurance	11. Product Life Cycle Management W.R.T. Business and Environment
2. Commodity markets and currency fluctuation	4. Protection of intellectual Property Rights & counterfeit products	9. Environment Health & Safety	12. Recruitment, retention and succession planning
	5. Regulatory compliance		
	6. Data security		

EMERGING RISK 1**Description of Risk**

Technological change and obsolescence

Potential business impact of the risk

Existing technology obsolescence and sales of such advanced products

Mitigation actions

- Havells has been a frontrunner in adoption of latest technologies and is now moving towards becoming "trend setter" in its sector.
- The Company has developed IOT-enabled connected devices including Indoor smart light meeting requirements of HCL (Human centric light), IPS (Indoor positioning system), OLED & Li-Fi to name a few.
- Company has developed smart and connected appliances such as Adonia and Droid water heater.
- Introduce structured approach to product life cycle management with clear focus on product phase-out at end of useful life.
- Dedicated resources are being deployed to track technology trends in order to determine technical obsolescence.

EMERGING RISK 2**Description of Risk**

Cyber & Data security

Potential business impact of the risk

Such breaches can reduce customer's trust & loyalty.

Mitigation actions

- The Company has implemented Data Leakage Protection (DLP) and cloud security tools to ensure data protection on premise and on cloud advanced threat protection technology and data encryption tool.
- Completed encryption of laptops which helps to protect the data in the event of theft or loss of laptop.
- Advanced Technology Program (ATP) has been implemented which has resulted in protecting endpoints from the advanced threats.
- Implemented technology solution to provide advanced threat protection for phishing emails.
- Implemented various dashboards to monitor and report realtime threat status and compliance.

Sustainability at Havells



Our leadership has been visionary to the core concept of sustainable development long before it was mainstreamed by different leading organisations.

As one of India's leading FMEG (Fast Moving Electrical Good) companies, 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, economic and environmental indices.

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. We believe our SDG mapping enables to give our internal and external stakeholders more faith in our reporting practices.

WE SUPPORT UN SUSTAINABLE DEVELOPMENT GOALS (SDGS)

We have been pioneers in sustainability and are committed towards the environmental and social welfare of communities.



**SUSTAINABLE
DEVELOPMENT
GOALS**

MAPPING UN'S SDG GOALS

<p>1 NO POVERTY</p> 	<p>We are fostering an enabling work environment by providing skilling and training opportunities as well as perks and incentives to drive robust and inclusive growth.</p>	<p>7 DECENT WORK & ECONOMIC GROWTH</p> 	<p>Improved productivity and increase in turnover</p>
<p>2 ZERO HUNGER</p> 	<p>We are providing mid-day meals to 60,000 kids every day to combat classroom hunger and promote better learning.</p>	<p>8 INDUSTRY INNOVATION & INFRASTRUCTURE</p> 	<p>We have established well-equipped R&D centres across all plants to provide the latest technologies, enabling zero defect products and services to all consumers. 95% of our products are energy efficient.</p>
<p>3 GOOD HEALTH & WELL-BEING</p> 	<p>We are supporting treatment of kids suffering from life-threatening disease of Thalassemia</p>	<p>9 RESPONSIBLE PRODUCTION & CONSUMPTION</p> 	<p>We are pursuing sustainable manufacturing environmentally responsible products, energy efficient products, strengthen economic competitiveness, and have a better quality of life for all.</p>
<p>4 QUALITY EDUCATION</p> 	<p>We are aiding quality education by providing tables and benches to government schools made from the waste wood at our manufacturing plants.</p>	<p>10 CLIMATE ACTION</p> 	<p>Focussing on reduction in energy intensity and emissions</p>
<p>5 CLEAN WATER & SANITATION</p> 	<p>Adopting a 360 degree view we undertook the construction and maintenance of 4000 bio-toilets in schools also sensitizing children on the importance of hygiene.</p>	<p>11 LIFE ON LAND</p> 	<p>We have intensified our focus on addressing climate change by our afforestation initiatives. We have planted over 2,00,000 trees in the reporting period.</p>
<p>6 AFFORDABLE & CLEAN ENERGY</p> 	<p>We are fast adopting renewable energy sources and energy-efficient practices at our plants. Today, 6% of energy consumption at our plants comes from rooftop solar.</p>		

MATERIALITY: EMBEDDED IN THE DNA OF OUR SUSTAINABILITY STRATEGY

We are digging deep to understand the issues that are most important to our stakeholders and aim to gather meaningful insights, build relationships, trust and drive value creation. In 2018, we carried out a comprehensive stakeholder engagement exercise to facilitate the understanding of our obligations towards our stakeholders.

We have framed out a comprehensive roadmap to resolve all the critical material issues and are positive about significantly improving most of them.

OBJECTIVES

- 1 21 potentially relevant issues were identified through discussion and consultation
- 2 Issues ranked in order of importance based on management and employee surveys
- 3 189 responses received from employees, 9 from management
- 4 Fresh ranking of issues based on the weighted average score achieved by each issue
- 5 Separate score assigned to each material issue based on the response

ASSESSMENT METHODOLOGY

- 1 Conducted the first materiality exercise in 2012-13 through structured stakeholder surveys with management and staff.
- 2 Conducted annual exercise by - engaging with internal stakeholders to proactively address their concerns.
- 3 Conducted a rigorous stakeholder engagement in 2016-17 for material assessment exercise. stakeholder engagement for materiality assessment exercise. Valuable feedback helped us to chart our sustainability roadmap for the future. Later in 2018-19, we re-conducted the stakeholder engagement.

IN THE 2018-19 MATERIALITY EXERCISE

IDENTIFY significant environmental, social and governance risks and opportunities for the company.

IDENTIFY areas for target setting to improve business and sustainability performance.

COMMUNICATE a broader business strategy

OUR APPROACH

Identification of issues

Management & employee surveys, appraisals

Response analysis

Identification of material issues & presentation to senior management

HAVELLS MATERIALITY MATRIX

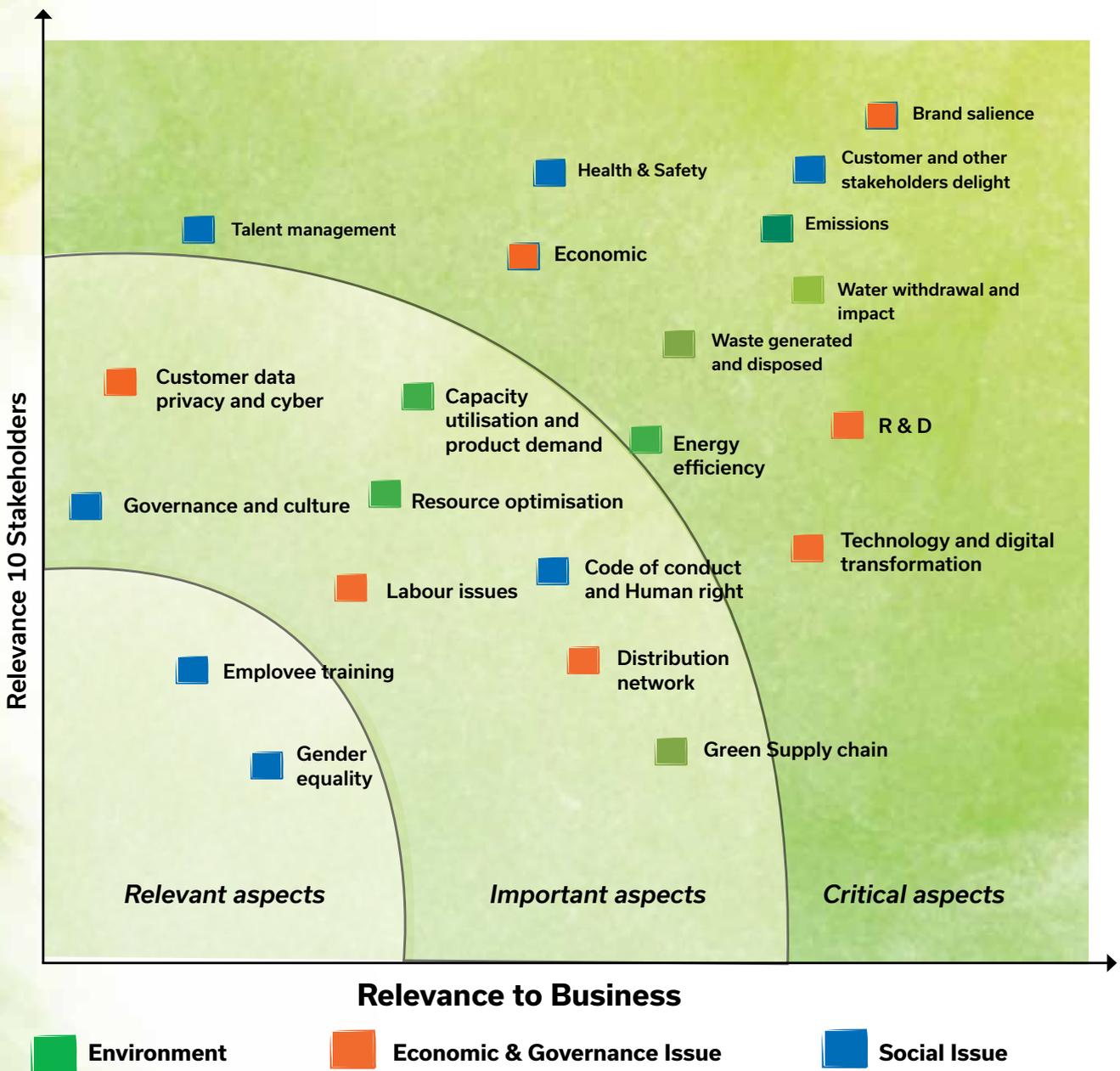
We have created a materiality matrix of priority areas on the basis of the response from our stakeholders.

This matrix helps us in assessment of opportunities and challenges faced by the company. In the next section we will describe the material issues identified during our stakeholder engagement in detail. Most of the parameters identified as material issues were common for integrated reporting as well.

MATERIALITY FINDINGS DURING THE YEAR

The 2018-19 materiality exercise helped us identify 11 issues, which are described in the below section, as most material and of top priority for the company. These issues have been presented to the top management for necessary action.

HAVELLS MATERIALITY MATRIX



ECONOMIC ISSUE



1. Economic performance

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

2. R & D Investment

Improvements in the existing and innovation of new products to herald next generation products and features is a continuous critical phase in our product development process.

3. Brand Salience

Improvements in the existing and innovation of new products to create value for our customers and the commitment that goes into making a difference in the lives of our consumers.

4. Technology and digital transformation

Technology and digital infusion into our company has been a major focus for us to build an organisation that is future ready and meeting the intrinsic needs of our consumers for IOT devices.

industry in India is a testimony of our commitment. We have undertaken several initiatives which have helped us in minimising water withdrawal and discharge impacts.

4. Waste generated and disposed

Across all our process, we try to increase the share of recycled and alternative materials as inputs in our production process, reduce and reuse waste and improve the 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. We are developing a roadmap to accelerate the move toward sustainability.

ENVIRONMENTAL ISSUE



1. Energy efficiency

We are conscious of environment protection and encourage development of products which have low energy footprint for entire life-cycle (manufacturing to end of life use). All our manufacturing units adhere to energy efficient practices. We always aim to do more and better with less, by reducing resource use, degradation and pollution along the entire product life cycle.

2. Emissions

We are very conscious of our responsibility towards the environment. Accordingly, we have integrated environmental considerations into all phases of our value chain to minimize the environmental impact of our products and operations. We have undertaken numerous initiatives to mitigate and offset our emission.

3. Water withdrawal and impacts

Since inception we have been committed to conserve the use of water in our day to day operations. Being the first fast moving electrical goods "Water Positive" company in the electrical

SOCIAL ISSUE



1. Stakeholders delight

Customer delight is central to our value creation. Our business reach, product portfolio and strong service network is nurturing a growing customer base that is creating shared value for all our stakeholders. We continuously strive to exceed customer expectations as customers are our biggest advocates to generate revenue.

2. Talent Management

Our employees are the driving force behind our success. Our Talent management policies and programs strive to balance employee aspirations with company aspirations to build long lasting mutually rewarding relationship with the employees. We aim to provide a work environment where employees are encouraged to contribute their best and are suitably recognized.

3. Health & Safety

Safety is an overriding priority at Havells. We ensure a safe and secure workplace for our employees. We are dedicated and vigilant in maintaining a zero fatality workplace at all our units. We observe a zero-tolerance policy relating to providing and maintaining a safe and secure workplace for our employees free from any risks and hazards related with health, safety and harassment. We are an equal opportunity employer and our employees display a strong sense of loyalty.

ENGAGING WITH OUR STAKEHOLDERS: For Achieving Sustainability Goals

Whether implementing a short-term initiative or a robust sustainability strategy, engaging with our stakeholders can help to identify opportunities, develop solutions, mitigate risks and create value. At Havells, we are leveraging stakeholder engagement to effectively and successfully achieve our sustainability goals.

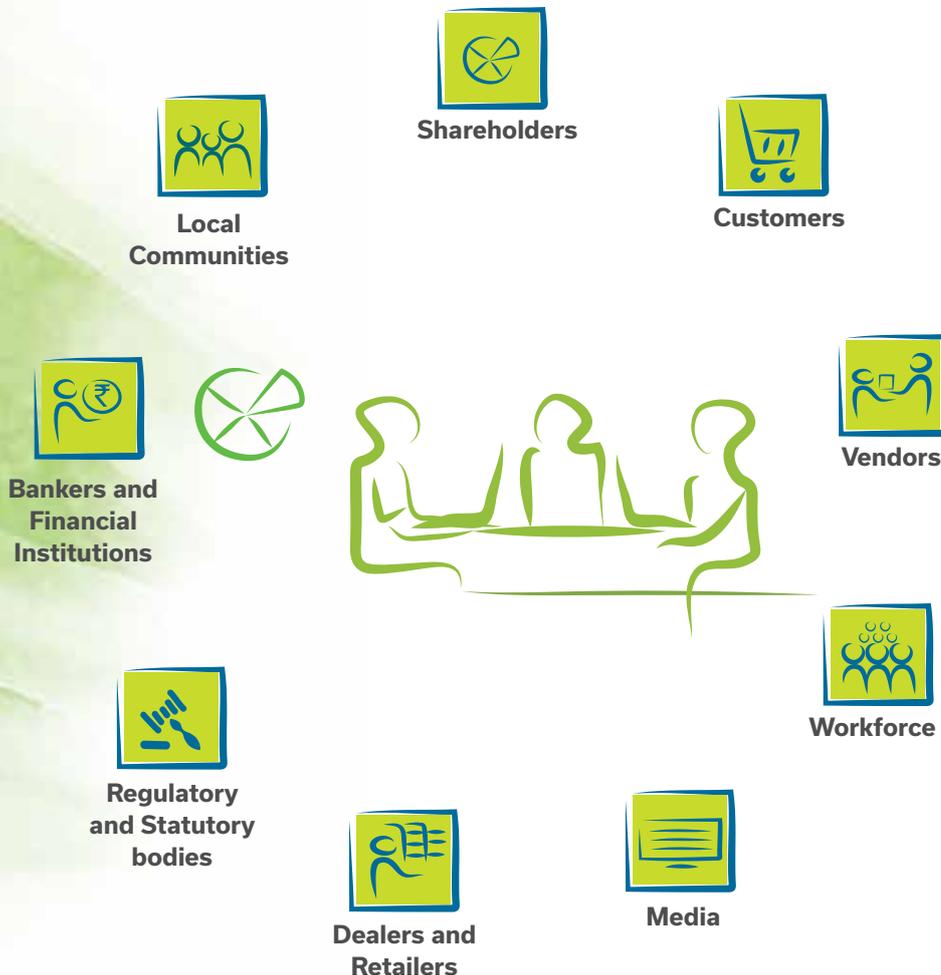
We continuously try to strengthen our relationship with all stakeholders through timely interactions and different communication channels such as surveys, conferences, meetings etc. Our comprehensive list of stakeholders includes all those who are directly or indirectly affected by our business activities.

Our respective departments engage with relevant stakeholders through face-to-face meeting, telephonic

communication, meets, etc. To ensure timely interventions, improvements in our systems and processes, and to meet the challenges of our stakeholders, we welcome regular feedback from all of them.

Ours Stakeholders include shareholders, local communities, customers, financial institutions, dealers and retailers, vendors, regulatory and statutory bodies media and workforce.

OUR KEY STAKEHOLDERS



INTELLIGENT USE OF RAW MATERIALS AND RESOURCES

In a manufacturing organisation such as ours, material efficiency is an important part of sustainable development. Measures such as minimisation of raw materials used in the manufacturing process, selection of eco-friendly raw materials, use of the most economical resource where possible and the reduction and recycling of waste lower our costs and environmental footprint, and thus helps to promote sustainability.

Havells raw materials portfolio is made up of copper coils, copper sheets, copper tapes, steel, aluminium, zinc, brass coils, brass strips, bearings, CRCA steel, thermoset resin, polycarbonate, polyamide, other engineering plastic, elastomers, transistor, diode, MPP Films and similar materials.

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 proposition relates to designing of systems to rationalise changes in the packaging material, careful analysis and documentation to look at the package design, choice of materials, processing and life cycle, to bring about 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 of waste in a responsible environment-friendly manner. This may prove to be economically viable too.

RAW MATERIAL CONSUMPTION

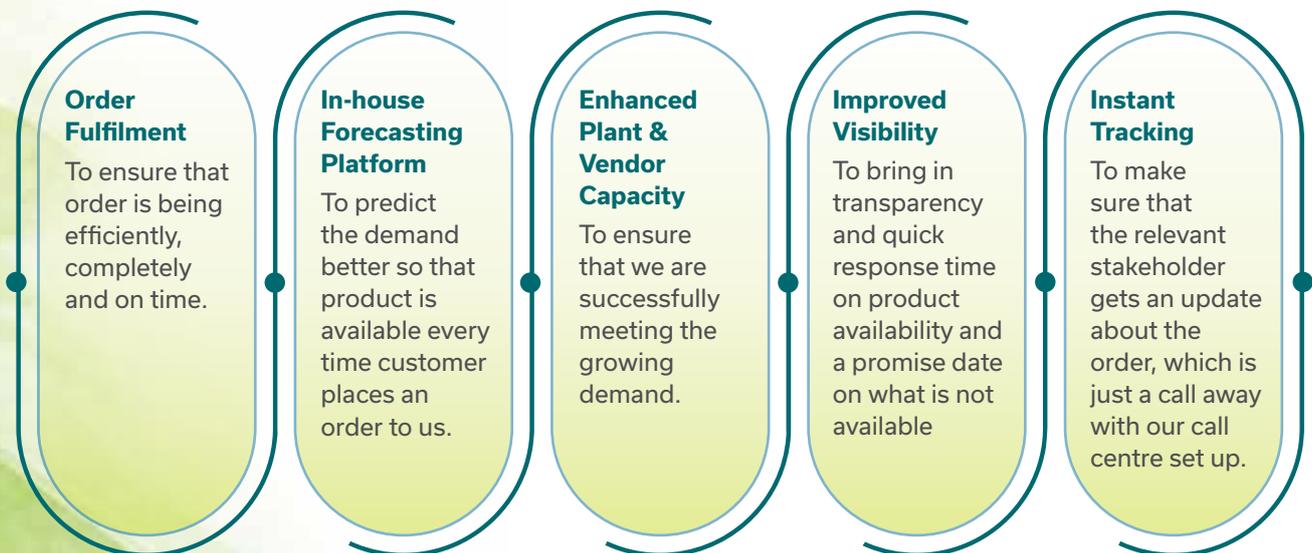
Material Type	Quantity (L)	Quantity (KG)	Quantity (M)	Quantity (No's)	Others
FY 19					
Raw Materials	914204187	154529226	16082117	5341018557	11960700
Packaging	36943678	3148807	11322	116541545	
FY 18					
Raw Materials	851831078	135000430	14616983	4191195035	39754616
Packaging	30966693	3868414	19921107	463038830	1666858



SUSTAINABLE SUPPLY CHAIN

Warehousing and logistics infrastructure is planned to be ahead of sales requirement so as to enable profitable growth for the business. Customer is at centre of everything we do and we at Supply Chain follow it and have made it part of our core strategy for planning and execution.

THE DRIVERS FOR OUR SUPPLY CHAIN ARE



IDENTIFICATION OF CRITICAL SUPPLIERS

The New Supplier Vendor form categorises suppliers into low, medium and high risk suppliers based on multiple parameters relating to ESG. Any vendor scoring less than 80% on this assessment are provided with a list of recommendations. These vendors are again assessed in a span of 3-6 months, and the improvements are recorded.

Suppliers, and Distributors of products and services that are significant to Havells business operations,

such as high purchasing volume and critical to product quality.

In 2018, we have worked with 1,179 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.

High potential suppliers and distributors that may have a negative impact on their operations, environment, legal and financial risks.

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 Internal capacity building for supply chain

Target: **2 person/plant**
Target year: 2019-20

BUILDING SUSTAINABLE PARTNERSHIPS

Suppliers

Our extensive Code of Conduct values and purchase sourcing agreement is also extended to all our vendors and suppliers, to ensure statutory compliance with the law. As a part of our partnership, we have set up 'HABIT (Havells Association of Business Innovation & Transformation) Society, wherein we provide guidance to our suppliers and connect them with government-based financing for capacity building. To make our purchases mistake proof we have automated our process via IT integration. 97% of domestic Purchase is through Online Vendor Portal. The Vendor Portal is also introduced to our overseas suppliers which provide us end to end tracking of shipment. We prefer to buy directly from the manufacturers to ensure best quality material is sourced. To boost Make in India initiative, we source majority of our material through domestic sources.

VENDOR MANAGEMENT

We have a holistic evaluation process to assess our Suppliers. On the basis of Quality, Cost, Delivery and Service level they are categorised into A, B, C & D categories.

IDENTIFICATION OF SUPPLY CHAIN RISK

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.

92%

of Purchase value comes from A category supplier.

To ensure Quality, supplier ISO certification is compulsory for vendor registration. A Vendor commitment meeting is organized every month to improve low performing suppliers and for their hand holding. Another approach towards Upgradation of MSME Supplier is going on through Cluster activity. Up to 80% improvement is registered in incoming Quality level of Suppliers covered in cluster. We evaluate our Critical parts and critical suppliers to enable a strategic supplier development.

78%

of our Manufacturing Purchase is through domestic sources

For detail break-up of Spend Analysis, please refer Exhibit 1, Exhibit 2, Exhibit 3 and Exhibit 4

We ensure that all the suppliers are assessed at plant level and HQ level, and the assessment is thoroughly documented with a 2 tier validation approach. We thoroughly maintain full assessment records and track the corrective action taken by suppliers. Furthermore, from this year onwards to strengthen our risk assessment and corrective action procedure, we are introducing a robust digital platform for continuous monitoring and tracking



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
- Dies/ Quick Changeover
- Cellular Layout

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

BUILDING SUSTAINABLE PARTNERSHIPS

Dealers and Distributors

Our dealers and distributors are critical links in enabling us to reach out effectively to our customers located across the country. We are committed to building sustainable relationships with our channel partners by helping them to increase their capabilities and drive mutual growth.

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 up gradation. Our digital tools are the best in the industry, providing us with real-time inputs and feedback at every

stage of our value chain – from procurement to production, logistics, sales and service. This helps us respond quickly and efficaciously to any disruptive concerns, thus enabling timely course 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.

Our dealers are an extension of Havells family, we diligently work on building transparent mutually beneficial relationship with our dealer network.

Drivers of our dealer relationship

- Principle of '**Peace of mind to the dealer**' so that the dealer can deliver his best
- **Consistent Revenue** – Dealer should benefit financial through association with us
- Innovative schemes to increase **dealer profitability** through business expansion
- **Technology Enablement** – Dealer Management System, Dealer portal

BRINGING SUSTAINABILITY INTO WAREHOUSING & LOGISTICS

Warehousing and logistics are an important component of an efficient sustainable supply chain. We continue to incorporate a wide array of sustainability initiatives across this function. Our aim is to make warehousing and logistics a competitive asset to achieve both financial and environmental sustainability objectives in the long-term.

We have invested close to ₹ 40 crore to develop best in class Warehousing & logistics infrastructure. The deployment of Warehouse and Transportation management system at warehouse facilitates faster and accurate picking and delivery of order through trained manpower, and finally, closing the order to delivery cycle through EPOD.

We have partnered with new-age logistic service providers for reliable, speedy and error free delivery

- **Rivigo**
- **DHL Smart trucking**
- **Blue dart**
- **Delhivery**

Besides this, we have significantly invested on people in our supply chain at Plants, Branches and Head Office. This empowers us to deliver best customer experience and gives us a competitive advantage in the marketplace.

Some of the Key initiatives we undertook in this financial year are:

- 1.** Monthly S & Op and Weekly Review meeting for collaborative demand and supply planning to have optimum inventories and reduce obsolescence.
- 2.** Reaching out to customer through Order management, Availability to Promise and Dealer Call centre set up.
- 3.** Best in class warehousing infrastructure with better utilization of day time lighting, LED lights, insulated roofing for better temperature control, Racking for better space utilization, etc.
- 4.** Increased focus on compliances, Fire NOC and legal compliances at Warehouses and E-way bill compliance along with our logistics service providers.
- 5.** Risk management under force-majeure at Pan India locations with readiness at alternate locations to serve all markets.
- 6.** Direct billing from plant to customers to reduce touch points and better freight and less distance traveled by product, better freight management, etc.



Total Investment
₹ 40 Crore



Number of Warehouses
31



Average customer distance
from warehouse
112 KM

MAJOR COUNTRIES (IMPORT PURCHASE)

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

Havells recognises that many of its social, ethical and environmental impacts reside as much in its supplier relationships (or the 'supply chain') as in its own activities. Hence managing supply chain sustainability is important to protect the company's reputation and brand value. Risks associated with supply chain management include negative publicity, damage to a company's reputation and actual loss of customers. Havells, carefully manages these risks, internal or external, through a well-defined supply chain management practice.

INNOVATING FOR SUSTAINABILITY

At Havells, we never stop questioning the status quo or exploring new ideas. It is our firm belief that new approaches to products and services, processes and systems, relationships and resources present opportunities to become more sustainable.

Rigorous research within the company, led by expert teams comprising of qualified professionals has resulted in the development of several advanced technologies for our products. Havells dedicated in-house Research & Development team is credited with creating innovative new designs and high efficiency products. The Center for Research and Innovation (CRI) at Havells is ISO 9001:2000 certified and recognized by the Department of Scientific and Industrial Research (DSIR), Ministry of Science and Technology, Government of India.

CENTRE FOR RESEARCH & INNOVATION

As a Company, focused on harnessing technology to bring about a positive experience for consumers of our products, our work force comprises of top-notch talent catering to Research and Development. Today, over 400 professional are engaged in various R & D activities. We also made a strategic decision to set up an Innovation hub in the Silicon Valley of India – Bangalore with clear focus on select Centres of Excellence and to tap into skilled human capital.

The Bangalore Innovation hub will also help us tap into a wider talent pool within the country and unfold opportunities for growing our external collaboration eco-space – targeting specific start-ups and academic partners.

Our Bangalore hub already employs 40+ R&D staff operating out of a dedicated facility in central business district of Bangalore. We envisage recruitment of high quality talent with relevant advanced qualifications from some of the top-notch institutes; both Indian and international, to support the R&D inventions being targeted.

SOCH

To focus on 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 and customers to boost the spirit of innovation and undertake creative continuous improvements.

CASE STUDY – REDUCTION IN PRIMER CONSUMPTION

Challenge –

Our conventional approach of primer application in paint shops at our Haridwar manufacturing location was resulting in resource inefficiency. Some of the major issues were

- High consumption of primer in liquid paint cover shops
- Uneven and less uniform application of primer resulting in low aesthetics
- The overflow and defects were more etc.

Resolution –

To enhance our resource efficiency we completely modified the process of primer application and installed Automatic Primer Gun in our paint shops. The Automatic Primer Gun has helped us in reducing the consumption of primer as well as has helped in increasing the uniformity thus improving aesthetics. The process improvement has also led in cost saving of over 3,00,000 ₹ per month

Impact Assessment

The modification of process has resulted in the ingenious use of primer and the primer consumption has reduced by 6 ml/cover.



Ensure sustainable consumption and production patterns.

BEFORE



AFTER



ENGINEERING & TECHNOLOGY 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.

LOW CARBON AND AVOIDED EMISSIONS

Energy Saving Lamps (LED), Solar Solutions: We have calculated the emissions savings for switching from a 100 Watt GLS bulb to a 18W LED bulb and we observed that 0.062 tCO₂ emissions was saved per year. We have calculated the avoided emissions for 80 lakh

LED bulb per produced per month which led to annual savings of 496800 tCO₂. In case of solar we have reported emissions savings only from the institutional installations which we have been able to track that led to savings of 2157.42 tCO₂ per year.

Some of the Key initiatives we undertook:

1. Nurture novel technologies
2. Strategic alignment of technology roadmaps to our "Vision of Future Homes"
3. Pro-active product development with strong alignment to long term product road maps
4. Customer-centric co-creation using Design Thinking methodology



SET FOR THE FUTURE WITH SUSTAINABLE MANUFACTURING

Sustainable manufacturing plays a critical role for making a business sustainable. It helps in preserving valuable resources such as minerals, water and fossil fuel. It provides a roadmap to work towards reduction in energy consumption and waste generation. It simultaneously helps in enhancing employee development and nurturing community.

We at Havells are working progressively towards integrating new age platforms such as IoT, digital innovation to reduce environmental impact of our products across its entire life-cycle as well moving towards becoming a “zero waste to landfill” organisation. Our strong focus on the adoption of sustainable manufacturing practices at all our facilities enables us to build long-term business viability and success.

LINKING EMISSIONS AND REVENUE

A huge payoff of Sustainable manufacturing process is energy savings. Here, environmental and business benefits go hand in hand. By switching to more-greener sources of energy and using more energy efficient solutions, at Havells, we see a bright future for reducing emissions and increasing revenue.

ENHANCING TECHNOLOGICAL INNOVATION

Thanks to IoT technology and the development of smart connected devices, manufacturers can prioritize resource efficiency projects alongside productivity goals. As energy is often amongst the company's top expenses, this view is critical. At Havells, by using the IoT system to connect our products, plants, systems, and machine, we aim to reduce our energy consumption and in turn cut costs.

MOVE FROM LINEAR TO CIRCULAR

We have moved beyond the 3R approach of “reduce, reuse, recycle” to a 5R approach: “repair, reuse, refurbish, re-manufacture, and recycle” thereby driving an optimized use of resources, extending the lifecycle of products and building new revenue streams. Achieving “zero waste to landfill” should soon be possible.



QUALITY: PART OF OUR ETHOS FOR SUSTAINED GROWTH

While sustainability is soul of our business, quality is a way of life. Guided by our quality commitment, we offer best in class, premium quality products for total customer satisfaction. Our quality focus pervades throughout the life cycle of the product vetted by various external surveys.

Havells has state-of-the art manufacturing facilities with integrated manufacturing footprints. Compliance to these certifications ensure that quality management systems are deployed effectively throughout the organization.

To further strengthen quality at Havells, Central Quality Structure has been created cutting across all business verticals. Business wise periodic quality review are done on key metrics to drive corrective and preventive actions. Effective controls for induction and right-sizing of suppliers along with IT enabled proactive system and processes have been introduced to strengthen right-first time quality.

To ensure flawless launch new product introduction has been reinforced with gate wise quality deliverables.

To inculcate quality culture across organization, various employee engagement activities such as quality circle, quality forums, dealer meets, supplier meets and customer visits have been deployed. All these initiatives create a positive work culture where every employee feels responsible and contributes to the purpose of quality.

Our manufacturing facilities have international certifications like

ISO-9001

ISO-14001

ISO-45001.

IN ORDER TO MAKE QUALITY AS A WAY OF LIFE, THE COMPANY HAS INITIATED QUALITY CIRCLE WHICH IS AIMED AT ENGAGING THE WORKER AND BUILDING A CULTURE OF QUALITY



COMMUNICATING SUSTAINABILITY THROUGH PACKAGING

Packaging is one of the most visible aspects of an organisation's identity. With consumers increasingly seeking brands that support the environment, we have focused on using eco-friendly packaging and communicating our business sustainability story.

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**

Sustainability is increasingly becoming a priority for consumers when making purchasing decisions, with packaging often central to a product's visual appeal for purchasers. Our businesses have sufficiently prioritized sustainability and circularity when considering design, use and disposal of packaging, with the majority of packaging still single-use but recyclable.

We are adopting targets as ambitious as using 100% recycled materials in the production of new packaging, to limit unnecessary use of virgin materials. Our packaging agenda is completely aligned with the relevant parts of Sustainable Development Goals.

We are also trying to create packaging solutions (In collaboration with NGO partners and leading research institutions in India) which harness unique circular material through a material & bio-technology that uses temple flower waste, which is abundantly available in the country, to produce biodegradable packaging with the same quality standards as typical plastic and foam packaging. Multinationals such as IKEA and Dell are already using such products for a subset of their products.

Not only are waste paper pulp trays being hugely encouraged as a replacement of plastic based cushions, we are also working towards creating a cost effective sustainable supply chain of this capacity crunched material in India for industrial packaging applications like that of ours.

We are removing all kinds of plastics intervention in our packaging (e.g., lamination films) to reduce the overall carbon footprint and make it less heterogeneous for the sake of easy recycling

Supply localization, though comes with its own challenges, have been in focus for the last one year to minimize carbon foot print for our inwards logistics. Reliable local supply bases are being built up. The idea is to eventually move to VMI model with these suppliers for reduced inventory carrying at our end.



Plastic savings

340 MT per annum



Metal savings

15 MT per annum



Paper savings

716 MT per annum

OUR INITIATIVES



Removal of BOPP lamination



EPS removal with Paper Pulp tray and corrugated fillers



Plastic matte lamination removal in packaging boxes



Plastic metallized pet removal in packaging boxes



Replace metal staples with glue joints



Introduction of bio degradable/ compostable Thermocol and wrapping film



Solvent based ink replaced with laser marking



Pump Master carton replaced with Tray & polypack

CASE STUDY: LED TANNER ELIMINATION

As an sustainability Initiative 3 tier packaging of LED bulb is changed to 2 tier packaging. In 3 tier packaging we were using retail pack, intermediate tenner pack & Transportation pack. After market research it is observed that intermediate tenner pack had very limited

uses & same can be eliminated by reducing transport pack quantity 40N to 20N at that point of time. By eliminating the tenner pack we would save 50 MT of paper per year. It helps in reducing packaging material use, leading to reduced product cost. we would even consume less energy to manufacture the packaging.



BUILDING SUSTAINABILITY THROUGH SUPERIOR CUSTOMER SUPPORT

Customer satisfaction is a fundamental pre-requisite for our Company's long-term success. Cognizant of this imperative, we strive to build healthy relationships with our customers by identifying their needs and providing them with the best-possible experience.

Havells has adopted a customer-centric approach to meet the future challenges of customers' expectations, producing innovative products and contributing to improvement in environment and social aspects. We embed world-class manufacturing practices to create high-quality products while ensuring an enriched buying experience for customers. Various formal and informal methods are used to measure satisfaction levels and garner feedback from consumers and channel partners. Brand equity is measured by conducting brand health studies on individual customers.

The satisfaction level of our dealers is gauged using Net Promoter Score (NPS) methodology. Our offerings are fine-tuned on the basis of these scores. All our surveys comply with global standards. We constantly

make efforts to give our customers the maximum value with best product quality, technical support, and engagement with relevant stakeholders through awareness, training and skill development.

Customers are the foundation of our business. 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 to improve the quality of our products. During 2018-19, 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. We are also engaged in strengthening our customer delivery channels and customer relationship management systems.



Customer servicing is an important agenda for us. To this end, we regularly invest in the training our people and undertake customer engagement plans, to align them better with evolving consumer aspirations and to make them more responsive to customer concerns and market trends.

We take pride to state that we are not facing any case filed by any stakeholder regarding unfair trade practices, irresponsible advertising or anti-competitive behaviour.

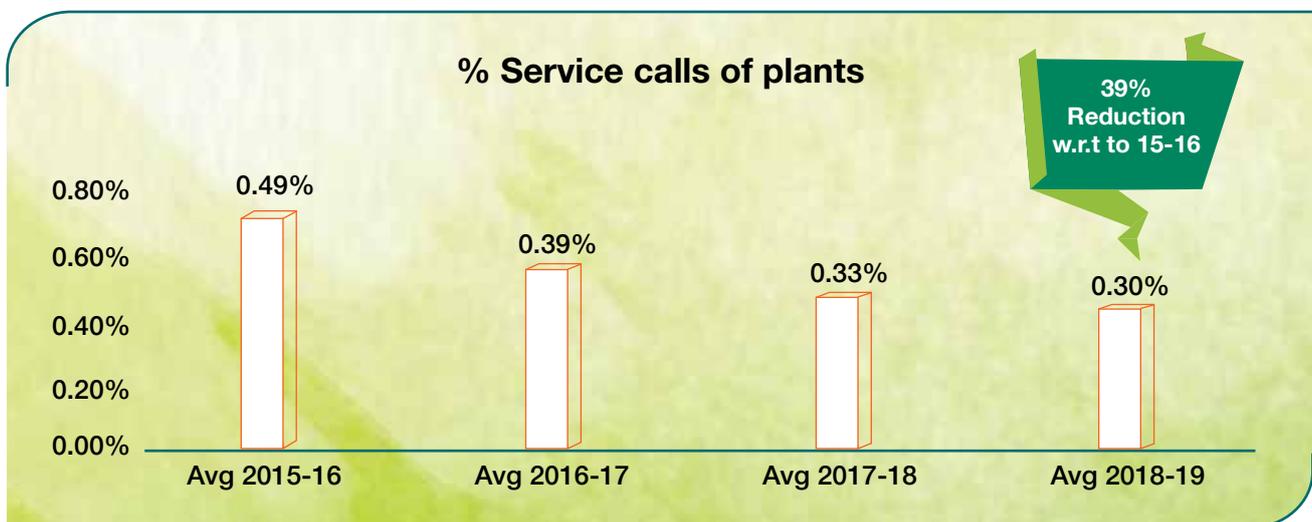
CUSTOMER SATISFACTION PRACTICES

Customer satisfaction is important to enhance our brand image and build customer loyalty. We analyse NPS (Net promoter score) based on loyalty. We achieved a customer satisfaction score of 56% in FY 18-19 across segments and 3667 sample products. During the year, we received 19 complaints relating to minor product defects, of which 11 were resolved and 8 are in the process of being resolved.

ADHERENCE TO PRODUCT LABELING

We stringently adhere to all product labelling 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 labelling.

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 labelling 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 labelled as BEEstar, 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 labelling, in the reporting year.

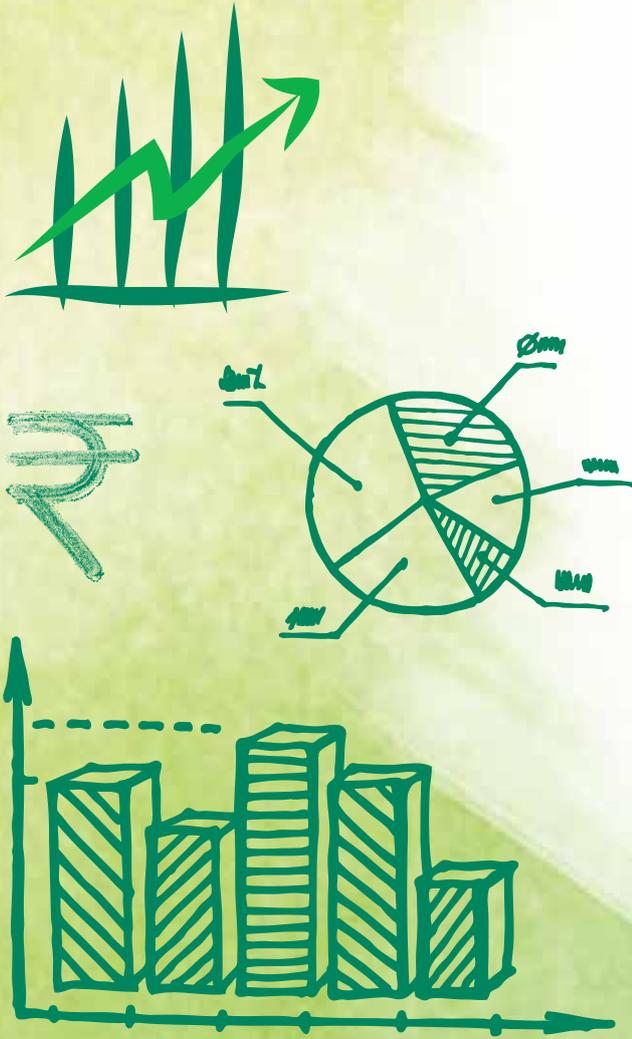


I would like to thank Havells for the wonderful juicer mixer grinder. The demonstration given by the company technical staff was very good. I was not available at my home but he gave me a call before coming. He gave a proper presentation and solved all our doubts with satisfaction.

- Ayush Gupta



Financial Performance



At Havells, the bigger picture of creating value for all our stakeholders drives our strategies and operations.

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.e.

ECONOMIC PERFORMANCE

Our relentless efforts to promote sustainable growth in all our business operations 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 24% and Net profit before exceptional items rose to 11%. Earnings before interest, tax, depreciation.

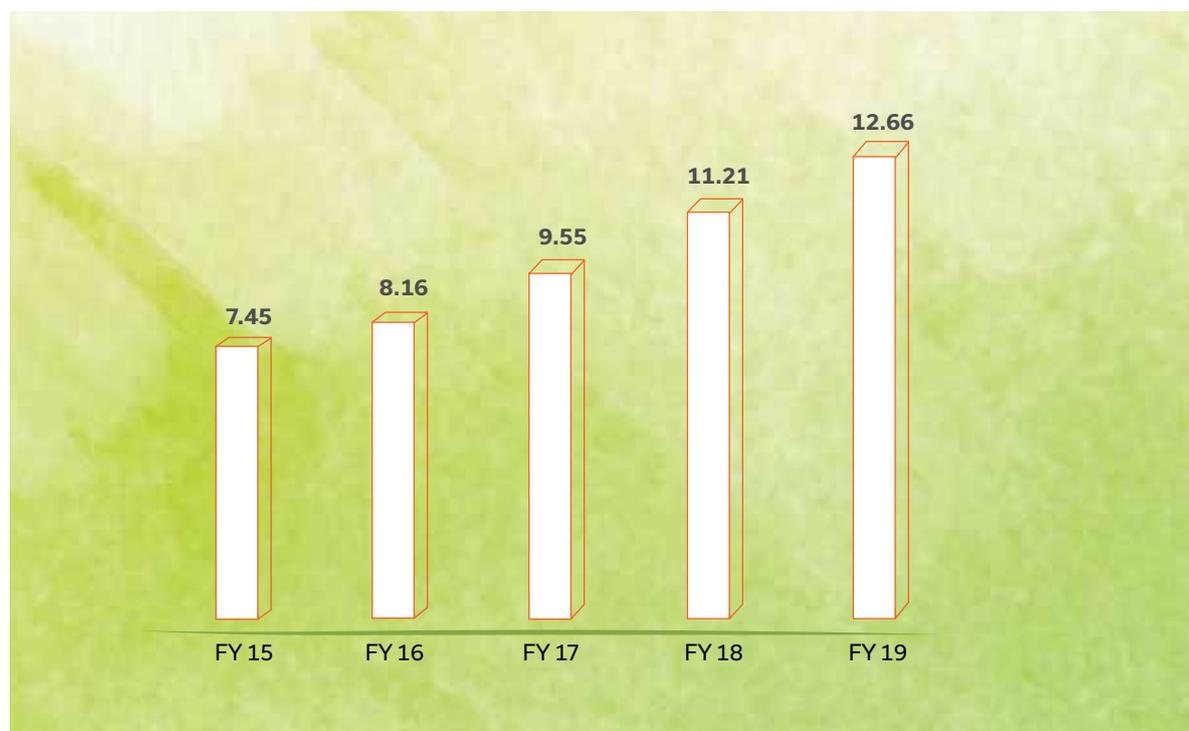
Our profits should match our growth aspirations. In order to grow, we need to increase our rate of productivity faster than the rate at which we increase our labour costs. Besides incremental growth, we need to focus on breakthroughs in order to keep pace with the changing external scenario. We need to look into global benchmarks in different processes across different industries to embark on a challenging, yet rewarding journey. This quest will test our strengths and potential and help us discover our innate talents and apply them productively to achieve new performance targets.

FINANCIAL SUMMARY

Standalone Financials (in Cr)	2018-19	2017-18	2016-17	2015-16
Economic value generated				
Revenue (Net)	10,058	8,260	6,586	5,775
EBIDTA	1,192	1,049	824	755
Profit After Tax (PAT)*	792	701	597	510
Total expenditure on employees	832	650	500	371
Payments to investors	339	301	226	451
Contribution to the exchequer	2,454	2,230	1,363	1,168
Voluntary community investments	17	15	13	11
R & D spend	79	58	49	36

* before exceptional items

EPS ADJUSTED FOR BONUS ISSUE / SPLIT (₹) AND EXCEPTIONAL ITEMS



5 years CAGR in EPS is 11%

Steady earnings growth over the years resulting into long term value creation for its shareholders

REVENUE BY SEGMENT

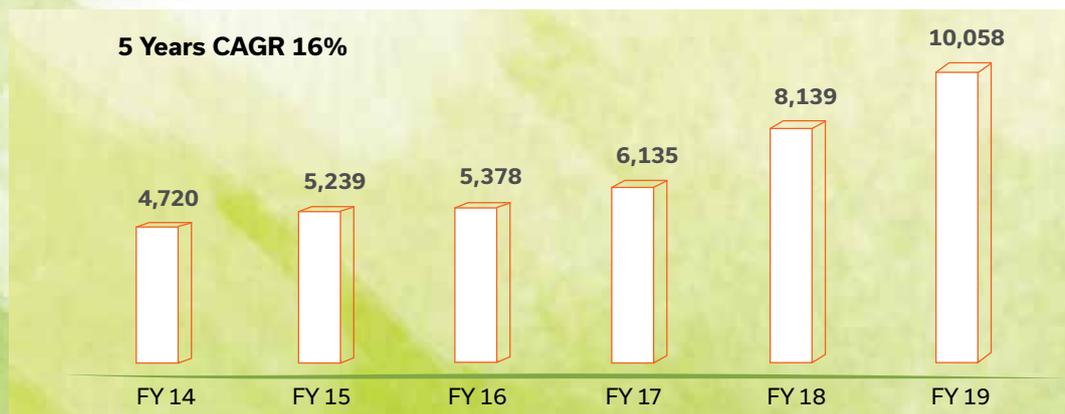
We have observed 24 % improvement in revenue generation compared to last year. We also propose to expand our business by adding more manufacturing plants in the near future.

Our Business divisions include: Switchgears, Cables, Lighting and Fixtures, Electrical Consumer Durables (ECD), LLOYD Consumer Division.

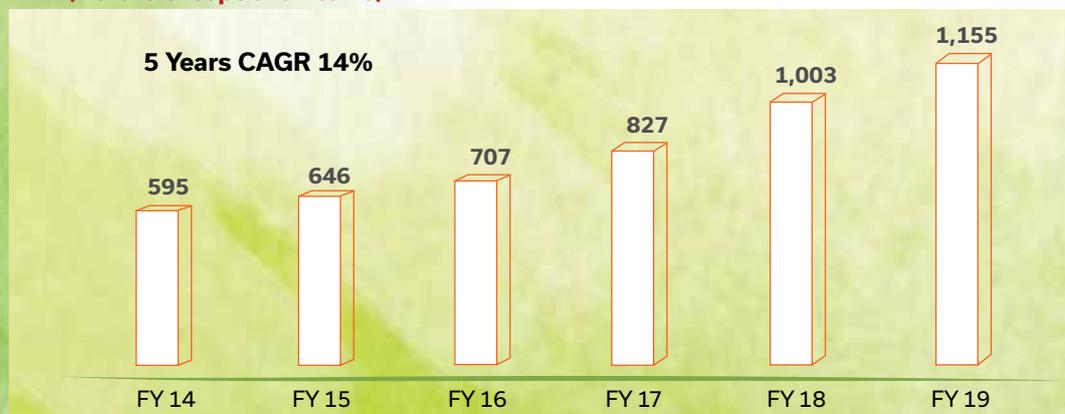
REVENUE (in Crore ₹)

Segments	2018-19	2017-18	2016-17
Switchgears	1680	1,408	1,406
Cables	3235	2,600	2,379
Lighting & Fixtures	1293	1,156	971
Electrical consumer durables	1994	1,560	1,378
Lloyds consumer division	1856	1,414	0

NET REVENUE



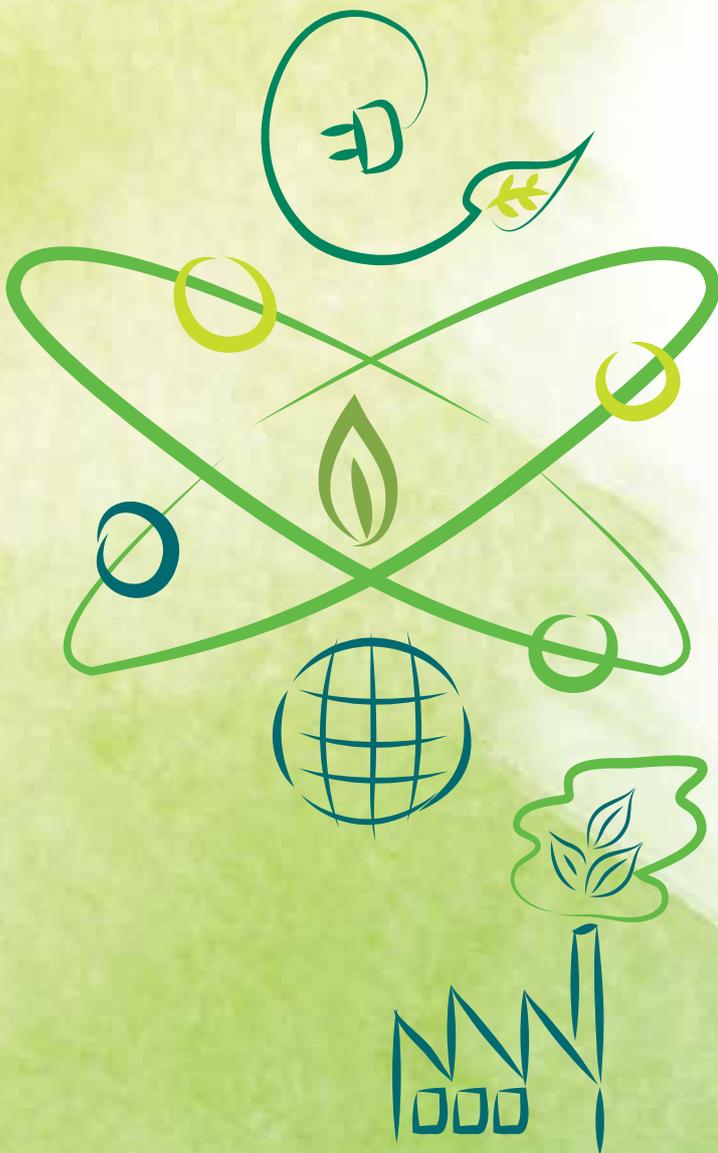
PBT (Before exceptional items)



A well-entrenched, respected consumer centric brand with top quartile profitability and consistent financial performance across business parameters.

Sustain value maximization for each stakeholder.

Environmental Stewardship



We proactively contribute towards creating a world that has a safe and healthy climate and enjoys clean air, water and soil.

In a resource constrained world, we are witnessing a global shift towards more environmentally sustainable ways of working. At Havells, too, our environmental agenda is aimed to promote a healthy ecological balance and prevent environmental crises with appropriate solutions. These include:

As a responsible corporate citizen, our sustainability approach emphasises on growing in harmony with nature.



Reducing energy consumption in operations and production.



Low energy footprint product development for entire life-cycle.



Minimizing GHG emissions wherever possible.



Enhancing water positive status



Ensuring regulatory compliances are observed at all units of the business.



Optimal utilization of raw material.



Creating products with minimal environmental impact.



Improving renewable energy portfolio



Becoming Zero Waste to Landfill organisation.

LEAVING A GREENER FOOTPRINT

Our operational processes are associated with environmental impacts and our endeavour is to minimise the same through a system of effective environmental management. Since inception, we have given a high priority to environmental protection, energy efficiency & conservation, emission reduction and safety. Our systems and practices aim to leave a minimal trace of our operations.

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

This target has already been achieved. Currently, RE has 6% share of total energy use



KPI-3:

E-waste management (EPR Collection) - Target: 5100.1 MT (in weight) - Target Year: FY 2023



We have taken appropriate actions to meet the newer and tighter environmental standards in India. All our manufacturing locations are manned by a professional environment team and laboratory or monitoring facilities. The Group's policies and directives for monitoring and reporting environmental parameters are followed carefully. All Havells' plants are environment-friendly, certified with Environment Management System ISO 14001. Our aim is to progressively increase

the share of renewable energy across all our facilities. This year we have increased our solar energy generation to 4.5 GWh.

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.

SOLAR ENERGY GENERATION

MWh

NEEMRANA

1092

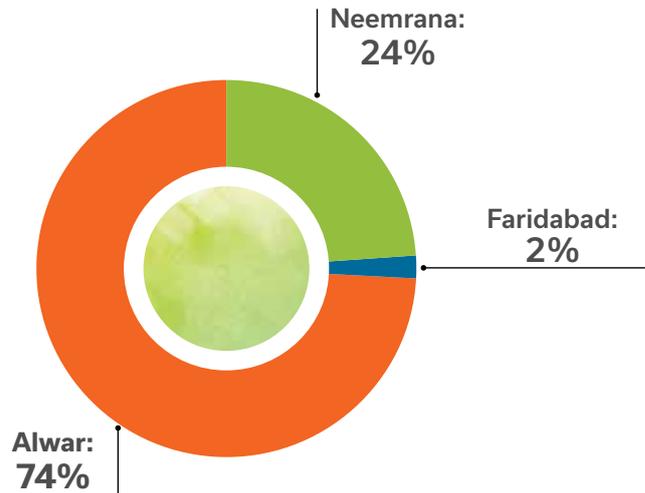
FARIDABAD

101

ALWAR

3316

SOLAR ENERGY GENERATION



CREATING GREENER COMMUNITIES THROUGH TREE PLANTATION

Havells has been focusing on tree plantation near its manufacturing plants. We have planted over 10,000 trees in and around our plants in Alwar, Rajasthan and Baddi, Himachal Pradesh and plan to add a huge number soon in various other locations in India. We will then become a carbon positive organization too, bettering our existing status of being the First 'water positive' company. We have now signed a MoU with

the Madhya Pradesh government under which we are planting 1 lac trees each for the next 5 years. We would have planted 4 lakh trees by the end of FY19. We have also tied up with 3 panchayats in Neemrana to plant another 1 lac trees in the current year. We are also building a "Kanya Upvan" in the Alwar district of Rajasthan by planting a tree on the birth of every girl child in the district.

ISO CERTIFICATION

Plants	ISO 9001	ISO 14001	OHSAS 18001/ISO 45001	ISO 50001
Alwar	Y	Y	Y	Y
Baddi	Y	Y	Y	Y
Faridabad	Y	Y	Y	Y
Guwahati	Y			
Haridwar	Y	Y	Y	
Haridwar-	Y	Y	Y	
Standard	Y	Y	Y	
Neemrana	Y	Y	Y	Y
Sahibabad	Y	Y	Y	Y

OPTIMAL AND EFFICIENT ENERGY MANAGEMENT

The entire life support system of human beings depends on the well-being of the environment. Recognising this reality, at Havells, we are committed to developing a long-term sustainable business by minimizing the environmental impact of our operations and by making the most efficient use of natural resources and energy.

We integrate care for the environment into all our business management procedures, from the production process to the final delivery of products and services to our customers. Energy consumption and efficiency measures are carefully rolled out at different levels in our operations. We have a well-defined process to monitor energy consumption across all manufacturing location. We have installed meters at the point of storage as well as consumption to enhance our monitoring and measuring mechanism. Our world class IT infrastructure

provides a detailed analysis and break-up of our energy consumption on an organisational level as well as manufacturing plant level, which helps us in creating an internal benchmark and also helps in identifying hot spots.

These concerted efforts have helped us in reducing energy consumption at all units of the company. We have reduced our electricity consumption with respect to revenue generated by over 60% since 2015-16.

OUR ENERGY EFFICIENT PRODUCTS



Efficiencia Neo

World's most energy-efficient fan with BLDC motor. It consumes only 26W



Adonia i:

An IoT-enabled water heater with wi-fi. Now operate your water heater from anywhere



Havells Trim Clip-On LED panel,

Fits any ceiling. Its unique adjustable bracket makes it easy-to-use as recess or surface panel light



Self priming Pressure Pump

The pressure pump is designed to automatically start and stop depending on faucet/shower operation

ENERGY SAVING INITIATIVES

We have initiated stringent measures at our plants to bring about valuable savings in cost and energy. Some of the energy-saving initiative are mentioned below.

Alwar:

- Installation of Solar roof Top System of 600 KW to save 6,27,096 kWh per annum.
- IGBC (Indian Green Building Council) – GOLD certification initiated for one section.

Baddi

- Implementation of LEDs in place of conventional lighting resulted in savings of 51,012 kWh per annum.
- Cavity enhancement of molds is done to save ₹ 18.6 lakhs per annum.

Faridabad

- Use of Oxsilan Chemical in Automatic powder coating shop for improvement in Energy consumption led to saving of approximately ₹ 12 lakhs.
- Thermal Interlocking in Paint shop department to improve productivity and energy efficiency.

Haridwar

- Replaced conventional lights with LED Lights in warehouse and plant to save ₹ 39 lakhs per annum.
- VFD Installation for Liquid Paint Shop brought about a saving of ₹ 14 lakhs per annum.

Neemrana

- Conventional light replacement with LED light to conserve 61276 kWh per annum.
- Auto cut off in Hydraulic Pressing Machine in to save 4799 kWh per annum.

Sahibabad

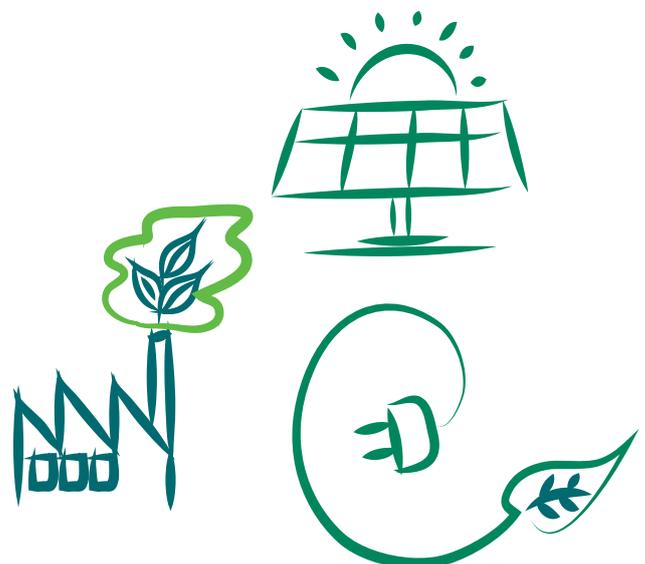
- 16 No AC replaced for Better energy efficiency to save ₹ 1.2 lakhs per annum.
- Material Change of SPG Frame from DMC to Nylon to save ₹ 57 lakhs per annum.

Standard

- SCADA system to be incorporated for compressors to save 27,000 kWh per annum.
- Cut-off valve for isolation of air supply within specified area during non-productive hours to save 24,000 kWh per annum.

Guwahati

- Energy Saving through Temperature controller in cooling tower, approx. 12,291Kwh. per annum.
- Implemented UPS supply in Molding machine PLC & Touch screen and saved 62,500 KWH per annum.

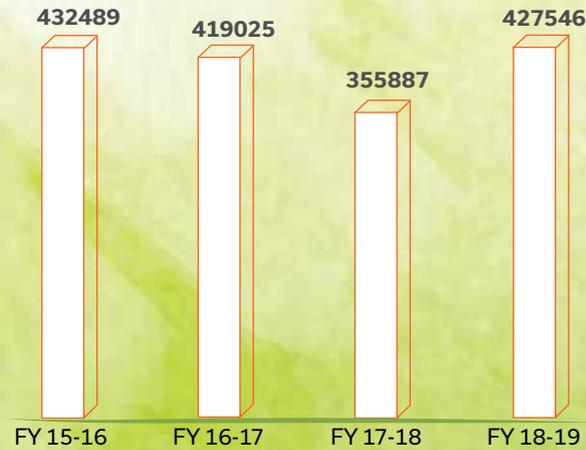


ENERGY CONSUMPTION AND EFFICIENCY

At Havells total energy consumed last year was 427546 GJ. Our Energy Intensity was improved by 42% compared to 2015-16 (base line). This

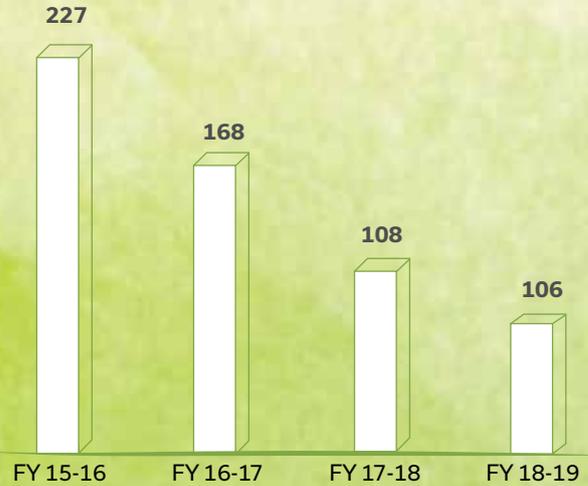
improvement was due to numerous innovations that have been introduced. We are committed to maintain this efficiency in the future too.

Total Energy Consumption (GJ)



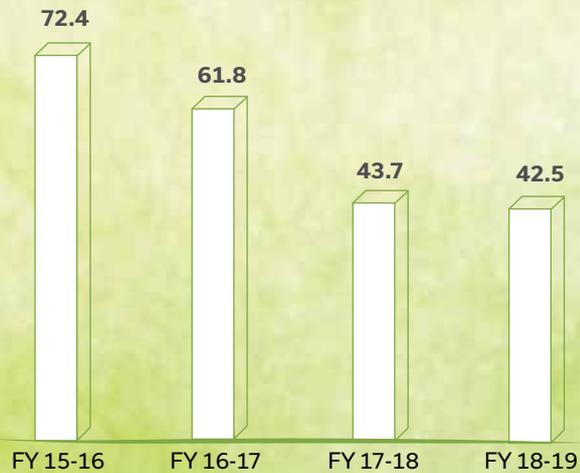
For detail break-up, please refer Exhibit 5

PNG Consumption Intensity (GJ/₹)



For detail break-up, please refer Exhibit 6

Energy Intensity (GJ/₹)



For detail break-up, please refer Exhibit 7

42%
reduction from our
baseline of FY 2015-16

We have been continuously aspiring to reduce our energy consumption within our organisation





MANAGING WATER IN A SUSTAINABLE MANNER

We are “Water Positive” and have maintained this status for the last three years, even after increasing our plant production by 15%. We have diligently focused on reduction of water consumption per employee as well as water consumption with respect to revenue.

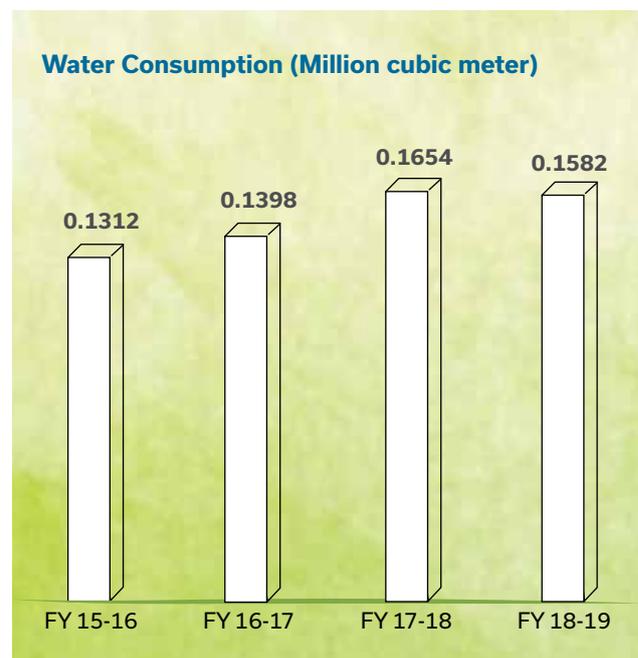
Our culture, policy help us in reducing our water footprint. We have a total of 28 rainwater harvesting pits across all our plants. We have a total of 28 rainwater harvesting pits across all our plants. This helps us in improving the water level of nearby communities. We are zero water discharge organisation. All our plants are equipped with sewage and effluent treatment

plants. We periodically monitor and report our treated water and implement necessary actions and projects to optimise the utilisation of the treated water. Some of the initiatives which contributed towards the achievement of our status of being a “Water Positive” company are shared below:

INITIATIVES:

- 1 Installation of water softener plant up to 5,000 L/hr at Faridabad plant to save 15,000 L/day.
- 2 Use of electronic impulse generation technique for descaling of water carrying pipes has led to saving of water & overall equipment efficiency at Alwar plant.
- 3 Self-cure compound usage in LT cables has helped in elimination of curing of LT cables with water, which earlier was a process at the Alwar plant.
- 4 Push type self-closing tap on all hand wash/ general washing points / Mist formation nozzles for taps across the plants.
- 5 At Haridwar plant, 60 KLD STP has been installed to save 4,800 KL per annum and 80 KLD STP has been renovated to save 10,200 KL per annum.
- 6 At Standard plant, a new water harvesting tank has been installed to reduce the ground water consumption by 5%.

- 7 At Sahibabad plant, – we installed 4 rainwater harvesting pits to cover 25% of plot area and increase charging capacity by 30%. Also, waste-water from AC was reused by the plant in the working of CNC machines to save ₹ 0.36 lakhs per annum.



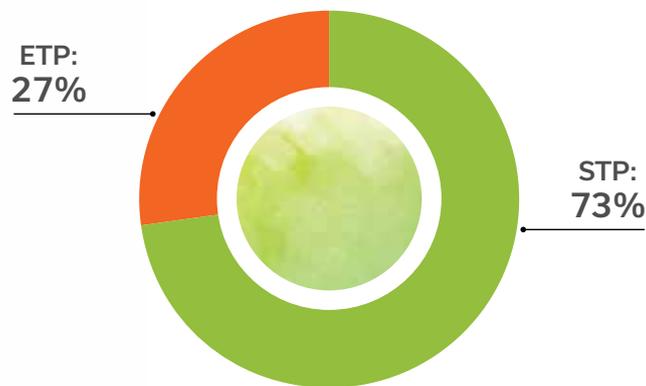
For detail break-up, please refer Exhibit 8

TREATED WATER

We have set up a well-defined infrastructure at all our manufacturing facilities and corporate office for treatment of water. The treated water is used for gardening purpose, for flushing purpose in the toilets and as well as re-utilized in the manufacturing process.

This helps us in reducing our freshwater consumption thus reducing extraction of ground water. Being a Zero Water Discharge organisation we do not do any discharge in water bodies except in Haridwar plant where in the discharge goes to common Sidcul effluent treatment plant (for which we pay the state Industrial Development Corporation of Uttarakhand Limited).

WATER CONSUMPTION (MILLION CUBIC METER)



STATE-OF-THE-ART RAIN WATER HARVESTING POND AT ALWAR

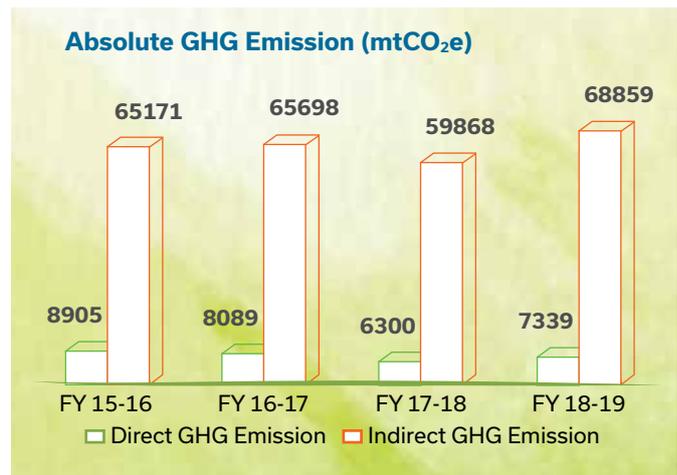
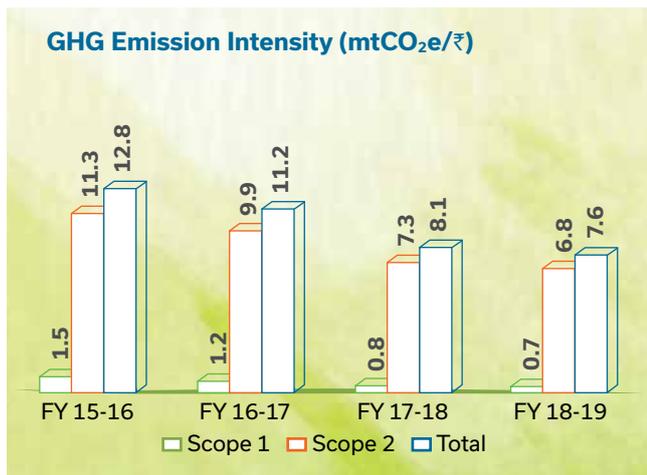


OUR EMISSIONS

Sustainability is not necessarily an end state but is a continuous process of improvement. Our sustainability and climate change mitigation policies reflect our innate commitment to sustainable development.

Strategies are in place to address global warming and ensure a low carbon development path with minimum output of greenhouse gases. Environmental risks are regularly assessed and addressed. We strive to achieve carbon footprint-conscious growth through efforts in four key facets of our operations. By

implementing progressive low-emission development strategies that promote integrated clean energy solutions and broader sustainable development objectives, we can move towards climate change mitigation which requires a shift to low-carbon development.



For detail break-up, please refer Exhibit 9

41%

decrease in GHG Emission Intensity
from baseline year of FY 15-16

RETURN ON ENVIRONMENTAL INVESTMENTS

₹ in Cr.

Year	2014-15	2015-16	2016-17	2017-18	2018-19
Capital Investments	1.4	0.6	1.1	6.8	4.6
Operating Expenses	0.7	1.2	1.2	2.1	0.8
Total Expenses (Capital Investments + Operating Expenses)	2.1	1.8	1.2	9.1	5.4
% of operations covered	100%	100%	100%	100%	100%

SCOPE 3 EMISSIONS

During this financial year we zeroed in on 8 categories out of 15 categories provided by GHG protocol, which were most relevant to us and took a small stride towards monitoring and reporting our Scope 3 emission. After framing a roadmap and setting up of processes during the year to calculate our Value Chain Emission, we were successfully able to monitor "Employee Commuting" using GHG protocol Scope 3 standard. We were successfully able to capture and monitor employee commuting of all our manufacturing plants except one. Our corporate office is also out of scope for this financial year. We created a process of capturing the distance

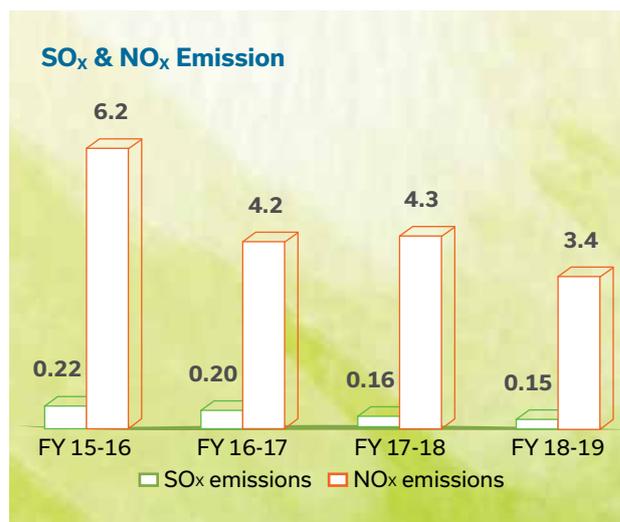
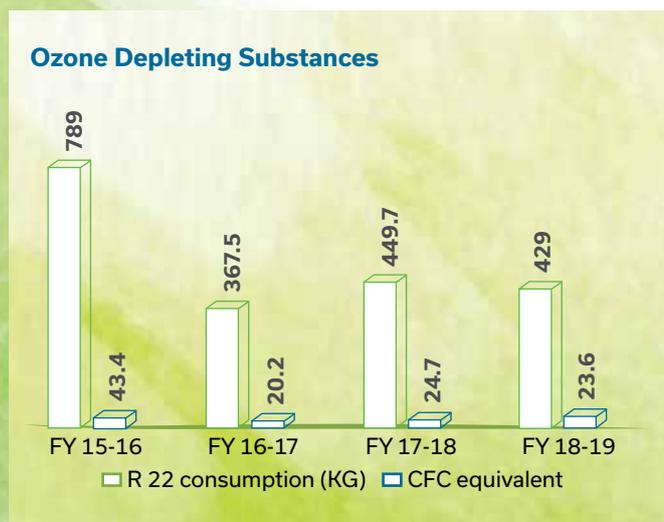
travelled by employees from their residence to office wherein employees were asked to provide information through an online survey. The fuel consumption was calculated through the same survey by averaging out the consumption per litre by their respective vehicles.

To calculate the GHG emission we have followed the distance based method provided by GHG protocol Scope 3 standard for all the plants covered in the scope except our Baddi plant which followed fuel based method. Emission factors are taken from India GHG Program, India Specific Road Transport Emission Factors Version1.0.

EMPLOYEE COMMUTING

		Haridwar	Neemrana	Sahibabad	Baddi	Faridabad	Standard	Alwar
Distance Travelled	KM	424911	2603056	296112		562870	16374	821914
Fuel Consumption	L	17354	107057	16371	39260	24441	497	58744
GHG Emission	tCO ₂ equivalent	66.29	406.08	46.19	103.80	87.81	2.55	128.22

OTHER EMISSIONS



429 (KG)
R 22 consumption

101 (KG)
R 134 consumption

3 (KG)
R 410 consumption

CREATING WEALTH FROM WASTE

At Havells, we see waste as an opportunity to improve our efficiency. Accordingly, we are committed to reduce and reuse as much waste as possible during our operations. We comply by all the central and state rule when it comes to disposal of waste.

We are always looking for opportunities to reuse our waste in the same operation or as a raw material to other operations, thus bringing in a circularity to our waste management approach. We feel proud to say that approximately 94% of the waste generated is recycled and reused. In coming years, we are striving to become a "Zero Waste to Landfill" company.

Keeping in line with our philosophy to bring in more circularity in our business we have turned one of our scrap yard at Alwar location into a recycling plant where our in-process scrap of Copper/Aluminium Insulated core are separated into Stripped PVC and metal. The Stripped PVC is then recycled and re-used by converting it into functional granules. The goal

of recycling plastic is to reduce high rates of plastic pollution while putting less pressure on virgin materials to produce brand new plastic products. This approach helps in conserving resources and diverting plastic waste away from landfills or unintended destinations such as oceans. The stripped copper is sent to smelter and is reprocessed to make copper tape. Every gram of copper is put into use through smelting process while the remaining stripped aluminium is being recycled and reprocessed into aluminium wire.

This holistic process has even helped us in providing an opportunity to serve community. The scrap wood generated from pallets is recycled and re processed to make table & benches for school children.

RECYCLING PLANT AT ALWAR



Social



At Havells, we believe in a journey of sustained small steps that lead to meaningful change in people's lives.

A journey of a thousand miles must begin with a step. Our commitment towards our employees, our partners and community empowerment encourages us to work closely with them to understand their concerns and choose how to best address them. We are continuously scaling up our human and social responsibilities we hope to provide service to our employees, partners and community in a better and constant manner and lay the foundation for sustained progress.

PEOPLE: KEY PERFORMANCE INDICATORS



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

EMPOWERING COMMUNITIES FOR SUSTAINABLE PROGRESS



OUR MID-DAY MEAL PROGRAMME:

795 million people – one in nine – still go to bed on an empty stomach each night. Even more – one in three – suffer from some form of malnutrition.

While the global community adopted 17 Sustainable Development Goals to improve people's lives by 2030 in 2015, we started working on the 'Goal 2 – Zero Hunger' way back in 2005. In 2004, we started finding out reasons for non-availability of adequate manpower in nearby areas of our Alwar plant. The research was heart breaking as it showed that children from nearby villages did not go to school and were engaged in farms and other jobs to support family's income. Over time we realized that providing food could be the answer to this puzzle. We tied up with the government of Rajasthan to provide mid-day meal in government schools.

A humble beginning that started with serving just 1500 children across 5 schools grew to serving over 60,000 students across 693 schools daily in the district. The fresh, hygienic and nutritious food is prepared in the state-of-the-art kitchen in accordance with government-approved diet charts. Spread over an area of 4 acre, the kitchen employs staff of over 160 people including cooks, helpers and drivers along with a fleet of 30 vans to ensure hassle-free and timely delivery of the meals every day. Ownership of the entire mid-day meal value chain from procurement of food materials to food preparation, storage and transportation to school, gives the company complete control over the quality and hygiene of the meals. This goes in line with Havells philosophy of providing the best quality in all company offerings.





SANITATION AND HYGIENE PROMOTION FOR BETTER SCHOOL INFRASTRUCTURE

Havells understands that WASH (Water, Health and Hygiene) are critical for ensuring overall development of children and their families. Focus on WASH program in schools stems from our efforts to realise our vision of a world where all children go to school that provides safe, healthy and comfortable environment where they grow, learn and thrive. We decided to take the first step from Alwar where we are already running our flagship program of mid- day meal. A research was done to understand the present situation and few of the observations were:

- Only 70% of the students used toilets that were available in all schools.
- In most schools toilets were clogged with mud and fecal matter.
- Water was not available in the toilets to flush waste or for personal hygiene.

- Adolescent girls were found to be absent during menstruation as the toilet was unfit for use.

A similar situation was seen when children would prefer to stay back home rather than attend school on days when they had dysentery.

Keeping these issues in mind, Havells initiated a sanitation drive in 2014 in government schools of Alwar district wherein the company built eco-friendly bio-toilets. These eco-friendly bio-toilets use special bacteria developed by DRDO (Defence Research & Development Organisation) to convert human waste into biogas and water. The water can be used for gardening, cleaning or ground water recharge. Havells has built over 4000 bio-toilets in 400 government schools in Alwar district of Rajasthan. This initiative of Havells amalgamates perfectly with the ambitious 'Swachh Bharat Mission' advocated by the Government of India and dovetails with United Nations Sustainable Development Goal No-3 & 6.



SENSITISATION TOWARDS BEHAVIOR CHANGE

The next step in this direction was to sensitise students as well as the teachers about the importance of WASH. We invested in behavioural change sensitisation workshops not only for the children but also for the teachers, who could further educate parents and the public at large about the importance of Sanitation, cleanliness and hygiene in particular.

The implementation of behaviour change workshops aims to develop good hygiene habits amongst children from tender age. Activities like songs, wall paintings, rhymes, quizzes, painting competitions help children understand concepts better and are able to explain to their parents and bring positive change in the family. Teachers are also being involved in the process who in turn could educate parents and society at large. We did not stop at building toilets or working on behaviour change of children and teachers; instead we went a step further. While toilets were built, its upkeep was a major issue due to paucity of funds at the school level. We decided to contribute equal amount of money as given by the government to ensure these toilets are kept neat and clean and students use them regularly. A strict vigil on upkeep of these toilets ensures the funds are used properly.

Another problem realised was the one faced by adolescent girls regarding the wrong myths about menstruation. The incorrect beliefs hampered their health as well as education due to high absenteeism from school. To address this issue, Havells joined hands with Project Baala wherein the young rural girls are educated about menstruation in schools & eco-friendly sanitary napkins are provided to them. The pad is made of three layers of cloth stitched together, is reusable and can be used for a period of 1.5 to 2 years.

We received very good response to this intervention and hence we scaled it to the next level. We have now distributed these kits to 22, 000 girls across 285 schools in the Alwar District. With these small steps, we have taken a 360-degree approach to this major problem of sanitation.

All these initiatives helped improve attendance, health and cognitive development, increased girls' participation, established positive hygiene behaviour and offer the opportunity to introduce better WASH practices in families and communities and address issues of inequity and exclusion.



CONSERVING OUR HERITAGE FOR FUTURE GENERATIONS

We are proud of the rich heritage of our country and realise the need to preserve it in the best possible condition for the future generations. Keeping that in mind, Havells has tied-up with Aga Khan Foundation India (AKFI) and will contribute towards building Humayun's Tomb Interpretation Centre. The 10,000 sqm facility is the first-of-its-kind facility planned at any of Delhi's World Heritage Sites and is expected

to receive 2 million visitors annually. Not just that, the proposed Interpretation Centre will be the largest public cultural facility built since the National Museum. Havells will also help Aga Khan Foundation to conserve the monument of national importance called the "Sabz Burj" situated at Nizamuddin in New Delhi. We aim to keep contributing towards preserving our wonderful heritage.



EMPOWERING LIVES THROUGH SKILL DEVELOPMENT

The focus of Havells CSR initiatives has always been children and youth of the country. Contributing to the development of their future, we recently launched Havells first Electrical Skill Development Centre at ITI,

Nagaon in Assam. The Centre would enable students to hone their skills with latest equipment and contribute to the growth of the nation. The second Electrical Skill Centre has been launched at ITI Pusa, Delhi.



CONTRIBUTING TO HEALTHCARE

Thalassemia major is a genetic disorder and the only available curative option is Bone Marrow Transplantation. The cost of transplant is beyond the reach of children coming from low socio-economic strata. Through our financial contributions for transplant, we intend to provide an opportunity for cure

for children who otherwise cannot afford the procedure. We have adopted 2 thalassemia child patients in South East Asia Institute for Thalassemia (SEAIT), Jaipur for this treatment and have contributed 20 lacs for their treatment. We are pleased to share that one child is now thalassemia free.



PEOPLE DEVELOPMENT FOR SUSTAINABLE BUSINESS

We believe that employees are our most valuable asset. Our Human Resource function builds its systems and processes aligned to our Company's vision, values and business needs. We endeavour to establish and drive the right behaviours on a people perspective to attract, nurture and retain the best talent and enable organisational growth. The unwavering focus is to align employee aspirations with the organisational goals and build long-term mutually rewarding relationships.

MAINTAINING A SUSTAINABLE WORKFORCE

The Company is an equal opportunity employer and consciously strives to build a work culture that promotes dignity of all employees. Havells employs 6,536 permanent employees at its manufacturing plants, branches and head office. We are dedicated to creating a culture of excellence for all our staff with a deep commitment to human capital development. Implementing robust health and safety practices at our workplace, ensuring career and skill development, employee engagement, maintaining diversity and offering equal opportunity are some of our key

aspects of maintaining a sustainable workforce. In our efforts to promote gender equality and women's leadership in our workforce, we have added 83 permanent female staff members to our employee roster. Awareness programmes are conducted off and on to sensitize employees to respect the dignity of their colleagues at the workplace. In addition to our permanent employees, we employ 9,397 temporary staff and contract labour. We do not have unions at any of our plants. All the benefits such as life insurance, health care etc. are same for the full time and temporary employees.





EMPLOYEE RECRUITMENT & TURNOVER

Hiring the right Talent at all levels and inducting them to understand our values and way of working is critical for our success. We have a strong process of selection which has a multi-player process of interviews based on our matrix organization, strong reference and verification checks before we offer. We have also introduced Personality Profiling for hiring senior resources, this helps us assess behavioural profile to match our needs. Our overall intake of talent has been 2,083 in 2018-19, and at leadership levels it is 23.

Our growing Human Talent over the last three years has moved from 4,974 to 6,536. There has been a lot of emphasis on getting talent in new business areas such as the Water Purifier, Professional Luminaries, Solar Energy, and in the technical areas such as R & D, IT, & Quality.

At Havells we are committed to create sustainable work practices and an innovative work culture for our employees. Our reputation as an exciting and enriching workplace attracts some of the most talented people in the industry. The establishment observes defined guidelines for recruitment, separation, career advancement performance appraisal and a Code of Conduct. We encourage local employment, and therefore 100% of our workforce is hired from within the country.

During the reporting period, we recruited 2,083 new employees across management and permanent worker

categories. From those who were hired, 5% were females, 41% were less than 30 years old and 58% were between 30 and 50 year age group. 1% were over 50 years of age.

We define employee turnover as the number of employees who leave the company voluntarily or due to dismissal, retirement or death. Our permanent employees are considered for reporting against this indicator.

In 2018-19, a total of 1360 employees separated from the company from across the management and permanent workers' categories (For detail break up, please refer Exhibit 13). From those who left 1304 were males, 54 were females, 45% were younger than 30 years of age and 54% were between 30-50 years of age. 1% were over 50 years of age. We conduct comprehensive exit interviews to assess and improve our HR practices and are dedicated to building a work culture that helps to retain our best talent.



Total New Employees Hired

2,083

For detail break up, please refer Exhibit 12



Total Employees

6,536



Minimum Notice Period Regarding Operational Changes

1 Month

The Company complies with the provisions of Prevention of Sexual Harassment of Women at the workplace. We provide full time employees and their families several schemes covering education, healthcare, retirement benefits, loans and financial assistance. 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. There were no incidents of discrimination during the reporting period.

PROVIDING OPPORTUNITIES FOR ENHANCING DEVELOPMENT AND LEARNING

The success of a business largely depends on the skills set and knowledge of its employees. Investing in learning opportunities for our employees, developing their skills and increasing their competencies fosters a culture of innovation and development, which is at the heart of our sustainability agenda.

We have made significant investments in the past year in developing our human capital, through several training programmes. We recorded 48,181 man-hours of training in this financial year, which when compared to previous reporting year, was an increase of 31%. We created new training modules for staff and workers and strengthened employee engagement across all our plants. As a result of these activities, we witnessed an increase in productivity and lower attrition rates compared to the previous year. We provided safety and skill up-gradation training to a total of 2,767 permanent

employees and 9,365 contractual workers. From time to time, the Company reviews and adopts schemes that benefits employees and provides them a better workplace. Investment in human capital also leads to a strong sense of loyalty among the workforce.

We strive to create an environment where people can discover their potential and grow. The breakdown of trainings provided across various categories is listed Exhibit 14.





OCCUPATIONAL HEALTH & SAFETY

The safety of our people is our top-most priority. We are thus committed to ensuring the safety of our plants and creating a workplace with zero accidents or just minor safety incidents. We have implemented best global safety practices at our plants and made investments in safety technologies, infrastructure, communications and awareness programmes. We ensure compliance with OHSAS 18001, the international standard for health and safety within the workplace. We also encourage celebration of Safety Day with a safety theme at all our units. There were no reported incidents of workers with high risk of any

diseases at our plants in the reporting year.

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 checkups 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.



Occupational Illness Frequency Rate (OIFR) – Employees
Nil



Injury Count
5



Fatalities
Nil



Occupational Disease Case
Nil



Lost days
41

LOST TIME INJURY FREQUENCY RATE - EMPLOYEES

FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
1.82	0.99	0.65	0.61

SAFETY COMMITTEE MEMBERS

	Haridwar	Neemrana	Sahibabad	Baddi	Faridabad	Standard	Alwar	Guwahati
Management person	16	6	11	17	13	10	11	9
Non- Management person	16	6	3	19	13	14	21	12



LABOUR PRACTICES AND HUMAN RIGHT

We at Havells have a strict stance against child or forced labour and have institutionalised policies to ensure that we follow due processes and practices that are in line with all labour regulations and laws. We have a human rights policy which prohibits any kind of child labor within our premises and our suppliers are also asked to sign our vendor code of conduct which prohibits child labour in their operation. As with all previous years, we have no incidents reported of child labour, forced labour or compulsory labour in our operations nor at any of our suppliers' workplace. A total of 02 male employees with disabilities were employed at Havells this year.

EMPLOYEES WITH DISABILITIES



Male
02



Female
00



RESPECTING HUMAN RIGHTS

We understand that it is our responsibility to respect Human Rights. Our human rights policy is specified in our Code of Conduct and Business Ethics. We also follow the Havells Group's Directive on Human Rights. We prohibit undesirable practices and do not conduct business with any individual or company that violates Human Rights i.e. exploitation of children including child labour; physical punishment; gender-based violence; forced or compulsory labour; unlawful discrimination in employment and hiring practices; unfair dismissal, provision of unsafe working conditions; salary payments (or deductions) below minimum wage; and illegal overtime regulations. The Human rights policy is available on the organisation's website which is also available to all the personnel for training and understanding purpose.

The Company has a Supplier Code of Conduct (SCC) that covers various human rights aspects. The self-declaration covers employee safety, occupational health, corporate social responsibility and environmental management.



Total Man-hours of Training
48,181



Number of Permanent Employees Imparted safety and skill up-gradation training
2,767



Number of Contractual Workers Imparted safety and skill up-gradation training
9,365

Category	Nos of complaints filed during the financial year	Nos of complaints pending at the end of the financial year
Child labor	Nil	Nil
Forced labor	Nil	Nil
Involuntary Labor	Nil	Nil
Sexual harassment	Nil	Nil

Awards and Membership



We continue to work sincerely, tirelessly and ethically. The efforts have paid off well as reflected in the awards won and the recognition gained by the Company and our people. These achievements demonstrate our commitment to excellence and inspire us to work harder for the benefit of all our stakeholders.

- 1 Mr. Anil Rai Gupta, Chairman of Havells, was honored with 2019 AACSB Influential Leader Award in recognition of his outstanding achievements, entrepreneurial success and his contribution towards the industry and the society.
- 2 Havells won the Digital Marketing of the Year 2018 in the Consumer Durable Category
- 3 Havells won the Gold in the Best Digital Display Campaigns 2018
- 4 Havells Fan won Effies Bronze Award for 5th Wall - Ceiling Art Fan campaign in the Durables category
- 5 Havells - School of Grooming campaign was awarded "The Best Content marketing launch/ Relaunch Award" by the Audacity e4m Indian Content Marketing Awards
- 6 Havells was conferred the "Best Incentive programme in the Middle East"- at the MALT Excellence Award 2019 at Dubai, for exemplary role played in the field of MICE, business & luxury travel.
- 7 Havells won BrandZ India rankings of the Most Valuable Indian Brands 2018. (Havells featured as a new comer at Rank #41, with a Brand Value of \$1,510 Million.)
- 8 Havells won the Gold award for Buzziest brand in the building segment by Afaqs.
- 9 Mr. Anil Bhasin, President , was conferred the following awards:
 - a. Marketing Role Model Award at 20th National Management Summit by Top Rankers
 - b. Life Time Achievement Award 2019 by Amity University, UP during 6th International Conference on Signal Processing & Integrated Networks
- 10 Havells won the 3rd smart urban innovations award organised by FICCI, for excellence in the Energy Category at the 3rd Smart Cities Summit 2019 - Urban Innovations & Future Cities

Charters & Coalitions

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

EXHIBIT -1
ANNUAL PURCHASE - (IN CRORE ₹).

	Domestic	Import	Total
Manufacturing Plants	3671	1044	4715
Traded Goods	696	1452	2148
Grand Total	4367	2496	6863
Overall Business Share (%)	64	36	

EXHIBIT -2
SPEND ANALYSIS - MANUFACTURING PLANTS - (IN CRORE ₹)

Plant	Domestic	Import	Total
Alwar	1792	658	2450
Haridwar - Fan	577	87	664
Baddi	281	37	318
CFL/LED	179	78	257
Fixture	175	60	235
Motor/Pump	141	12	153
Haridwar - Standard	135	9	144
Faridabad	133	1	134
Water Heater	74	41	115
Sahibabad	70	10	80
Ghiloth - AC	23	31	54
Guwahati	42	0	42
Water Purifier	28	13	41
Cooler	21	4	25
LED TV	0	5	5
Grand Total	3671	1046	4717
Business Share (%)	78	22	

**EXHIBIT -3
COMMODITY SPEND ANALYSIS - MANUFACTURING UNITS - (IN CRORE ₹)**

Commodity	Domestic	Import	Total
Copper	925	498	1423
Aluminium	790	20	810
Steel	561	51	612
Plastic	354	112	466
Electronic Components	248	160	408
Paints and Chemicals	201	113	314
Others	182	58	240
Packaging	215	0	215
Capex and Consumables	131	32	163
Brass	36	0	36
Hardware	29	1	30
Grand Total	3672	1045	4717
Business Share (%)	78	22	

**EXHIBIT -4
SPEND ANALYSIS - FINISHED GOODS - (IN CRORE ₹)**

Division	Domestic	Import	Total
Lloyd - AC	177	926	1103
Llyod - LED TV	25	251	276
Lighting	118	65	183
Fan	98	21	119
SDA	45	52	97
Solar	55	26	81
Washing Machine	18	54	72
Water Heater	43	20	63
EWA	47	1	48
Pump	32	2	34
Automation	0	29	29
Capacitor	14	0	14
Cooler	13	0	13
Wire	11	0	11
Lloyd - REF	0	5	5
Grand Total	696	1452	2148
Business Share (%)	32	68	

EXHIBIT -4
SPEND ANALYSIS - FINISHED GOODS - (IN CRORE ₹)

Division	Domestic	Import	Total
Pump	32	2	34
Automation	0	29	29
Capacitor	14	0	14
Cooler	13	0	13
Wire	11	0	11
Lloyd - REF	0	5	5
Grand Total	696	1452	2148
Business Share (%)	32	68	

SUPPLY CHAIN- SPEND ANALYSIS

Description	Number of suppliers currently engaged by Havells	Value of payments made to suppliers
Western Cluster	158	199 Cr
Northern Cluster	971	1215 Cr
Southern Cluster	38	46 Cr
Central Cluster	3	4.07 Cr
Eastern Cluster	8	3.16 Cr
Total	1178	

Classification	Number of suppliers currently engaged by Havells	Value of payments made to suppliers
Raw Materials (Component)	927	1148 Cr
Packaging	191	194 Cr
Paint & Chemical	60	125 Cr

**EXHIBIT -5
 TOTAL ENERGY CONSUMPTION**

Division	Unit	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
A. Fossil fuels purchased and consumed (for energy purposes)	MWh	40696.2	36507.0	28642.9	35397.7
HSD	Litres	1948885.0	1898179.9	1499014.2	1854768.6
Furnace Oil	Kg	225764.0	224871.0	105166.8	0.0
LPG	Kg	98853.0	14358.5	51181.0	64615.0
Natural Gas	SCM	1313246.0	1105714.0	882505.6	1066272.3
Biomass	Kg	5225.0	2900.0	3993.0	4981.0
B. Electricity (Non - renewable) purchased	MWh	79476.5	80119.8	73009.2	83974.3
C. Steam / heating / cooling and other energy (nonrenewable) purchased	MWh	nil	nil	nil	nil
D. Total renewable energy purchased or generated. Please Specify: Solar+Biomass	MWh	17.0	250.4	3565.3	4514.0
Solar	MWh	0	241.005	3552.3	4509.0
Biomass	MWh	17.0	9.4	13.0	4.98
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	120172.6	116626.8	101652.2	119372.0
Total costs of energy consumption Please select one of the costs	Currency (₹):	4518490.1	4385167.5	3822120.9	4488386.4

**EXHIBIT -6
PNG CONSUMPTION TREND**

Year	PNG Consumption SCM	Conversion to Comparable Unit	Conversion to Comparable Unit - Gj	units	Revenue	PNG INTENSITY
2015-16	1313246	998067	47907	GJ/₹ Cr	5776	227
2016-17	1105714.318	840343	40336	GJ/₹ Cr	6586	168
2017-18	882505.6	670704	32194	GJ/₹ Cr	8135	108
2018-19	1066272.0	810367	38898	GJ/₹ Cr	10058	106
% PNG reduction from 2015-16		53%				

**EXHIBIT -7
REDUCTION IN ENERGY INTENSITY**

Year	Energy Intensity	units	Revenue
2015-16	72.4	GJ/₹ Cr	5775.5
2016-17	61.8	GJ/₹ Cr	6586
2017-18	43.7	GJ/₹ Cr	8135
2018-19	42.5	GJ/₹ Cr	10058
% Energy intensity reduction from 2015-16		42%	

**EXHIBIT -8
WATER CONSUMPTION - 2.3.4**

Division	Unit	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
A. Total municipal water supplies (or from other water utilities)	Million cubic meters	0.0335	0.0270	0.0232	0.0180
B. Fresh surface water (lakes, rivers, etc.)	Million cubic meters	0	0	0	0
C. Fresh ground water	Million cubic meters	0.0977	0.1128	0.1422	0.1402
D. Water returned to the source of extraction at similar or higher quality as raw water extracted (only applies to B and C)	Million cubic meters	0	0	0	0
E. Total net fresh water consumption (A+B+C-D)	Million cubic meters	0.1312	0.1398	0.1654	0.1582

**EXHIBIT -9
DIRECT GREENHOUSE GAS EMISSIONS (SCOPE 1) - 2.3.1**

Division	Unit	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Total direct GHG emissions (Scope 1)	mtCO2 equivalents	8904.8	8089.0	6299.8	7339.3
HSD	mtCO2 equivalents	5216.2	5080.0	4012.1	4964.3
Furnace Oil	mtCO2 equivalents	706.0	703.0	328.9	0.0
LPG	mtCO2 equivalents	295.0	43.0	152.8	192.9
Natural Gas	mtCO2 equivalents	2687.6	2263.0	1806.1	2182.2

INDIRECT GREENHOUSE GAS EMISSIONS (SCOPE 2) - 2.3.2

	Unit	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Indirect greenhouse gas emissions from energy purchased and consumed (scope 2)	mtCO2 equivalents	65170.7	65698.2	59867.6	68858.9

**EXHIBIT -10
HAZARDOUS WASTE (2018-19)**

	Unit	Disposed
Waste oil ,Used Oil, Spent Oil	Kg	8445
Oily Socked Cotton clothes	Kg	5464
Empty paint cans/ silicon spray/ Waste Empty Cans	Kg	11550.9
PAINT/CHEMICAL	Kg	23
Waste Batteries	Kg	1816.5
BUCKETJELLY	Kg	174
PRINTING INK	Kg	403.5
Capacitor	Kg	132
DG and Compressor Filter/ filter/ Used Filter	Kg	1248.6
PCB CUTTING/PCB REJECT	Kg	1.46
TUBELIGHT-CFL/ Other wastes Like tubelight, cell, etc.	Kg	11995
HARDNER DURM	Kg	27
Zinc Dust	Kg	25349
Plastic Scrap	Kg	75908
Paint bucket	Kg	95
ETP Sludge	Kg	20880
Paint Sludge	Kg	64156
Bio Medical	Kg	16
Used Grease	Kg	300
DMC Waste	Kg	3270
		231275

**EXHIBIT -11
NON HAZARDOUS WASTE (2018-19)**

S. No.	Waste Type NH Unit	Waste Quantity (Weight) NH in kg
Metal		
1	ALUMINIUM Waste	740781
2	COPPER Waste	276718.9
3	BRASS Waste	121923.5
4	M.S. Waste	2736412
5	Empty Drum	2563
6	MS Scrap Drum 20Ltr W/D	67602
7	MS Scrap Empty Drum 04 Ltr	17401
8	MS Scrap Empty Drum 200 Ltr.	36320
Plastic		
1	PLASTIC waste	304991.1
2	PLASTIC DRUM OPEN MOUTH 50 LTR BLACK W/D	967.5
3	PLASTIC DRUM OPEN MOUTH 200 LTR	3825
4	Empty PLASTIC Bags	4850
Packaging		
1	Packaging Waste	2136953
Other		
1	BATTERY Waste	14683
2	ROTOR Waste	16475
3	Other	3693927
		10176394

EXHIBIT -12

		Haridwar	Neemrana	Sahibabad	Baddi	Faridabad	Standard	Alwar	Guwahati	Corporate
Under 30 years - Male	No's	12	21	1	19	4	2	15	14	553
Under 30 years - Female	No's	0	6	0	0	0	0	1	0	50
30 - 50 years - Male	No's	0	15	0	4	0	1	7	0	1104
30 - 50 years - Female	No's	0	0	0	1	1	0	0	0	22
Over 50 years - Male	No's	10	0	5	13	1	2	0	1	22
Over 50 years - Female	No's	0	0	0	0	0	0	0	0	2

EXHIBIT -13

		Haridwar	Neemrana	Sahibabad	Baddi	Faridabad	Standard	Alwar	Guwahati	Corporate
Under 30 years - Male	No's	9	13	1	5	1	1	11	6	333
Under 30 years - Female	No's	1	3	0	0	0	0	5	0	28
30 - 50 years - Male	No's	0	17	0	5	0	1	4	0	813
30 - 50 years - Female	No's	0	0	0	2	1	0	1	0	14
Over 50 years - Male	No's	15	1	0	14	4	1	0	1	48
Over 50 years - Female	No's	0	0	0	0	0	0	0	0	1

EXHIBIT -14

No of Employees	Neemrana	Alwar	Sahibabad	Faridabad	Haridwar	Haridwar STD	Baddi	Guwahati	Sum	Branches (Sales)
Staff	228	165	70	75	110	53	120	35	856	1,407
On Roll Workers	50	113	36	39	14	4	225	23	504	
Contractual Workers	18,881	2,727	470	492	1,600	550	1,165	480	9,365	

GRI Content Index

GRI Index:

GRI Standard	Disclosure	Page Number
GRI 101: Foundation 2016 (GRI 101 does not include any disclosures)		
General Disclosure		
GRI 102: General Disclosures 2016		
	Organizational Profile	
	102-1 Name of the organization	08
	102-2 Activities, brands, products, and services	08
	102-3 Location of headquarters	08
	102-4 Location of operations	07
	102-5 Ownership and legal form	09
	102-6 Markets served	10
	102-7 Scale of the organization	10
	102-8 Information on employees and other workers	59
	102-9 Supply chain	28-31
	102-10 Significant changes to the organization and its supply chain	28-31
	102-11 Precautionary Principle or approach	07
	102-12 External initiatives	63
	102-13 Membership of associations	63
	Strategy	
	102-14 Statement from senior decision-maker	04-05
	102-15 Key impacts, risks, and opportunities	18-20
	Ethics and Integrity	
	102-16 Values, principles, standards, and norms of behavior	10
	102-17 Mechanisms for advice and concerns about ethics	15-17
	Governance	
	102-18 Governance structure	15-17
	102-19 Delegating authority	15-17
	102-20 Executive-level responsibility for economic, environmental, and social topics	15-17
	102-21 Consulting stakeholders on economic, environmental, and social topics	26

GRI Standard	Disclosure	Page Number
	102-22 Composition of the highest governance body and its committees	15-17
	102-23 Chair of the highest governance body	15-17
	102-24 Nominating and selecting the highest governance body	15-17
	102-25 Conflicts of interest	15-17
	102-26 Role of highest governance body in setting purpose, values, and strategy	15-17
	102-27 Collective knowledge of highest governance body	15-17
	102-28 Evaluating the highest governance body's performance	15-17
	102-29 Identifying and managing economic, environmental, and social impacts	25
	102-30 Effectiveness of risk management processes	18-20
	102-31 Review of economic, environmental, and social topics	25
	102-32 Highest governance body's role in sustainability reporting	04-05
	Stakeholder engagement	
	102-40 List of stakeholder groups	23-26
	102-41 Collective bargaining agreements	23-26
	102-42 Identifying and selecting stakeholders	23-26
	102-43 Approach to stakeholder engagement	23-26
	102-44 Key topics and concerns raised	23-26
	Reporting practices	
	102-45 Entities included in the consolidated financial statements	06-07
	102-46 Defining report content and topic Boundaries	06-07
	102-47 List of material topics	23-26
	102-48 Restatements of information	06-07
	102-49 Changes in reporting	06-07
	102-50 Reporting period	06-07
	102-51 Date of most recent report	06-07
	102-52 Reporting cycle	06-07
	102-53 Contact point for questions regarding the report	06-07
	102-54 Claims of reporting in accordance with the GRI Standards	06-07
	102-55 GRI content index	73-77
	102-56 External assurance	06-07

GRI Standard	Disclosure	Page Number
Material Topics		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	23-26
	103-2 The management approach & its components	23-26
	103-3 Evaluation of the management approach	23-26
GRI 201: Economic performance		
GRI 201: Economic performance 2016	201-1 Direct economic value generated and distributed	40-42
	201-2 Financial implications and other risks and opportunities due to climate change	40-42
	201-3 Defined benefit plan obligations and other retirement plans	40-42
	201-4 Financial assistance received from government	40-42
GRI 203: Indirect economic impacts		
GRI 203: Indirect Economic impacts 2016	203-1 Infrastructure investments & services supported	40-42
	203-2 Significant indirect economic impacts	40-42
GRI 204: Procurement practices		
GRI 204: Procurement practices 2016	204-1 Proportion of spending on local suppliers	28-31
GRI 205: Anti-corruption		
GRI 205: Anticorruption 2016	205-1 Operations assessed for risks related to corruption	15-17
	205-2 Communication and training about anti-corruption policies and procedures	15-17
	205-3 Confirmed incidents of corruption and actions taken	15-17
GRI 301: Materials		
GRI 301: Materials 2016	301-1 Materials used by weight or volume	27
	301-2 Recycled input materials used	27
	301-3 Reclaimed products & their packaging materials	27
GRI 302: Energy		
GRI 302: Energy 2016	302-1 Energy consumption within the organization	46-48
	302-2 Energy consumption outside of the organisation	46-48
	302-3 Energy intensity	46-48
	302-4 Reduction of energy consumption	46-48
	302-5 Reductions in energy requirements of products and services	46-48
GRI 303: Water		
GRI 303: Water 2016	303-1 Water withdrawal by source	49-50
	303-2 Water sources significantly affected by withdrawal of water	49-50
	303-3 Water recycled and reused	49-50

GRI Standard	Disclosure	Page Number
GRI 305: Emissions		
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	51-52
	305-2 Energy indirect (Scope 2) GHG emissions	51-52
	305-3 Other indirect (Scope 3) GHG emissions	51-52
	305-4 GHG emissions intensity	51-52
	305-5 Reduction of GHG emissions	51-52
	305-6 Emissions of ozone-depleting substances (ODS)	51-52
	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	51-52
GRI 306: Effluents and waste		
GRI 306: Effluents and waste 2016	306-1 Water discharge by quality and destination	50
	306-2 Waste by type and disposal method	53
	306-3 Significant spills	53
	306-4 Transport of hazardous waste	53
	306-5 Water bodies affected by water discharges and/or runoff	49-50
GRI 307: Environmental compliance		
GRI 307: Environmental Compliance 2016	307-1 Non-compliance with environmental laws and regulations	17
GRI 401: Employment		
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	58-59
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	58-59
	401-3 Parental leave	58-59
GRI 402: Labor/Management Relations		
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	58-59
GRI 403: Occupational Health & Safety		
GRI 403: Occupational Health & Safety 2016	403-1 Workers representation in formal joint management-worker health and safety committees	61
	403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	61
	403-3 Workers with high incidence or high risk of diseases related to their occupation	61
	403-4 Health and safety topics covered in formal agreements with trade unions	61

GRI Standard	Disclosure	Page Number
GRI 404: Training and Education		
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	60
	404-2 Programs for upgrading employee skills and transition assistance programs	60
	404-3 Percentage of employees receiving regular performance and career development reviews	60
GRI 405: Diversity and Equal opportunity		
GRI 405: Diversity and Equal opportunity 2016	405-1 Diversity of governance bodies and employees	58-59
	405-2 Ratio of basic salary and remuneration of women to men	58-59
GRI 406: Non-discrimination		
GRI 406: Nondiscrimination 2016	406-1 Incidents of discrimination and corrective actions taken	58-59
GRI 408: Child labor		
GRI 408: Child labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	62
GRI 409: Forced or Compulsory Labor		
GRI 409: Forced or Compulsory labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	62
GRI 413: Local Communities		
GRI 413: Local communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	62
	413-2 Operations with significant actual and potential negative impacts on local communities	62
GRI 418: Customer Privacy		
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	38-39



KPMG (Registered)
Building No.10, 4th Floor, Tower-C,
DLF Cyber City, Phase II,
Gurugram - 122 002 (India)

Telephone +91 124 3074 000
Telefax +91 124 254 9101
Internet www.kpmg.com/in

Independent Limited Assurance Statement to Havells India Limited on their Sustainability Report for Financial Year 2018-19

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 2018-19 ('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 Comprehensive' 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 2018 to 31 March 2019, 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)
 - Guwahati (Assam)
 - 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: Anti-Corruption (GRI 205-1 to GRI 205-3) • Environment: Materials (GRI 301-1 to GRI 301-3), Energy (GRI 302-1 to 302-5), Water and Effluents (GRI 303-1 to GRI 303-5), Emissions (GRI 305-1 to 305-7), Effluents and waste (GRI 306-1 to 306-5), Compliance (GRI 307-1), Supplier Environmental Assessment (GRI 308-1 to GRI 308-2) • Labour Practices and Decent Work: Employment (GRI 401-1 to GRI 401-3), Labour Management Relations (402-1), Occupational Health and Safety (GRI 403-1 to 403-10), Training and Education (GRI 404-1 to GRI 404-3), Diversity (GRI 405-1 to GRI 405-2), Non-Discrimination (GRI 406-1), Freedom of Association and Collective Bargaining (GRI 407-1), Child Labor (GRI 408-1), Forced or Compulsory Labor (GRI 409-1), Security Practices (GRI 410-1), Human Rights Assessment (GRI 412-1 to GRI 412-3), Local Communities (GRI 413-1 to GRI 413-2) • Supply Chain: Supplier Social Assessment (GRI 414-1 to GRI 414-2), • Public Policy (GRI 415-1)

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: Comprehensive 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.

A handwritten signature in black ink, appearing to read 'Manpreet Singh', written in a cursive style.

Manpreet Singh
Partner
Climate Change & Sustainability
KPMG in India
29th May 2019



HAVELLS

Havells India Limited

Regd. Office: 904, 9th Floor, Surya Kiran Building, K G Marg, Connaught Place, New Delhi – 110 001

Corp. Office: QRG Towers, 2D, Sector 126, Expressway, Noida – 201 304 (U.P.)

Ph.: +91-120-3331000, **Fax:** +91-120-3332000

Email: marketing@havells.com

www.havells.com

Consumer Care No.: 1800 11 0303, 1800 103 1313 (All Connections), 011- 41660303 (Landline)

Join us on Facebook at www.facebook.com/havells and share your ways to save the planet!

CIN: L31900DL1983PLC016304