

**CONSISTENT PERFORMANCE  
SUSTAINABLE PROGRESS**



# We are Havells

Havells India Limited (Havells) is one of India's largest FMEG\* and consumer durable companies. Our offerings include cables, switches and switchgear, small domestic appliances, fans, water purifiers, water heaters, personal grooming products, LED lighting products for consumer and professional needs, and white goods such as air conditioners, refrigerators, washing machines and LED televisions.

\*Fast-Moving Electrical Goods

## 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

## Mission

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

## Values

### Customer Delight

A commitment to surpass our customer expectations

### Integrity & Transparency

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

### 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

## Product portfolio



Switchgears



Cables



Lighting & Fixtures



Electrical Consumer Durables



Lloyd Consumer



Others

Read more on  6-7

# Sustainability highlights

Growing business, despite headwinds

**INR 10,428 Crores**

Revenue

(11% rise over FY 2019-20)

New products launched

- Crabtree smart sockets
- Refrigerators with Bactshield technology
- Dishwashers
- 8-step smart fan regulator
- Antibacterial switches
- Intelli-Logic ACs

Congenial work culture

**India Top 50 – Best Companies to Work For 2020**

Recognition by Great Place to Work

**50%**

Reduction in lost time injury frequency rate (LTIFR)  
(from FY 2019-20)

**32,000+**

Hours of training imparted for skill development, health and safety, etc.

Contribution towards community development

**INR 21 Crores**

CSR Spend

**60,000+**

Beneficiaries of CSR-Sanitary pads distribution initiative

Focused strategies drive environmental care

**INR 2 Crores**

Environmental expenditures

**22%**

Decrease in freshwater consumption since FY 2019-20

**5%**

Decrease in greenhouse gas (GHG) emissions from FY 2015-16

**5.60 MW**

Solar power generation capacity as of march 2021

**94%**

Recycled water consumed

**<5%**

Waste going to landfill

**5 Lakhs**

Tree saplings planted

Celebration of sustainability achievements

**Gold-rated green building award**

(for Alwar Wire Plant and Ghiloth AC Manufacturing Plant)

For Green Factory Building Rating System by Indian Green Building Council

Transparent disclosures lead to global and domestic industry recognitions

**69**

DJSI\* score

(industry average is 41)

\*Dow Jones Sustainability Indices (DJSI)



Economic and governance



Social



Environment

Note: All numbers showcased as highlights/call outs in this report are rounded off to maintain design aesthetics.

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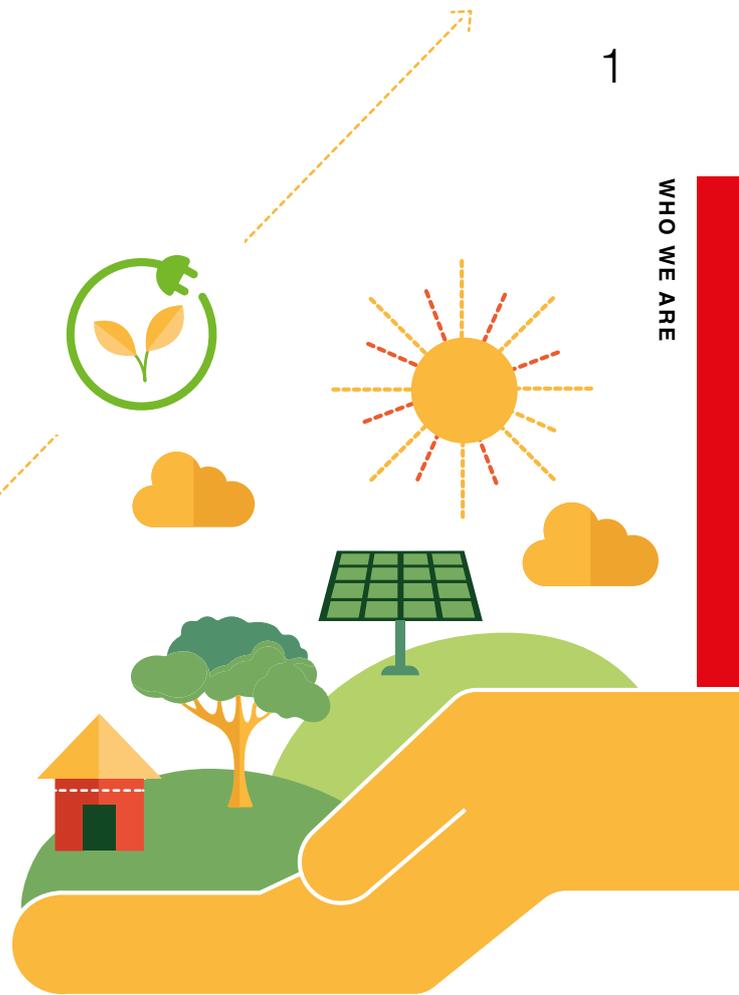


# CONSISTENT PERFORMANCE SUSTAINABLE PROGRESS

At Havells, our sustainability agenda is driven by the triple bottom line, i.e., economic, social and environmental. As a leader in the fast-moving electrical goods (FMEG) sector, we are setting benchmarks with path-breaking innovation while creating a wide and vibrant ecosystem that has no parallels in the industry.

We define our strategic objectives to deliver sustained value for our stakeholders while delivering meaningful progress for the society at large. Our focus on energy and resource efficiency, as well as product quality and safety reduces our environmental footprint and enables our customers to meet their sustainability goals.

Our sustainability efforts are not limited within the organisation but spans the entire value chain – promoting optimal use of resources. Today, we are a ‘water positive company’ and are aiming to be ‘wood and paper neutral’ in the near future.



In a year of unprecedented challenges, we managed to deliver a resilient performance, which testifies to the sustainability of our ecosystem. Together, with our stakeholders, we stood in solidarity with the nation and the world to continue on the path of sustainable progress, with renewed confidence and reinforced commitment.



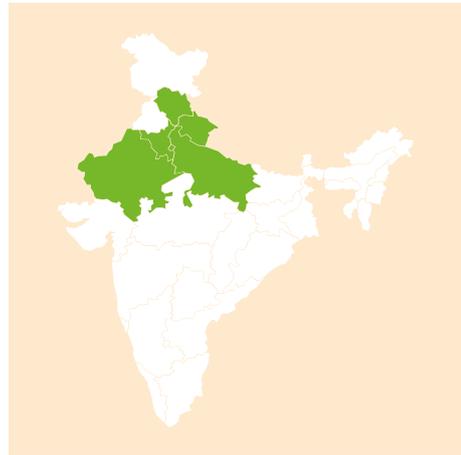
## Approach to reporting

This sustainability report is prepared in accordance with the GRI Standards Comprehensive option. It presents our material issues and how we are contributing towards achieving those and aligning them with the United Nations Sustainable Development Goals (UN SDGs). We are a signatory to the United Nation Global Compact (UNGC). This sustainability report titled 'Consistent performance Sustainable progress', communicates our sustainability commitment, initiatives and performance on different environmental, social and governance aspects during FY 2020-21.

### Reporting scope and boundary

Our 9<sup>th</sup> sustainability report provides information for the period between 1<sup>st</sup> April 2020 to 31<sup>st</sup> March 2021 (FY 2020-21). The last sustainability report was released for FY 2019-20. The reporting boundary for our disclosures, unless otherwise stated, covers all operations of Havells India Limited, its seven manufacturing locations and one corporate office.

**Performance indicators are provided based on the following units in India:**



#### Corporate office

1. Noida (Uttar Pradesh)

#### Production facilities

2. Alwar (Rajasthan)
3. Neemrana (Rajasthan)
4. Ghiloth (Rajasthan)
5. Baddi (Himachal Pradesh)
6. Faridabad (Haryana)
7. Haridwar (Uttarakhand)
8. Sahibabad (Uttar Pradesh)

## External assurance

This sustainability report is externally assured by M/s. KPMG India. The information on Business Performance is derived from our audited financial statements for FY 2020-21. 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.

 **84-86**

## Data integrity

We collected and analysed relevant data to support our disclosures for this sustainability report. We exercised strict internal controls to collect and analyse the relevant data that we share here to support our disclosures captured through our integrated data management system. Our aim is to provide information that is accurate and reliable, and at the same time unbiased, comparable, and comprehensible. Wherever applicable, we have taken care to cite any significant limitations in the information.

## Materiality

We conduct a thorough materiality assessment every three years, with the last one held in 2018. As part of the materiality process, we engage with both internal and external stakeholders to ascertain their expectations and aspirations and how these factors impact our business. The identification of material topics helps us frame our strategies and guide us towards making the relevant disclosures.

## Precautionary approach

We follow a precautionary approach towards minimising our business risks and the impact of our business operations on the environment. We have implemented environment, health and safety (EHS) management systems in our plants to address issues related to these subjects. We get our EHS management system audited on a regular basis by independent auditors.

## Feedback

Any queries on this report or about the sustainability agenda of the Company may please be sent by email to: [sustainability@havells.com](mailto:sustainability@havells.com)

## Key icons used in this report



Economic and governance



Social



Environment



Read more on

**SUSTAINABLE DEVELOPMENT GOALS**



# Delivering excellence across the world

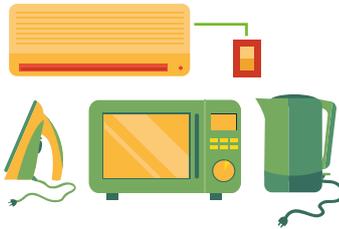
Havells manufactures and supplies an expansive product range for consumers across India and 60+ countries worldwide. Synonymous with excellence and precision, our products enjoy market dominance and are a preferred choice for diverse individual and industrial consumers.

## Key facts



# 14

Manufacturing units



# 21

Product verticals



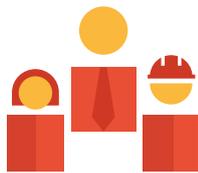
# 5

Brands



# 2

Major research centres



# 5,700+

Permanent employee strength



# 15,500+

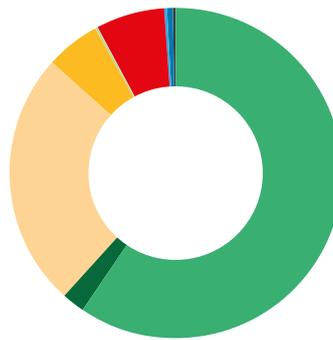
Direct dealer/partners



## Did you know?

- We are rated as one of the top-most brands for miniature circuit breaker (MCBs) in India
- We are among the lowest-cost MCB manufacturers
- Our Sahibabad plant has India's first automated magnetic contactor assembly line
- Our Alwar plant, which is completing its 25 years, is India's largest integrated cable manufacturing plant

Shareholding pattern (%)  
(as on 31<sup>st</sup> March 2021)



Indian Promoters	59.50
Mutual Fund and Alternative Investment Funds	2.39
Foreign Portfolio Investors	24.91
Bank, Financial Institutions and Insurance Companies	5.50
Central Government/ State Government(s)	0.19
Indian Public	6.53
Non-Resident Indians	0.42
Corporate Bodies	0.55
Employee Benefit Trust	0.01

## Trade body associations

- Indian Electrical and Electronics Manufacturers Association (IEEMA)
- Electric Lamp and Component Manufacturers Association of India (ELCOMA)
- Consumer Electronics and Appliances Manufacture Association (CEAMA)
- Indian Fan Manufacturers Association (IFMA)
- Water Quality Association
- Confederation of Indian Industries (CII)
- PHD Chamber of Commerce and Industry
- National Safety Council

## Credit ratings

Long-term Bank facilities (CC and TL): **CARE AAA**

Short-term Bank facilities: **CARE A1+**

## Ranked among the top 10 in DJSI rating

We have been consistently ranked among the top 10 companies in the industry in Dow Jones Sustainability Index's (DJSI) ESG assessment, since participating three years back. During the year, we ranked globally 7<sup>th</sup> in the DJSI index for our sector. For FY 2020-21, we also improved our overall ESG score and debuted in the S&P Global's Yearbook.

**7<sup>th</sup>**

Global DJSI rank for  
FY 2020-21 in our sector

MEMBER OF  
**Dow Jones Sustainability Indices**  
In Collaboration with RobecoSAM



Now a Part of **S&P Global**

## UNGC association

We are also signatory to the ten principles of United Nations Global Compact (UNGC) pertaining to human rights, labour, environment and anti-corruption. This affiliation influences our policies, strategies and decisions.



# Making innovative and smart products

We deliver next-generation products and services, with latest technologies to delight our consumers.

## Product range



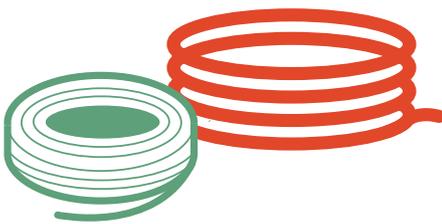
### Switchgears

- Switches
- Domestic switchgears
- Industrial switchgears
- Capacitors
- Automation and control



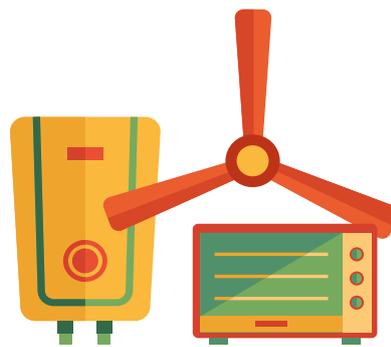
### Lighting & Fixtures

- Professional luminaires
- Consumer luminaires



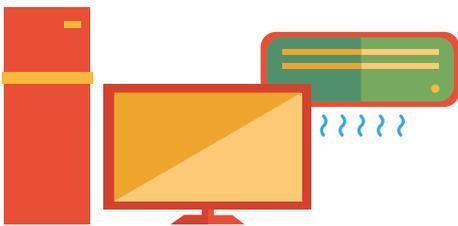
### Cables

- Power cables
- Flexible cables



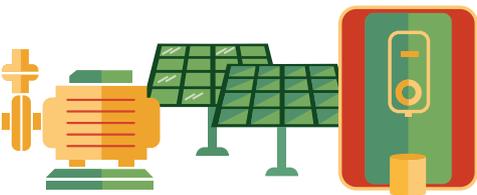
### Electrical Consumer Durables

- Fans
- Small domestic appliances
- Water heaters



## Lloyd Consumer

- Air conditioners
- Refrigerators
- Washing machines
- Televisions
- Other small domestic appliances



## Others

- Motors
- Solar
- Pump
- Water purifiers
- Personal grooming products

## Exciting and innovative offerings

At Havells, we are building one of the most exciting and innovative product lines. With our steady investments in research and development, emphasis on exploring new product opportunities and focus on delivering best-in-class products, we are building a comprehensive and complementary product portfolio. During 2020, we continued to launch new-age products such as 'Carnesia-I' fans that auto adjust fan speed based on room temperature and humidity, antibacterial switches, refrigerators with Bactshield technology, alkaline water purifier, Intelli-Logic ACs, smart sockets that allow mobile or voice commands on ordinary devices and others.

 38-39

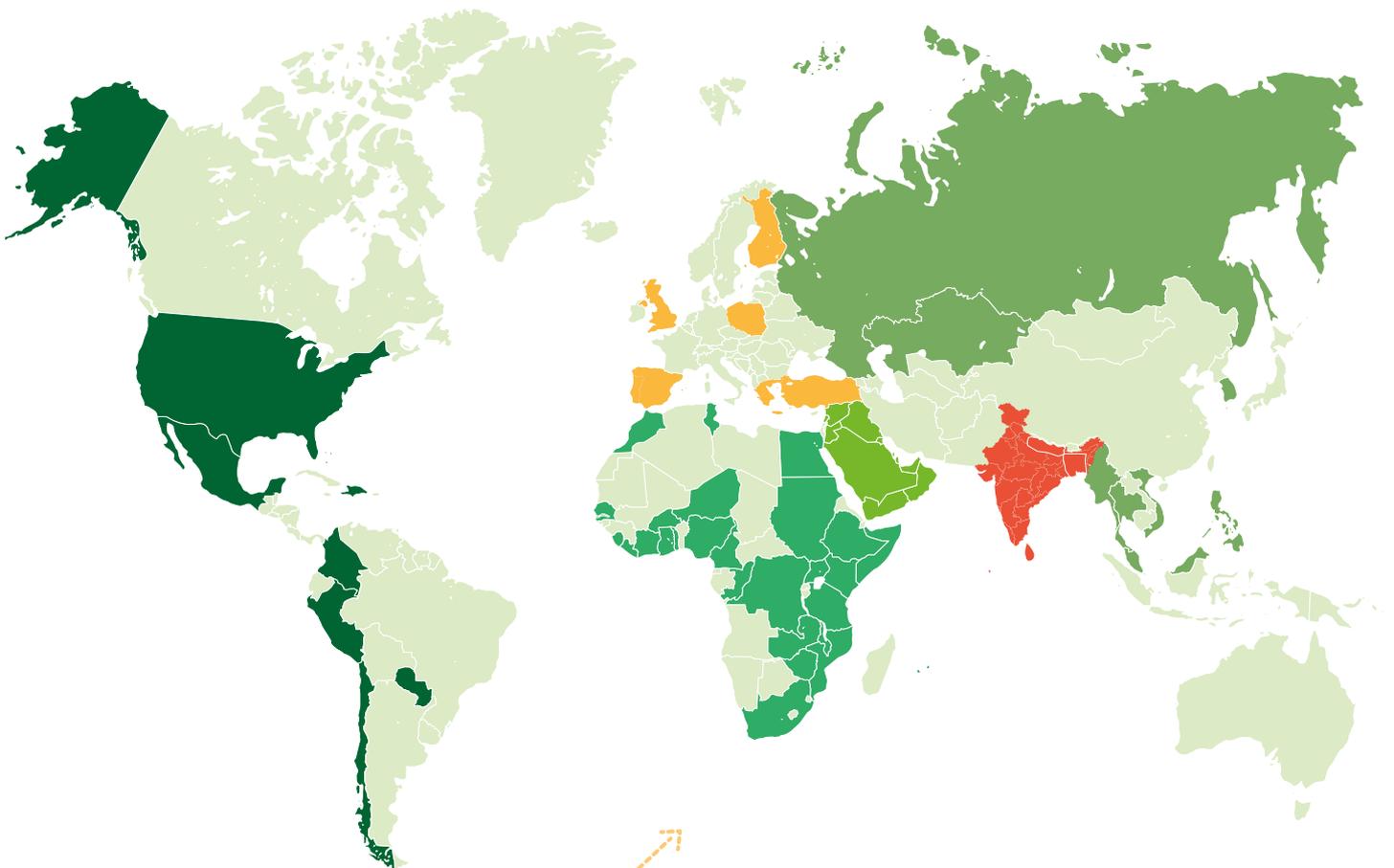
## Brands that find resonance across markets

The Havells brand ranking rank on the Brand Finance Brandirectory index improved from four places to 80<sup>th</sup> spot in 2020. Our other brands (Crabtree, Standard, REO and Lloyd) also enjoy high recall and loyalty in several domestic and international markets. Brands from the house of Havells echo across markets due to our best-in-class product quality and customer services.

## Expanding presence across markets

During the year, we penetrated further across markets, offering our customers high-quality, world-class products and services.

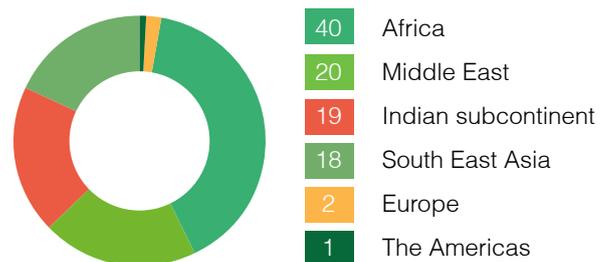
In line with our overall commitment of 'making in India and taking it to the world', we increased our sales presence from around 40 countries in the previous year to over 60 nations across Asia, Africa and Europe, foraying into the Americas during FY 2020-21.



**60+**

International markets  
reached during FY 2020-21

Market-wise revenue mix (%)



Map not to scale, only for illustration purpose.

## Our international presence

### Africa & Oceania

Burkina Faso	Niger
Cameroon	Nigeria
Côte d'Ivoire	People's Republic of the Congo
Democratic Republic of the Congo	Senegal
Egypt	Sierra Leone
Ethiopia	Somalia
Fiji	South Africa
Gambia	Sudan
Ghana	South Sudan
Kenya	Tanzania
Liberia	Togo
Malawi	Tunisia
Mauritius	Uganda
Morocco	Zambia
Mozambique	Zimbabwe

### South Asian Association for Regional Cooperation (SAARC) countries

Bangladesh  
India  
Maldives  
Nepal  
Sri Lanka

### Association of Southeast Asian Nations (ASEAN) countries

Kazakhstan  
Malaysia  
Myanmar  
Phillippines  
Russia  
South Korea  
Thailand  
Vietnam

### Middle East

Bahrain	Saudi Arabia
Iraq	Syria
Jordan	UAE
Kuwait	Yemen
Lebanon	
Oman	
Qatar	

### Europe (OEM)

Finland  
Greece  
Poland  
Portugal  
Spain  
Turkey  
United Kingdom

### The Americas

Columbia  
Chile  
Dominican Republic  
Mexico  
Paraguay  
Peru  
United States of America

## Message from the Chairman and Managing Director



Dear Valued Stakeholders,

I am delighted to present the 9<sup>th</sup> edition of your Company's Annual Sustainability Report for FY 2020-21. The report is a testimony to our continuous efforts towards embracing and implementing a balanced approach towards economic, environmental and social impact in our day-to-day business operations.

### A challenging year

The year was indeed a unique one as the COVID-19 contagion ravaged socio-economic developments globally. As we live through these unprecedented times, for once it felt like the worst is over but unfortunately the second wave of COVID has gripped the country with even more ferocity. During this protracted pandemic, I wish that all in the Havells family and every Indian stay safe and follow COVID safety protocols.



Besides, sustainability is not confined to environment, social and governance at Havells. It is in each aspect of the organisation whether it is quality of the product or efficient utilisation of resources in the manufacturing process. For instance, we help customers build sustainable homes by creating long-lasting, high-quality switchgear and wires, which are lifeline of electric distribution systems in buildings.

#### **Anil Rai Gupta**

Chairman and Managing Director

## Our response

At Havells, we relied on agile, nimble and pragmatic approach to the unprecedented and unforeseen pandemic. In the initial period, we focused on safety of our employees, dealers and other stakeholders through effective and constant communication. We held online townhalls with our workforce, dealers and vendors to assuage their anxieties and assuring our support in such difficult times. We invoked the spirit of togetherness, hope and humanity to be helpful to each other.

I would like to express my sincere gratitude to the entire team for their exemplary contribution and efforts. I would single out our factory staff, the frontline staff, supervisors and supply chain team for their inexhaustible energy to keep going and deliver against all odds. They are Havells' COVID WARRIORS and I would thank them on behalf of yourselves.

## Resilience tested

The core of our sustainable business performance focuses on generating enduring value for our stakeholders, whilst being conscious of our environment, safety of our employees, business partners and customers, system and operational excellence and contributing to community welfare. As a sustainable business house, I am happy to report that continuing our status, FY 2020-21 saw another year of 'zero occupational fatality' at Havells.

As business gradually gained traction post the lockdown, we were able to fulfil consumer demands through our vast distribution network supported by continuity in product supply through in-house production. We provided digital solutions to our trade partners and consumers who were able to access our service team through multiple mediums and were provided solutions through audio and video assistance.

# 3,00,000+

**Meals distributed through local government's food initiative for the underprivileged groups of the society**

## Delivering responsibly

We believe that climate change is an alarming situation for the entire world with concerns such as: increase in average global temperature, erratic weather and rainfall patterns, forest fires, heatwaves, depleting water bodies and others. We strive to include environmental sensibilities into our products, factories and buildings. Our products are increasingly oriented towards well-being like low-noise mixer grinder, low water discharge in water purifiers, air-conditioners and fans with air purifiers. Similarly, our factory buildings deploy materials which are eco-sensitive and consume less energy. Havells' Wire Plant, Alwar and Air-Conditioner Plant, Ghiloth (both in Rajasthan) have been recognised and certified as Gold-rated Green Building by Indian Green Building Council (IGBC) for implementing the best green building design and development features.

Besides, sustainability is not confined to environment, social and governance at Havells. It is in each aspect of the organisation whether it is quality of the product or efficient utilisation of resources in the manufacturing process. For instance, we help customers build sustainable homes by creating long-lasting, high-quality switchgear and wires, which are lifeline of electric distribution systems in buildings.

Working steadily towards conservations and management of water resources, we have been a water positive organisation since FY 2015-16. We are constantly focused on enhancing water recharging capacity through rainwater harvesting coupled with conserving water consumption at each manufacturing plant. During the year, we curtailed our water use by ~36% compared to FY 2017-18.

Augmenting our renewable energy consumption, we are installing an additional 1.95 MW roof-top solar plant at our Alwar unit. It would increase our solar power generation capacity to 7.55 MW, thereby enhancing on our efforts to reduce our carbon emissions. It is expected to be commissioned during FY 2021-22.

We direct less than 5% of our wastes to landfills. This is accomplished by following the principles of 5Rs – reduce, reuse, recycle, recover and residual management. At present, ~94% of our hazardous waste undergoes recycling.

It is through these continuous efforts that we have consistently maintained our listing on S&P Global Dow Jones Sustainability Index, successfully making it to S&P Global Year Book in 2021.

Delivering our responsibility to society, we team up with our community members to help strengthen our corporate citizenship initiatives. Our activities focus on delivering quality education, infrastructure, nutrition and hygienic sanitary conditions for government schools. We administer one of the largest corporate mid-day meal programmes across India and focus on environmental and cultural preservation initiatives. During the pandemic, under our flagship programme, Mid-day Meal Distribution, we distributed over 3 Lakhs meals through the local government's initiative of food distribution to the unserved people. Also, through our intervention on Sanitation and Hygiene, we

distributed 60,000+ reusable sanitary pads to girls across the country. Working on our efforts to underline environmental sustainability and grow as a wood and paper neutral company, we planted more than 5 Lakhs tree saplings during the year at Bhopal, Madhya Pradesh and Neemrana, Rajasthan. With our responsible efforts we have been able to align our ESG activities to the UN-Sustainable Development Goals for a better future.

## Way forward

We believe what's good for society is good for the business. Growth with sensitivity, transparency and integrity would remain leitmotif of Havells' business aspirations. We will deploy technology, including big data, robotics and artificial intelligence to stay ahead to the competitive and efficiency curve.

'PHYGITAL' is a new reality where physical (offline channels) co-exist with the digital (online) channels. The alternate channels (Online, Modern Food Retail, Canteen and others) are expected to gain relevance over the years. Havells has nurtured strong relationship with these channels which would reflect in additive growth in the medium term.

In these challenging times of COVID second wave, we dedicate ourselves to the safety and welfare of each stakeholder and the society. I urge you to follow COVID-appropriate behavior. I wish you a healthy and sustainable future.

Regards,

**Anil Rai Gupta**  
Chairman and Managing Director

## Responding to a global crisis with agility

COVID impacted every aspect of human life. At Havells, we consider it our duty to serve humanity throughout this phase. During the year, we undertook several measures to help and safeguard our different stakeholder groups, including:



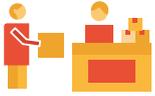
### Employees

- Began work from home for our corporate team colleagues
- Resumed operations and focused on the safety of our manufacturing team with constant emphasis on hygiene and sanitisation at the workplace according to government directives
- Engaged with our people constantly to assuage their fears and build deeper connect
- Encouraged our people to follow all social distancing and hygiene norms, especially when dealing with their families and friends
- Initiated Samvaad with the help of a health and wellness professional, for bringing different perspectives of life for our people and their families
- Started Havells Music Studio, Lockdown Engagement Video and other such light-hearted activities to promote increased engagement level of employees

 66-69

### COVID vaccine for Team Havells

During the year, we also launched an initiative to inspire our people to get vaccinated for COVID-19. Under this programme, Havells will reimburse every employee, who gets vaccinated, whether permanent or contractual.



### Channel partners

- Extended full support to vendor and dealers during the pandemic
- Engaged regularly through the virtual platforms to understand and cater to their expectations
- Deepened engagement and coordination with the channel partners with respect to specific initiatives

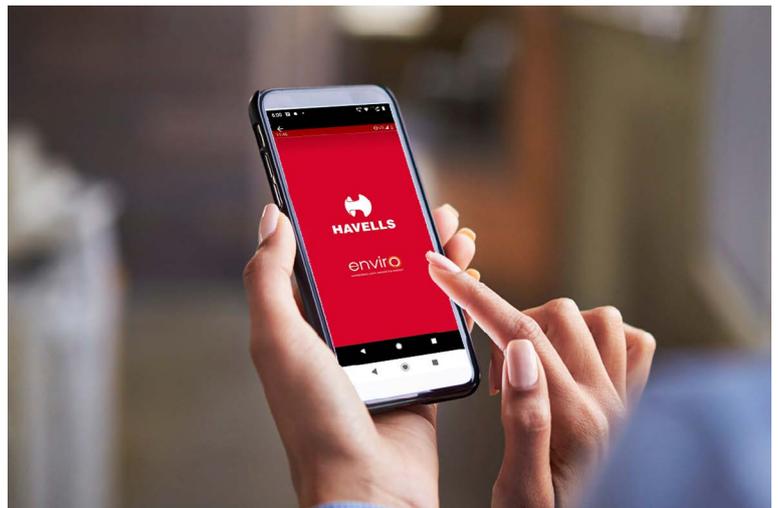
70-71



### Customers

- Increased the warranty period of our products
- Utilised Whatsapp calls and videos to help customers register their issues
- Introduced Do it Yourself (DIY) maintenance videos to help customers care for their products
- Organised online grooming classes by celebrity stylists

64-65



### Communities

- Distributed 3,00,000+ meals in Alwar, Rajasthan prepared in our state-of-the-art centralised kitchen hygienically
- Donated ceiling fans to COVID Care centres
- Distributed 60,000+ reusable sanitary pads to girls across the country

72-75



# Shaping a better future for everyone

Sustainability has always played a significant role in steering Havells' business decision-making. We remain dedicated to holistic growth, with a focus on the triple bottom line. We are using technology and innovation to reduce our impact on the environment, strengthen partnerships, enhance social responsibilities and improve people practices.

## Sustainability focus areas

### Value creation

- Lean balance sheet
- Net cash positive
- Cost rationalisation



### Community development

- Increase in CSR beneficiaries
- Expand green cover
- Increase the number of bio-toilets



### Governance

- Risk management framework
- Compliance
- Conducting supplier assessment for critical suppliers



### Environmental care

- Multi-fold water positivity
- Reduce specific energy consumption
- Decrease in waste to landfill

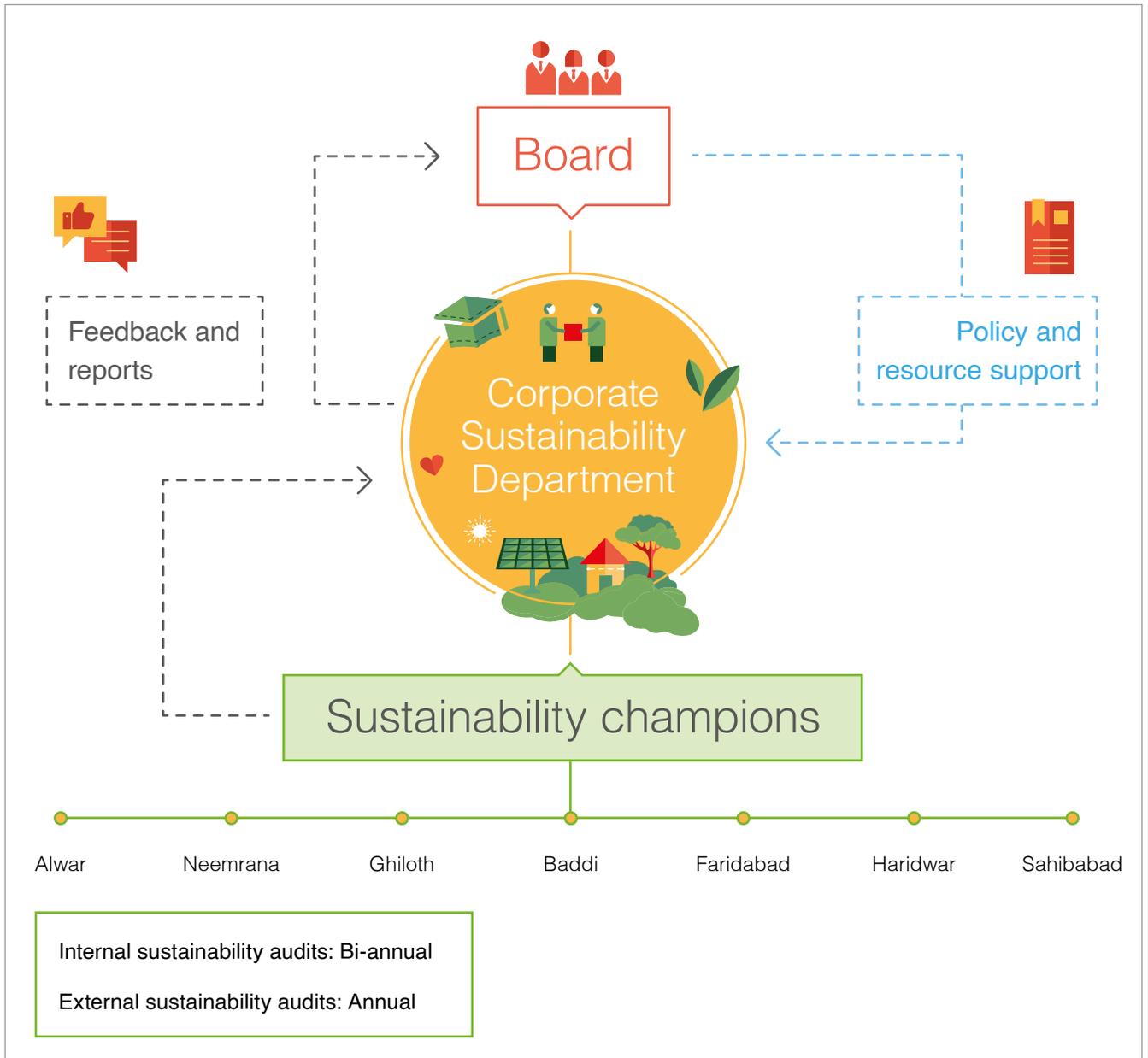


## Sustainability governance

Sustainability at Havells is steered from the Boardroom. Our policies are directed towards developing business strategies that influence our sustainability. At Havells, our value creation and sustainability agenda is driven by our top management that provides overall policy and design interventions based on inputs from all levels of the organisation.

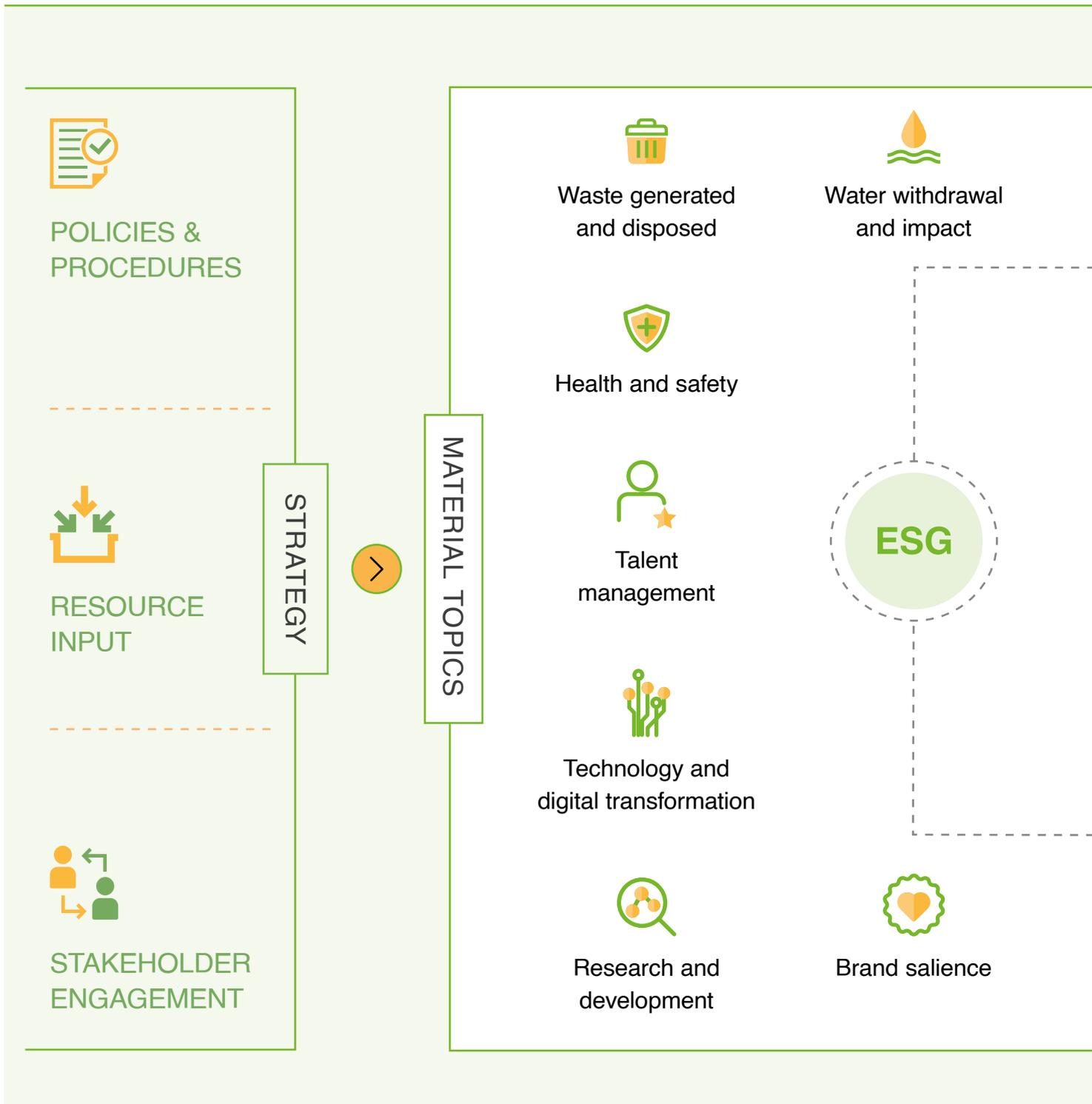
Although, we believe every employee is a crucial part for our organisational sustainability framework, a dedicated department of corporate sustainability is supported by designated sustainability champions at our various locations. The entire team works together to collect, monitor, analyse and improve different non-financial performance parameters such as reducing water and energy consumption, waste management and others.

## Sustainability governance model

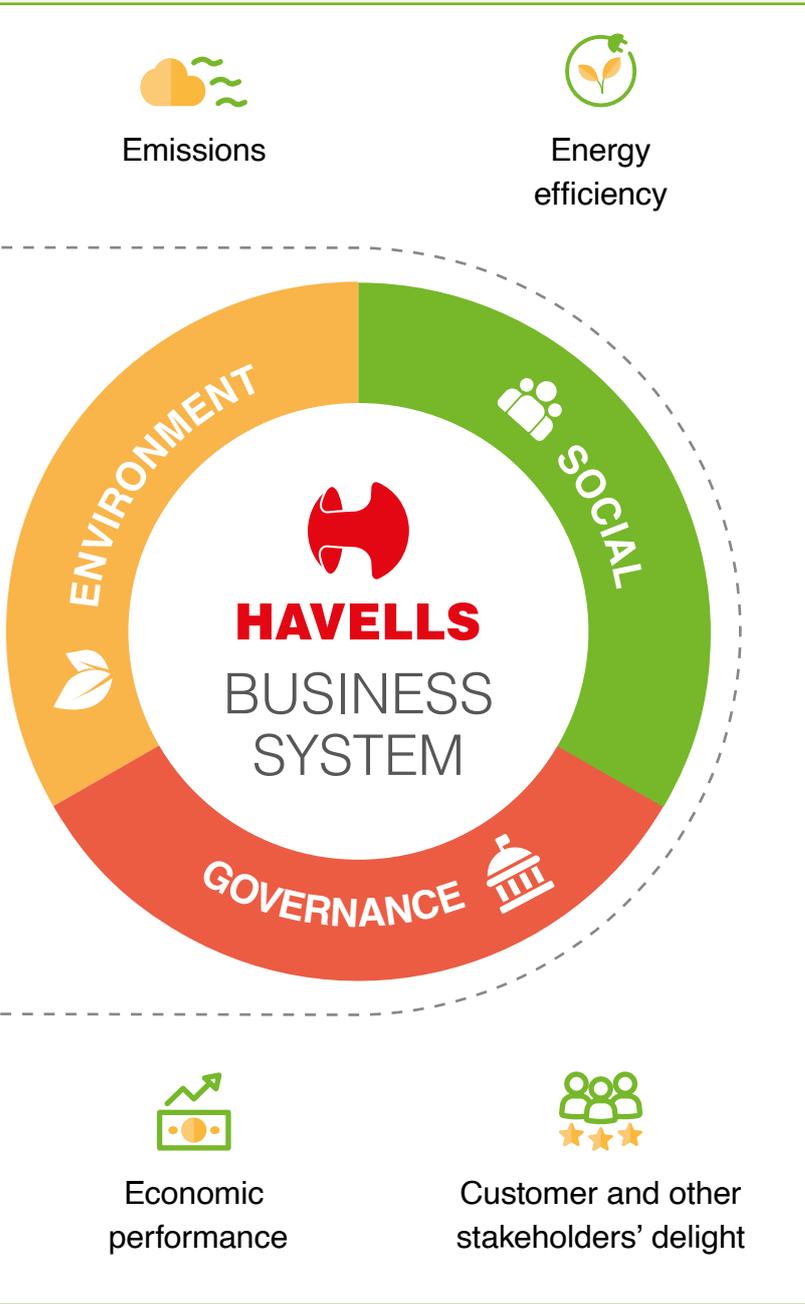


# Sustainability model

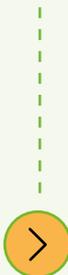
Our sustainability model focuses on stakeholder value creation through identification of the Havells' material topics, developed in consultation with the stakeholders. The strong foundation of governance with ethics, integrity, transparency help us steer our way forward.



# SUSTAINABILITY



STAKEHOLDER VALUE CREATION



**LONG-TERM PERFORMANCE**

SOCIETAL IMPACT

## Strengthening bonds with stakeholders

We are building enduring relationships with our internal and external stakeholders and connecting with them regularly to understand their perspective. Our stakeholder identification and prioritisation process is based on the tenets of inclusivity, materiality and responsiveness.

We continuously engage with our stakeholders through surveys, conferences, face-to-face meetings, email/telephonic communications and others. Simultaneously, we ensure that their suggestions and comments are addressed. During the year, we primarily used online/virtual platforms to connect with them.

Stakeholder group	Relevance to Havells	Engagement topics	Communication channels	Activities during FY 2020-21
<b>Shareholders/ investors</b> 	<ul style="list-style-type: none"> <li>Provide financial capital for the business and can influence business decisions with focus on ESG and sustainable finance</li> </ul>	<ul style="list-style-type: none"> <li>Credit rating</li> <li>Sustainable business model</li> <li>Transparency</li> <li>Governance</li> <li>Earnings per share</li> <li>Exponential growth</li> <li>Cost rationalisation</li> <li>Complaints and grievances</li> </ul>	<ul style="list-style-type: none"> <li>Financial results declaration (quarterly)</li> <li>Annual General Shareholders Meetings</li> <li>Disclosure tools, including Annual Reports, Sustainability Reports, website and others</li> </ul>	<ul style="list-style-type: none"> <li>Routine disclosures as per statutory requirements</li> </ul>
<b>Employees</b> 	<ul style="list-style-type: none"> <li>Core of operations, business innovation and design, and productivity depend on their collective knowledge and experience</li> </ul>	<ul style="list-style-type: none"> <li>Scope of learning and growth</li> <li>Remuneration and benefits</li> <li>Equal opportunities</li> <li>Promotion of occupational health and safety</li> </ul>	<ul style="list-style-type: none"> <li>Intranet/emails, etc.</li> <li>In-house newsletters</li> <li>Training programme</li> <li>Employee surveys</li> <li>Rewards recognitions</li> </ul>	<ul style="list-style-type: none"> <li>Regular online sessions to motivate people</li> <li>Online learning and development programmes</li> <li>Samvaad and Havells Music Studio</li> </ul>
<b>Customers</b> 	<ul style="list-style-type: none"> <li>Their purchase decisions impacts business, making it imperative to constantly engage with them to understand their requirements and aspirations</li> </ul>	<ul style="list-style-type: none"> <li>Create better products and services</li> <li>Respond to complaints and grievances</li> <li>Meet quality requirements</li> <li>Provide information on technical and pricing queries on time</li> </ul>	<ul style="list-style-type: none"> <li>Customer servicing and feedback collation</li> <li>Marketing activities</li> <li>Online engagement through the website and social media</li> </ul>	<ul style="list-style-type: none"> <li>Online engagement through social media platforms</li> </ul>

Stakeholder group	Relevance to Havells	Engagement topics	Communication channels	Activities during FY 2020-21
<b>Dealers</b> 	<ul style="list-style-type: none"> <li>Partners in progress and provide direct market feedback on various aspects of a product</li> </ul>	<ul style="list-style-type: none"> <li>Building long-term business relations</li> <li>Effective information dissemination</li> <li>Technical knowledge exchange and other collaborations</li> <li>Contract terms and conditions</li> </ul>	<ul style="list-style-type: none"> <li>Dealer meets</li> <li>Dealer surveys</li> <li>Welfare schemes</li> <li>Training and education</li> <li>Dealer feedbacks</li> </ul>	<ul style="list-style-type: none"> <li>Frequent virtual meets with the dealers</li> <li>Ensured timely and safe supply of products</li> </ul>
<b>Vendors</b> 	<ul style="list-style-type: none"> <li>On-time delivery of quality raw materials depend on them</li> </ul>	<ul style="list-style-type: none"> <li>Building long-term business relations</li> <li>Effective information dissemination</li> <li>Technical knowledge exchange and other collaborations</li> <li>Contract terms and conditions</li> </ul>	<ul style="list-style-type: none"> <li>Contract negotiations</li> <li>Supplier Code of Conduct policies and standards</li> <li>Supplier meetings</li> <li>Sustainability assessment</li> <li>Vendor due diligence</li> <li>Pre-qualification engagement</li> </ul>	<ul style="list-style-type: none"> <li>Samanvay – virtual vendor meet with 60+ vendors</li> </ul>
<b>Communities</b> 	<ul style="list-style-type: none"> <li>Social licence to operate</li> </ul>	<ul style="list-style-type: none"> <li>Help in enhancing standard of living with better education and health, hygiene and sanitation facilities</li> <li>Improved opportunities to gain employable skills and scope for income generation</li> </ul>	<ul style="list-style-type: none"> <li>Social contribution/ CSR activities</li> <li>Public hearings</li> <li>Community impact assessment surveys</li> <li>Complaints and grievance mechanisms</li> </ul>	<ul style="list-style-type: none"> <li>Delivered 3,00,000+ meals in the communities we serve during the lockdown</li> <li>Continue to supply dry rations to mid-day meal beneficiaries</li> </ul>
<b>Bankers and other financial institutions</b> 	<ul style="list-style-type: none"> <li>Offer credit and are influenced by government policies on industry segments</li> </ul>	<ul style="list-style-type: none"> <li>Credit rating</li> <li>Sustainable business model</li> <li>Governance</li> </ul>	<ul style="list-style-type: none"> <li>Credit rating</li> <li>Quarterly reports and updates</li> <li>Compliance visits and audits</li> <li>Analyst meets</li> </ul>	<ul style="list-style-type: none"> <li>Periodic sessions and engagement in relation to credit ratings, quarterly disclosures and others</li> </ul>
<b>Regulators and statutory bodies</b> 	<ul style="list-style-type: none"> <li>Rules and regulations set by them are to be followed</li> </ul>	<ul style="list-style-type: none"> <li>Compliance</li> <li>Disclosures on aspects defined by the government</li> </ul>	<ul style="list-style-type: none"> <li>Regular compliance report</li> <li>Statutory and internal audit</li> </ul>	<ul style="list-style-type: none"> <li>Compliance refresh of Acts and Rules by third party</li> </ul>
<b>Media</b> 	<ul style="list-style-type: none"> <li>Provides regular, credible progress information to stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>Important announcements meant for mass stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>Media meets</li> <li>Press conferences</li> <li>Press releases</li> <li>Management interviews</li> </ul>	<ul style="list-style-type: none"> <li>Conducted various online media campaigns, especially on social media platforms like Facebook, Instagram and others</li> </ul>

# Prioritising what matters most

Our material topics identification process, a comprehensive stakeholder engagement procedure was conducted in 2018, helped us identify our material topics and understand our obligations towards our stakeholders.

## Five-step assessment methodology



After this exercise was completed, we developed a comprehensive roadmap to manage our material topics. The roadmap is being effectively tracked and monitored to ensure enhanced sustainable performance.

## Materiality matrix



 Economic and governance
  Social
  Environment

Critical material topics and SDGs mapped

 **Economic and governance**

**Economic performance**

We focus on profitable growth, reducing manufacturing costs, improving margins, etc.



**Brand salience**

We maintain brand promise of safety, quality and world-class products.



**Technology and digital transformation**

Technology and digital infusion has been a major focus area for us to build an organisation that is future ready and meets the intrinsic needs of our consumers for Internet of Things (IoT) devices.



**Research and development**

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



 **Social**

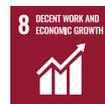
**Customer and other stakeholders' delight**

Customer delight is central to our value creation. Our business reach, product portfolio and strong service network are 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.



**Health and safety**

Safety is a priority at Havells. We ensure a safe and secure workplace for our employees. We are dedicated and vigilant in maintaining a zero occupational fatality workplace at all our units. We observe a zero-tolerance policy in terms of not following health and safety norms at the workplace. We are an equal opportunity employer and our employees display a strong sense of loyalty.



**Talent management**

Our talent management policies and programmes strive to balance employee aspirations with organisational aspirations to build long-lasting, mutually rewarding relationship with them. We aim to provide a work environment where our people are encouraged to contribute their best and are suitably recognised.



 **Environment**

**Emissions**

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



**Waste generated and disposed**

Across all our processes, 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.



**Water withdrawal and impact**

Since inception, we have been committed to judicious use of water in our day-to-day operations. Being the first fast-moving electrical goods 'water positive' company in India is a testimony of our commitment. We have undertaken several initiatives that have helped us in minimising water withdrawal and discharge impacts.



**Energy efficiency**

We are conscious of environmental protection and encourage development of products which have low energy footprint for entire lifecycle (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 and pollution, along the entire product life cycle.



# UPHOLDING THE HIGHEST GOVERNANCE STANDARDS



AT HAVELLS, OUR STRONG GOVERNANCE ALLOWS US TO RUN A TIGHT SHIP. OVER THE YEARS, THIS APPROACH HAS ENABLED US TO CREATE A RESILIENT ORGANISATION.



Key corporate governance indicators

**50%**  
Independent Directors

**~10 YEARS**  
Average tenure of the Board

**5**  
Committees headed by  
Independent Directors

Material issues addressed in this segment

  
**Economic and  
governance**

Brand salience  
  
Technology and  
digital transformation



**Social**

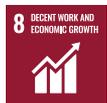
Customer & other  
stakeholders' delight  
  
Health and safety  
  
Talent management



**Environment**

Emissions  
  
Energy efficiency

SDGs served



# Ensuring accountability at all levels

Havells incorporates the highest levels of transparency, accountability, controls and efficiency through a robust corporate governance system.

## Board of Directors

### Non-Independent Directors



**Anil Rai Gupta**  
Chairman and Managing Director



**Surjit Kumar Gupta**  
Non-Executive  
Non-Independent Director



**Ameet Kumar Gupta**  
Whole-Time Director



**Rajesh Kumar Gupta**  
Whole-Time Director (Finance) and  
Group CFO



**Siddhartha Pandit**  
Whole-time Director



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



**Puneet Bhatia**  
Non-Executive  
Non-Independent Director

### Independent Directors



**Pratima Ram**  
Independent Director



**Jalaj Ashwin Dani**  
Independent Director



**Upendra Kumar Sinha**  
Independent Director



**Subhash S Mundra**  
Independent Director



**B Prasada Rao**  
Independent Director



**Vivek Mehra**  
Independent Director



**Namrata Kaul**  
Independent Director (Additional)



**Ashish Bharat Ram**  
Independent Director (Additional)

-  Corporate Social Responsibility Committee
-  Enterprise Risk Management Committee
-  Audit Committee

-  Nomination and Remuneration Committee
-  Stakeholders Relationship/ Grievance Redressal Committee
-  Chairman

#### Notes:

1. With effect from 20th January, 2021, Smt. Namrata Kaul was appointed as an Additional Director (Independent) subject to approval of the shareholders at the ensuing AGM of the Company on 30th June, 2021
2. With effect from 20th May, 2021, Shri Ashish Bharat Ram was appointed as an Additional Director (Independent) subject to approval of the shareholders at the ensuing AGM of the Company on 30th June, 2021



During FY 2020-21, there were five (5) Board meetings, all of which were conducted virtually. The time gap between any two Board meetings did not exceed 120 days. We received four (4) shareholder grievances, which were resolved within the year. The average tenure of the Board for the year ended 31<sup>st</sup> March 2021 was 9.71 years.

## Composition of the Board



## Mandate of the Board

Our Board and its Committees supervise our business with the objective of enhancing shareholder value, periodically overseeing review of all compliance reports, which may relate to, though are not limited to energy efficiency, health and safety incidents, significant labour concerns and proposed solutions.

## Board committees and their functions

### Audit Committee

Reviews our reporting process and disclosures; recommends the appointment, remuneration and terms of appointment of auditors; scrutinises inter-corporate loans and performs other such functions

### Nomination and Remuneration Committee

Determines our policy governing remuneration to the Managing Director, Whole-Time Directors and the nomination and appointment of Directors

### Stakeholder Relationship/Grievance Redressal Committee

Scrutinises the status of shareholder correspondences, queries, grievances and other such matters

### Enterprise Risk Management Committee

Identifies the risks impacting the business and formulates and administers policies strategies aimed at minimising and mitigating risks

### Corporate Social Responsibility Committee

Develops the Corporate Social Responsibility Policy indicating the activities to be undertaken by Havells and recommends the expenditure to be incurred on such activities; also monitors the policy from time to time

# Proactive response to challenges

Our structured risk management approach regularly monitors and evaluates potential risks to devise ways of mitigating them. We have a strong control system that plays a significant role in strengthening our financial, environmental, social and governance (ESG) risk management framework. We ensure to keep our stakeholder interests in mind while formulating our policies for mitigating risks.

## Enterprise Risk Management (ERM)

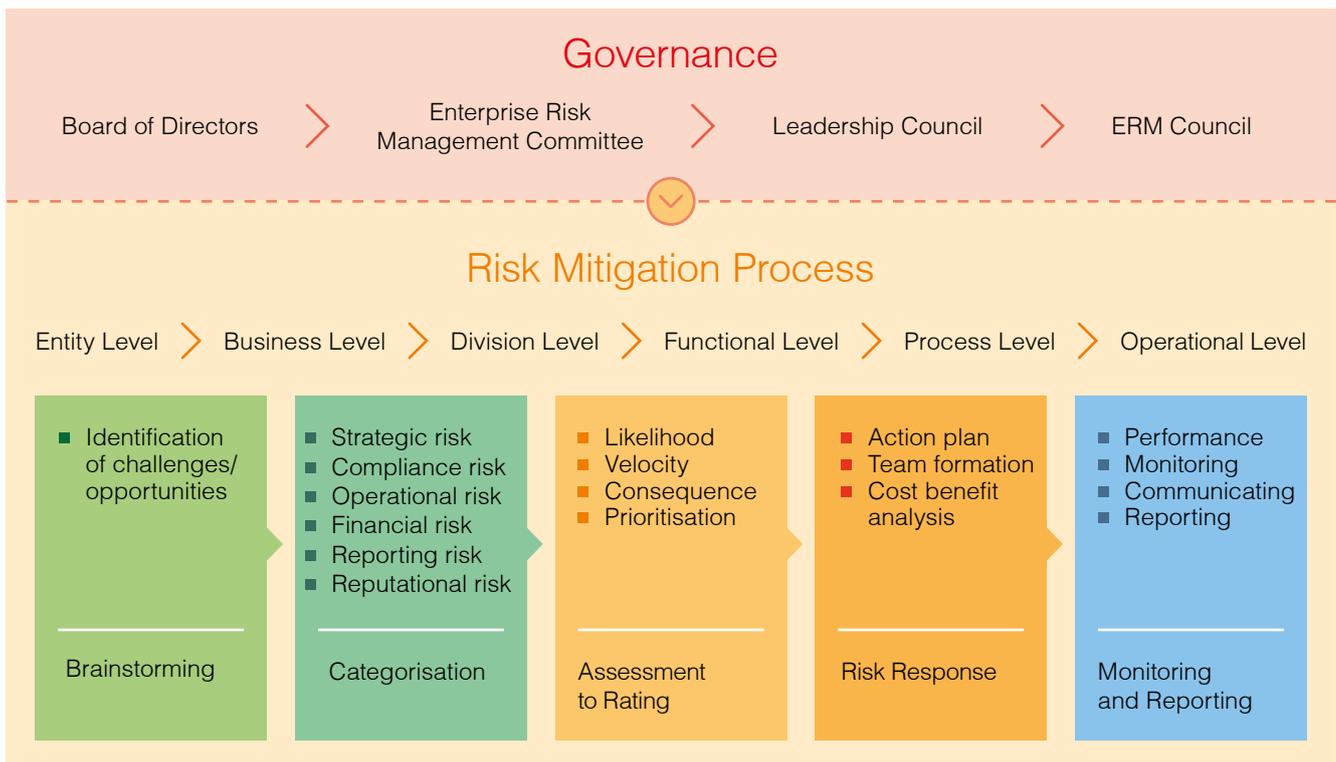
We use ERM as a strategic tool to strengthen our organisational risk supervision and simultaneously minimise challenges and capitalise on opportunities efficiently. At Havells, our ERM architecture is inspired by the Committee of Sponsoring Organisations of the Treadway Commission (COSO) Framework.

### ERM policy

Our ERM policy is holistically strategised and serves as the base for our risk management system. We remain committed to global benchmarks in good corporate governance. This focus enables us to promote long- and short-term interests of all stakeholders, strengthen the Board, create self-accountability and help build trust in the organisation.

Our ERM policy covers our ERM framework, risk categorisation and assessment, risk prioritisation and analysis, risk governance structure, assessment matrix and mitigation strategy, etc.

## Risk management architecture



## Key risk categories, risks and rating

Risk category	Risk	Likelihood (A)	Impact (B)	Velocity (C)	Overall rating (AxB)+C
Strategic	Business disruptions due to black swan events <b>N</b>	Less likely	High	Rapid	High
	Geographical and channel concentration	Less likely	Medium	Slow	Medium
	Inability to timely leverage technology to meet customer expectations and technical obsolescence	Likely	Medium	Slow	Medium
	Third-party dependence for critical technology <b>N</b>	Likely	Medium	Slow	Medium
	Cyber threats and dangers to information security	Likely	High	Rapid	High
Reputational	Brand positioning	Likely	High	Slow	High
	Digitalisation and social media	Likely	High	Rapid	High
Financial	Supply disruption and inventory obsolescence	Less likely	Medium	Rapid	Medium
	Relating to commodity prices and currency fluctuations	Likely	High	Rapid	High
Operational	Brand reputation due to unsatisfactory customer services	Likely	Medium	Slow	Medium
	Related to quality assurance	Likely	Medium	Slow	Medium
	Import dependency <b>N</b>	Likely	High	Rapid	High
	Employee attrition	Likely	Medium	Slow	Medium
	Related to environment, social and governance	Less likely	High	Rapid	High
Compliance	Intellectual property infringement and counterfeit products	Likely	High	Rapid	High
	Non-compliance risk statutory and other provisions	Less likely	High	Rapid	High

■ Likely   
 ■ Less likely   
 ■ Rapid   
 ■ Slow   
 ■ High   
 ■ Medium   
 ■ **N** New risk added during FY 2020-21

## Zero tolerance to non-compliance

We have built internal control systems that commensurate with our scale and stature. These systems ensure strict compliance with applicable laws and regulations while safeguarding our assets, preventing and detecting frauds and errors, maintaining accurate and complete accounting records and preparing reliable financial information on schedule.

We have well-defined Standard Operating Procedures (SOPs), Financial & Operation Delegation of Authority (DOA) and organisational structure for business functions ensuring smooth operations. We also have a consequence management grid and committee in place, where based on the severity of the issues, specific actions are undertaken to ensure the issues are not repeated and closed on a timely basis.

In addition, occupational health and safety is a key priority for us; our manufacturing units are OHSAS 18001/ISO 45001 certified.



### Robust compliance monitoring mechanism

For the reporting year, we observed no confirmed cases of non-compliance regarding environmental laws/ regulations or voluntary codes concerning health and safety impacts of our products and services, products-related communication and product information disclosure, labelling and marketing communications (advertising, promotion and sponsorship).



### Respecting human rights

We recognise human rights practices followed globally such as the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights and the International Labour Organisation (ILO) Core Conventions on Labour Standards and are building our organisational culture based on them. We follow our Group directive on human rights diligently. These policies are specified in our Code of Conduct and Business Ethics as well. Besides, all our production units are assessed for human rights and our employee induction programme also touches upon our code of conduct, general rules and guidelines, especially human rights policies at Havells. All our sites were assessed for human rights aspects using a standard checklist in the year under review. We also provide human rights trainings to our employees and

security guards, and aspects of human rights are part of our induction training. During the year, we trained ~90 security personnel on human rights. Our human rights policy is available on our corporate website.

We further ensure to prohibit any undesirable practice at Havells. Moreover, we make sure that no business transaction takes place with any individual/organisation that violates the fundamentals of human rights.

During the year, we recorded zero incidents of discrimination and did not receive any complaints pertaining to child labour, forced labour and involuntary labour.



## Code of Conduct

We conduct our business according to the applicable laws, rules and regulations and with the highest standards of business ethics. Our Code of Conduct (CoC) allows us to recognise and deal with ethical issues, provides mechanism to report unethical conduct and helps nurture a culture of honesty and accountability. The CoC is applicable for all Directors, Senior Management and other employees of Havells India Limited, as well as the employees of the entire Havells Group. It is available on the organisational website at [havells.com](http://havells.com) and on our intranet portal.

### Whistle-blower policy: Satark

Through Satark, anyone associated with Havells can report any observed unethical behaviour directly to the management, without fear or bias. The policy is applicable for actual or suspected fraud, violation of our CoC or ethics policy.

Apart from Satark, our employee and vendor code of conduct also have reporting mechanisms for unethical practices, including fraud and corruption.

At Havells, we ensure to make the relevant stakeholders aware of these policies with the right communication across the right forum. During the financial year, no incidents of corruption were reported.

The Satark policy is available on our website.

### Policy for encouraging an innovation culture: Idea

With Idea, we inspire an organisation-wide culture of innovative thinking and creativity across all business functions. It suitably encourages our colleagues to be more innovative with rewards and recognitions, wherein we treat the innovation as a news item and it is put on our intranet portal or newsletter to share the best practices. Details of the policy are available on our website.

### Policy on Prevention of Sexual Harassment: Nirbhaya

Nirbhaya works towards eliminating sexual harassment of women at the workplace. It has a structured approach of dealing with such cases. During the year, we accounted no such cases. The policy is available on our website.



## Policy against insider trading

Our prevention of insider trading policy is designed to restrict our employees from any security-related malpractices. It regulates and reports trading by designated persons. The policy is available on our website.



# GROWING RESPONSIBLY WITH INNOVATION



TECHNOLOGY AND INNOVATION ARE EMPOWERING US TO CHANGE THE CONTOURS OF THE FMEG INDUSTRY, SERVING AS CATALYSTS FOR VALUE CREATION AT HAVELLS AS THEY ENCOMPASS EVERY ASPECT OF THE ORGANISATION. IN FACT, OUR PRO-INNOVATION CULTURE ALLOWS US TO STRENGTHEN OUR COMPETITIVE EDGE, DELIVERING SUSTAINABLE VALUE.



Business performance for FY 2020-21

**INR 10,428 CRORES**  
Revenue

**INR 1,565 CRORES**  
EBITDA

**INR 188 CRORES**  
Dividend

**INR 219 CRORES**  
Net capital expenditure

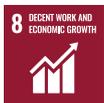
Material issues addressed in this segment



Economic and governance

- Economic performance
- Research and development

SDGs served



## Sustaining profitable growth amid headwinds

At Havells, profitability is key to sustainability, which stems from our ability to deploy financial resources prudently to fund growth and generate value for our shareholders. In a year like no other, we focused on staying nimble, to navigate through the enormous challenges during the first few months and then went full throttle in the latter half to capitalise on emerging opportunities following all necessary guidelines provided by the government and authorities during the pandemic.

### Managing liquidity, improving efficiency, meeting all financial obligations

Created cash buffers through bank borrowings and an organisation-wide austerity drive with a sharp focus on reducing non-essential expenditures

Formed various cross functional teams (CFTs) with specific objectives such as efficiency improvement across the organisation; CFTs ensured wider cross-functional participation, quicker decision-making and newer ways of working, resulting in cost efficiency

Implemented the Robotic Process Automation (RPA) software for performing repeat functions such as Finance and Accounts to reduce cycle time and drive further efficiencies

Ensured on-time payments to all dependent stakeholders such as employees and vendors, alongside assistance with need-based credit for distributors and retailers

Strengthened digitalisation resulted in significant productivity benefits such as reduced cost on travel and administrative expenditure through interesting concepts such as 'E-travel', digital launches and online channel meets

Truncated all non-critical capital expenditure budgeted for the year to preserve liquidity; however, all essential and critical expansion were fully supported

### Key financial performance indicators

#### Revenue



#### EBITDA



#### EBITDA margin



#### PAT



#### PAT margin



↗ y-o-y growth    
 ↗ 5-year CAGR

## Smart, safe and sustainable products

Product responsibility entails manufacturing high-quality products which have minimal impact on the environment. We drive sustainability through our innovative products ensuring maximum safety standards and resource efficiency. At Havells, product responsibility begins at the conception and design stage and continues throughout the product's lifecycle.

### Our sustainable products



Water heaters with intelligent heating



IoT-integrated home appliances



Heat Pump Water Heater



Refrigerator with Bactshield technology



**App-based smart home LED lighting system**

App-based smart home lighting (Glamax RGB/ Tunable)



**Energy-efficient products**

Smart lighting products, fan such as Carnesia-I, stealth Puro Air with 50% energy saving



**Anti-bacterial switches for healthy homes**



**Smart Sense technology-based ceiling fan**



## Underlining market presence with next-gen offerings

With the use of latest technologies, we are creating more personalised experiences and products. Research and innovation at Havells enables us to consistently introduce new products in the market.

### Anti-bacterial switches for healthy homes

Crabtree, our premium brand, celebrated its 100 years legacy by introducing a new feature, with anti-bacterial properties, among its Athena, Signia and Verona switch ranges. Equipped with anti-bacterial and anti-fungal built-in polymer technology (using metal compounds), they impede the growth and spread of harmful microbes through human touch with 99.99% efficiency. These switches enable healthier living and are likely to play a crucial role in controlling the spread of diarrhoea, food poisoning, pneumonia, conjunctivitis, and others. Moreover, they offer lasting use with good weatherability ensuring non-discoloration under high humidity and temperature. The product base material is approved by international agencies like United States Food and Drug Administration (FDA), European Union's European Chemicals Agency (ECHA), and United States Environmental Protection Agency (EPA) and has been tested by the third-party laboratories using Japanese Industrial Standards (JIS) and International Organization for Standardization (ISO).



### Revolutionising refrigeration in tropical weather

Lloyd launched its refrigerator range equipped with class-leading features during FY 2020-21. The new range uses Bactshield technology that eliminates bacteria from the refrigerator, providing long-lasting freshness to the perishable items stored – a much-needed feature in India's tropical climate.

The refrigerators also have the Decacool technology, ensuring cooling in every corner and use a flexi-max design, catering the underlying need for more and flexible storage. These energy-efficient refrigerators are rated as per the 2020 energy rating norms accentuating the advantages of the Inverter technology, dual safety compressor with over-load protector (OLP) and over-heat relay (OHR) that enhances compressor life. Lloyd refrigerators are also environment friendly with a zero ozone depletion potential (zero ODP) presence, thereby reducing their carbon footprint.



## India's first residential AC with automatic humidity control

We launched Intelli-Logic Air Conditioners with automatic humidity control through real-time humidity sensing. These ACs are equipped with nano silver coated fins that impede growth of bacteria thus eliminating bad odour while plasma protective shield is capable of effectively reducing the proliferation of bacteria and viruses.

The product is voice and wifi enabled and can be operated through an app and voice commands (Alexa and Google Assistant). This is a heavy-duty machine that performs efficiently even when the outside temperature is 52° Celsius.



## Incorporating new-age technologies for better metrics

We inaugurated a new line for water heater manufacturing. The new facility is at par with international manufacturing units and can incorporate Industry 4.0 technologies. Besides, it will save 80% manpower and reduce the space requirement by 50%. It is fully compatible to Artificial Intelligence and is among the most-modern water heaters manufacturing units in India.

## Helping improve the quality of life

We aim to enhance lifestyles by incorporating latest technologies like Artificial Intelligence (AI), Internet of Things (IoT), real-time data sharing, data analytics and other cyber-physical tools into our smart products. We are continuously working to add exciting and technologically winsome items to our product basket, which cater to the constantly changing consumer taste. We employ a strong research and development team to develop these new-age products and services.



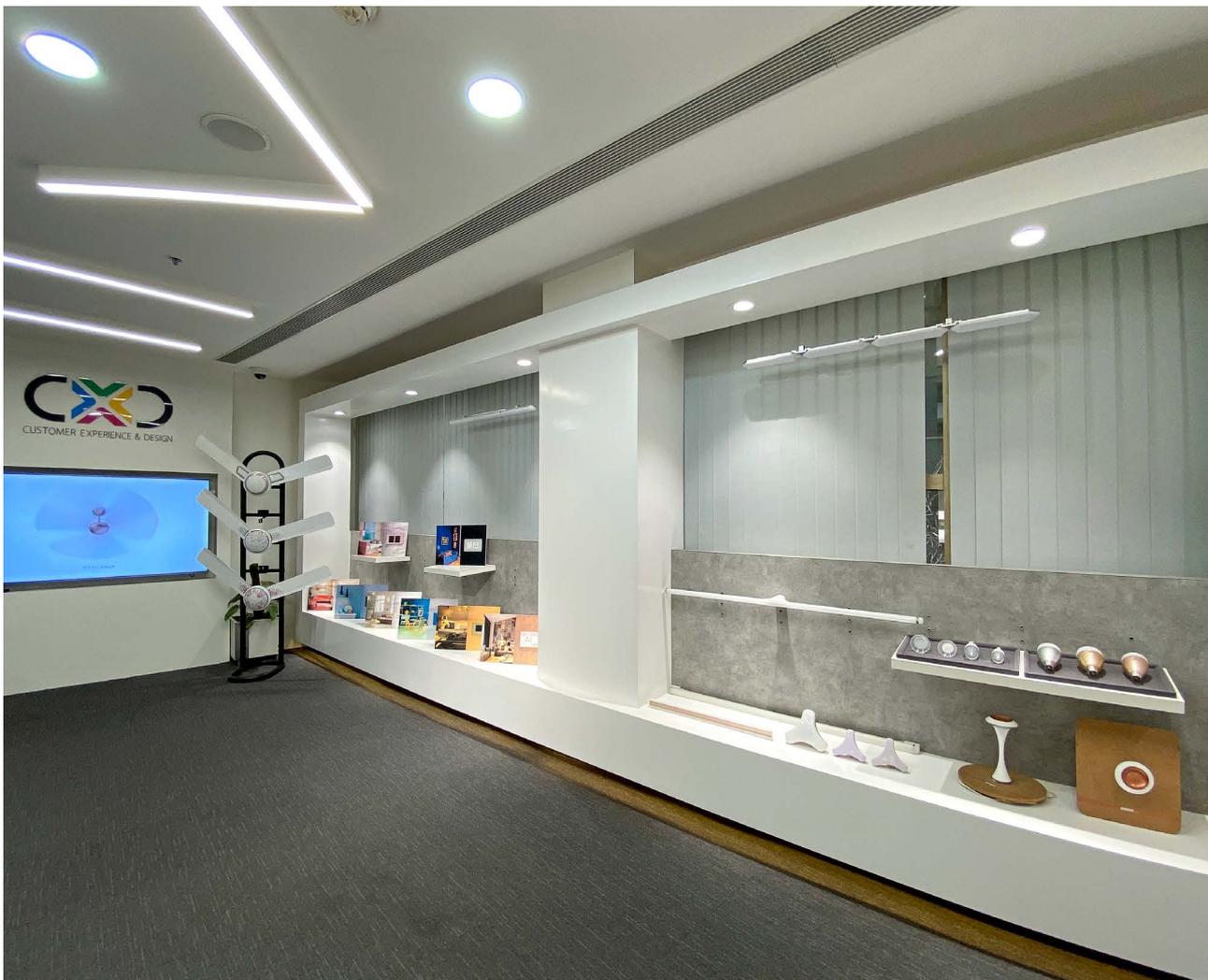
## Havells Smart Energy Management Solution

Our Smart Energy Management Solution is a cloud-based prepaid dual energy metering and management system with current limiter for dual supply (Electricity Board and Diesel Genset). Havells uses latest technology and smart building concept of integration to harvest energy and provide a complete solution for cost-effective energy management system and cloud-based automation design and integration.

## Intelligent solutions simplify life

Innovation influences every aspect of our business, including how we address the evolving market landscape, develop new products and services, and deliver customer delight. We promote a pro-innovation culture that encourages our people to find unique ways to solve day-to-day challenges.

We are transitioning from a product-focused to a solution-based strategy that concentrates on 'intelligent hardware, embedded software' philosophy. This change will enable us to offer comprehensive solutions to all electronic and electrical needs of customers, allowing us to widen our portfolio engagement with them, besides providing opportunities to cross-sell.



## Customer Experience & Design Centre (CXD)

Our design and consumer experience studio, CXD plays a vital role in developing our products and delivers category-leading, innovative design solutions. It uses feedback from select customers to further customise our products.

### Recognitions for our unique design

- Won 10<sup>th</sup> CII Design Excellence Awards 2020 for Crabtree SmartH Automation Range
- Bagged India Design Mark award for Edgelit – No dark edges Batten
- Received India Design Mark for Nu Bulb+



# 380+

Research and development team size



# 686

Patents and designs filed up till 31<sup>st</sup> March 2021



# 133

Patents and designs filed during FY 2020-21

## Research and innovation: the foci of our growth

We continuously invest in strengthening our research and innovation (R&I) capabilities. Our focus on strengthening research centres, alongside world-class test laboratories and production infrastructure is helping us introduce first-in-the-market features and products in our product suite.

At Havells, R&I initiatives enable the creation of eco-friendly and energy-efficient solutions for all electronic requirements of modern life. We continue to focus on sustainable product innovations across the product lifecycle (design, development, manufacturability and use phases) and delivering future-ready products with two major dedicated research and innovation centres – Centre for Research and Innovation (CRI), Noida and Innovation Hub, Bangalore.

Over the years, we have garnered copyrights, patents and trademarks in India and beyond its borders.



Note: Pre-pandemic image



### 8-step fan regulator

This is a new, first-in-the-market product and offers uniform speed regulation for all fan models available in the market with 360° rotation, soft operations and hum-free running. These can be retrofitted in any normal or high-speed fan, without any structural or electrical changes.



### Smart sockets for touchless switching

During FY 2020-21, we launched the wifi controlled smart sockets for enabling mobile or voice commands on ordinary devices. Compatible with appliances such as ACs, water heaters, water pumps and others, its installation is easy and requires no change in structural or electrical changes. It can be retrofitted into any device. Easy to use through DigiTap Mobile App, it provides multiple control options, including touch, app, remote and Alexa voice control.



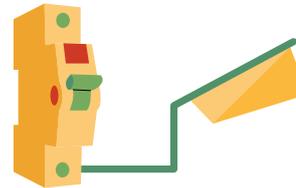
## Soch

We encourage the spirit of innovation among our stakeholders, primarily customers and vendors, by inviting their suggestions on our digital platform, Soch.



### Smart H: India's first full-modular Home Automation

Smart H offers modular home automation range with relays, dimmer remote and sensors. It can be retrofitted and provides enhanced automation experience with wide range of accessories and multiple control options, including touch, app, remote and Alexa voice control.



### Technology to enable remote switching

During the year, we launched the Auto Recloser for MCB/RCCB\*/RCBO^\*. Auto Recloser helps users to remotely control circuit breakers. It is ideal for use in a wide range of loads, including street lighting, interior remote lighting and plenty more.

\*Residual Current Circuit Breaker  
^Residual Current Breaker with Over-Current

## Enhancing efficiency, optimising costs

We undertook a cost optimisation drive during FY 2020-21, which focused primarily on improving plant productivity and efficiency, sourcing, and incorporating value engineering in products and processes.

Each plant nominated team members to work on these aspects. The teams came up with various ideas on improving localisation, thereby reducing dependency on import sources. The facilities also revalidated operating efficiency and spare capacity to review our make or buy options. We worked on overall equipment effectiveness (OEE) drive and manpower efficiency which enhanced our operations.

### Ways of Working (WoW)

Under WoW, we identified a task force of senior executives from various functions. They were given a clear timeline to demonstrate results. With a target-oriented approach, priority for FY 2020-21 was set on four key pillars:

- OEE drive (for improving plant and machinery equipment efficiency through)
- Maynard operation sequence technique (MOST) (for improving manpower efficiency of operators)
- Driving cross-facility inspiration (learning from each other in developing best practices across plants)
- Digitalisation

### Overall equipment effectiveness (OEE) drive

To strengthen this programme, we made a sub task force in each plant and trained the teams. With a structured approach, we achieved standardisation across the plants, besides measuring the current efficiencies and losses in our facilities. Teams worked extensively to eliminate these losses and make the operations more effective. By December 2020, most of the plants reached ~70% OEE level. Going forward, we will continue to enhance our efficiency in the utilisation of machines and equipment, improving production and productivity levels.

# ~70%

OEE level across all plants

# INR ~2 CRORES

Cost savings during FY 2020-21 as a result of using energy saving projects



### Maynard operation sequence technique (MOST)

We began measuring the productivity of Team Havells at our manufacturing units through MOST, which evaluated manpower productivity, utilisation of manpower and line balancing. Before we undertook this programme, our plants functioned at 45-50% of measure of performance (MOP) level, which improved to 70% across all the eight locations. In the upcoming financial year, we are looking forward to implementing the same in other functions as well.

### Driving cross-facility inspirations

Each Havells plant is unique and has a specialised style of working and process. We started a knowledge-sharing programme across our facilities to adopt the best practices on energy savings, special processes and others. During the year, we also started working on horizontal deployment of identified learnings.



## Digitalisation

We leverage digital technologies and data analytics to transform how we work and engage with our stakeholders, especially our customers, and create new revenue streams. Over the years, we have adopted the latest technologies to address identified topics. During FY 2020-21, we took digitalisation deeper to address the needs of our channel partners by automating various time-consuming and manual processes and systems.

We undertook the following initiatives during the year:

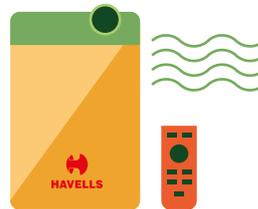
- Deployed AI Chatbot to facilitate intelligent dialogue between Havells and channel partners, service partners and end consumers
- Created several digital services platforms to support process automation, increase business agility and emphasise process improvement and standardisation including digitalisation of the cable division and international business, a cloud-IT backbone and infrastructure to support and transition legacy IT systems to cloud-native platforms

These initiatives led to:

- Recorded faster registration of new channel partners, reducing the time taken from 15 days to only 15 minutes.
- Increased digital registration of the new channel partners (~90% during FY 2020-21)
- Introduced WhatsApp Business API empowering communication with customers, facilitating touchpoints and transactions in a simple, secure and reliable way
- Transitioned seamlessly to a remote work environment during the nationwide lockdown

## Ensuring product quality with state-of-the-art manufacturing and testing footprint

Havells' quality ecosystem is built around the culture of 'customer centricity'. Our products meet stringent requirements for global standards. We achieve this through process automation, robust IT integrated systems, capable supplier value-chain and a highly engaged workforce. Our modern plants at various locations are a testimony to this. For us, quality is the key differentiator.



### Ensuring the quality of our air purifiers

Our air quality monitoring laboratory has been established to monitor the efficacy of our air purifiers. The air quality lab is well equipped with instruments such as volatile organic compounds (VOC) sampler, inorganic gaseous pollutants detector/sampler, microbiological air sampler and equipment to monitor all the parameters (particulate matter 10 and 2.5, nitrogen dioxide, ozone, carbon monoxide, sulphur dioxide, ammonia, formaldehyde, total volatile organic compounds and carbon dioxide) mentioned in the guidelines. The laboratory is also equipped with air sealed (3m<sup>3</sup>) stainless steel test chamber for testing and validation of air purifiers.





Note: Pre-pandemic image

### Building quality culture at shop floor

We introduced Quality Circle in FY 2018-19 to engage and develop problem-solving skills of our front-line operators and production shop supervisors. Under this programme, we actively engaged front-line operators and production shop supervisors, resulting in savings of INR 13 Crores for the year.

Currently, over 1,000 shop floor operators directly engage in Quality Circle programmes to enhance their skills. We also conduct inter-plant competitions every six months, where top teams participate to win recognitions. These competitions serve as the platform for inter-plant cooperation and sharing of best practices, while promoting healthy competition. One of our teams 'Prawal' has been qualified for National CII Quality Circle competition.

### CII award for Quality Circle Competition

Our Baddi Plant bagged a runner up Quality Circle Competition award for FY 2020-21 by Confederation of Indian Industry (CII).

# INR 13 CRORES

Savings through Quality Circle  
during FY 2020-21

# IMPROVING OUR PERFORMANCE ON ENVIRONMENTAL FACTORS



WE ARE STRATEGICALLY MOVING TOWARDS REDUCING OUR RESOURCE FOOTPRINT, WITH A FOCUS ON MAXIMISING OUR ENERGY AND MATERIAL EFFICIENCY, WHILE SIMULTANEOUSLY, MINIMISING OUR EMISSIONS, WASTES, AND WATER UTILISATION TO LEAVE BEHIND A BETTER PLANET FOR THE FUTURE.



Tracking our environmental efforts

**47%**

Reduction in GHG emissions intensity

 54-55

**56%**

Of consumed water is recycled

 58-59

**12,319 MT**

Total waste recycled

 60-61

**6,578 MWH**

Renewable energy used

 56-57

Material issues addressed in this segment



Environment

- Emissions
- Water withdrawal and impact
- Waste generated and disposed
- Energy efficiency

SDGs served



Note: All MT and mt units signify metric tonnes and appear different to please design aesthetics.

## Minimising environmental footprint

With the objective of reducing the environmental impact of our operations, we are working towards decreasing our energy consumption, increasing the use of renewable and clean energy, reducing emissions, lowering fresh water intake and limiting waste generation and waste that goes to landfill.

We have implemented Quality, Energy, Environmental, Occupational Health and Safety (QEEHS) policy, of which our environmental (ISO 14001) and energy (ISO 50001) management systems are integral parts.

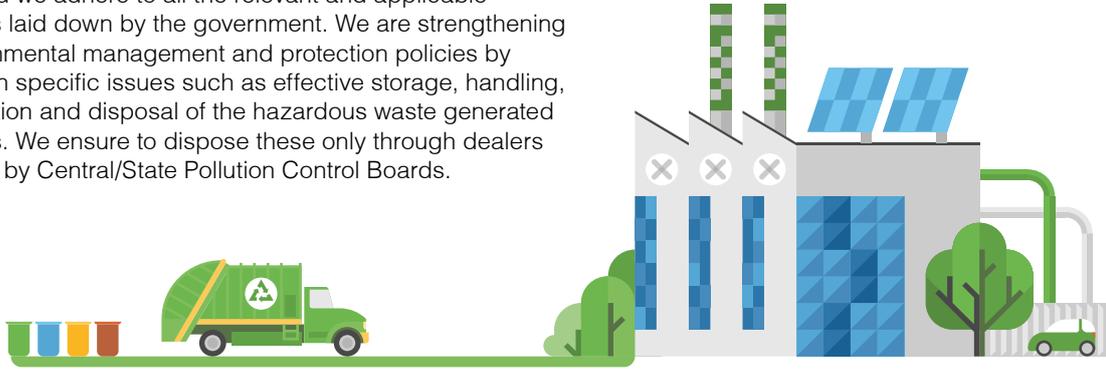
# 100%

Havells' production sites are  
ISO 14001 and ISO 50001 certified



## Environmental compliance

Compliance to environmental laws is non-negotiable at Havells and we adhere to all the relevant and applicable regulations laid down by the government. We are strengthening our environmental management and protection policies by focusing on specific issues such as effective storage, handling, transportation and disposal of the hazardous waste generated at our units. We ensure to dispose these only through dealers authorised by Central/State Pollution Control Boards.



Our report showcases the following KPIs for measuring our sustainable progress:

**INR 2 CRORES**

Environmental expenditure

**28,878 GJ**

Renewable energy used

**1,20,502 MT**

Raw materials used

**40 GJ/CRORES**

Energy intensity (excluding purchased electricity)

**7 MTCO<sub>2</sub>EQV/CRORES**

GHG emission intensity

**67 GJ/CRORES**

Total energy intensity

**1 MTCO<sub>2</sub>EQV/CRORE**

GHG emission intensity (Scope-1)

**164 MEGA LITRES**

Total water consumption

**6 MTCO<sub>2</sub>EQV/CRORE**

GHG emission intensity (Scope-2)

**59 MEGA LITRES**

Water recycled

Note: mtCO<sub>2</sub>eqv is metric tonnes of carbon dioxide equivalents

# Contributing to climate change mitigation

Climate change is one of the most pressing global challenges of the 21<sup>st</sup> century. As a responsible organisation with global market footprint, we have a crucial role to play in its worldwide mitigation efforts. Although we are not in a fossil-fuel-intensive industry, we consciously focus on minimising our GHG emissions.



## Green buildings for a sustainable world

Our integrated AC manufacturing facility at Ghiloth, Rajasthan and the new wire manufacturing site at our Alwar site in Rajasthan were rated as Gold Certified Green Buildings by the Indian Green Building Council (IGBC).

Both units were developed according to Green Building criteria under IGBC guidelines and norms. The Ghiloth facility is among the most-advanced AC manufacturing units globally and uses IoT-enabled machines and processes that ensure efficient resource utilisation and minimises waste generation. The Alwar plant is also designed on the principles of sustainable architecture and design approach to reduce environmental impacts through green concepts and techniques.

These sustainable buildings are constructed with environment-friendly construction materials, have ample natural day light, proper ventilation systems for optimised use of air conditioners, rainwater harvesting systems and solar power generation facility, among others.

## GHG emissions

### Direct (Scope 1) GHG emissions

Over the years, we have been working persistently towards lowering our carbon footprint through various initiatives, decreasing our specific Scope 1 emissions, which forms a small part of our total emissions.

Some of our initiatives include procurement and use of battery-operated forklifts at our Ghiloth plant, instead of conventional diesel-based forklifts, use of natural gas-based furnaces, etc.

### Total direct GHG emissions - Scope 1 (mtCO<sub>2</sub>eqv)

FY 2020-21	7,384
FY 2019-20	6,886
FY 2018-19	7,339

### Energy indirect (Scope 2) GHG emissions

During the year, we implemented ISO 50001 energy management system and initiated 37 projects under the same, saving 2,297.70 MWh energy, which is equal to 1,884.20 tonnes of CO<sub>2</sub> equivalent.

Some of the initiatives we undertook to reduce our Scope 2 GHG emissions include the following:

- Optimised pumps and motors for efficient power consumption
- Used synchronisation of chiller
- Prevented ideal running of lights and equipment through process optimisation
- Installed all-in-one energy-efficient air dryer
- Replaced conventional ceiling fans with energy-efficient ceiling fans
- Saved electricity and fuel consumption by reducing cycle time of varnish oven

### Total indirect GHG emissions - Scope 2 (mtCO<sub>2</sub>eqv)



### Other indirect (Scope 3) GHG emissions

Under Scope 3 emissions, we only considered employee commuting for the reporting period. During this reporting year, we undertook detailed accounting of Scope 3 emissions, including all our manufacturing units. Our total Scope 3 emission were 5,182 mtCO<sub>2</sub> equivalents.

### GHG emissions intensity

#### Scope 1 (mtCO<sub>2</sub>eqv/Crores)



#### Scope 2 (mtCO<sub>2</sub>eqv/Crores)

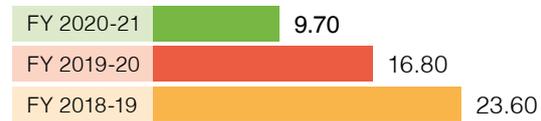


## Other emissions

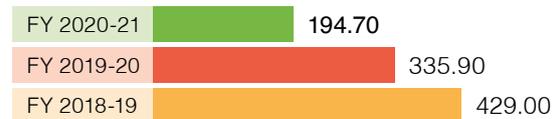
### Ozone-depleting substances (ODS)

ODS has a serious impact on the environment, including human health and agricultural productivity, making it a key hindrance to sustainability. At Havells, we are consciously moving away from the use of ODS in our refrigerants for air conditioners and refrigerators, thereby strategically moving towards R134a refrigerant with no ozone-depleting properties. In fact, during the year, we launched environment-friendly Lloyd refrigerators with zero ODS. Conscious of emissions from air conditioning at our office buildings, we have reduced our consumption of ozone-depleting R-22 refrigerant by 50% in the last several years.

### Chlorofluorocarbons (CFCs) (Kg CFC eqv)



### R-22 consumption



### NOx and SOx emissions

While nitrogen oxides (NOx) often act as indirect GHGs damaging the environment, sulphur oxides (SOx) frequently prove detrimental to life on earth, making these two groups of emissions highly dangerous. At Havells, our operations release miniscule amounts of SOx and NOx and we have in place state-of-the-art air pollution control equipment to control these.

#### SOx (mt)



#### NOx (mt)



## Next steps

We are continuously working towards reducing our environmental impact with focused initiatives towards decreasing our emissions. Going forward, we are aiming to build an organisation that is wood and paper neutral and convert our facilities into green buildings.

## Energy efficiency at every step

As an FMEG company, developing energy-efficient processes and products remains at the core of our business. Over the years, we have increased the share of renewable energy and clean energy such as natural gas in our fuel mix.

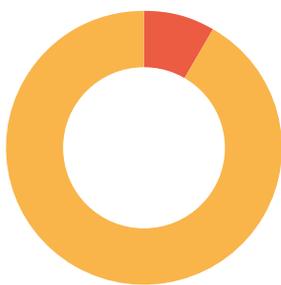
### Technology adoption enables energy efficiency

Our Alwar plant is the largest integrated cable and wire manufacturing plant in India. Recently, we developed a new site for wire production at the factory. Designed on sustainability principles, the site reduces our environmental impact through new-age technologies. The plant has 4<sup>th</sup> generation energy-efficient Maillefer Extruder with proven European technology, which guarantees excellent centricity and high-stability product with homogeneity at high speed of 1,200 m/min.

### Renewable energy

Renewable energy infrastructure at Havells helps us to reduce carbon footprint and lower our electricity cost per unit. We have an overall solar power generation capacity of 5.6 MW. Also, we have installed 1.95 MW of additional rooftop solar capacity, which will be commissioned in FY 2021-22.

### Energy mix (%)



**8.55**  
Energy from  
renewable sources

**91.45**  
Energy from  
non-renewable sources

### Renewable power generation capacity (MW)

FY 2020-21	5.60
FY 2019-20	5.60
FY 2018-19	4.50

**6,66,341 GJ**

Total energy consumption within Havells from non-renewable sources

**28,878 GJ**

Total energy consumption within Havells from renewable sources

**74,575 GJ**

Total energy consumption outside Havells

## Increasing renewable energy generation and use

We are adding 1.95 MW rooftop solar power generation capacity in our Alwar wire plant, which will take our solar power generation capacity to 7.55 MW upon commissioning in FY 2021-22

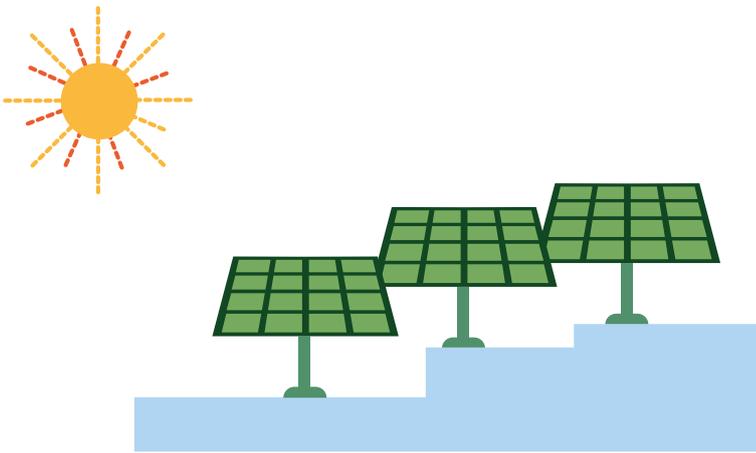


**Reducing energy intensity**

With a focus on lowering our energy consumption and costs, we are progressing towards a low-emission technology, with a focus on clean energy, thereby decreasing our energy intensity. Total energy intensity is 66.66 GJ/ Crores.

**Enabling customers to become energy efficient**

At Havells, we ensure to develop energy-efficient products that help our customers to live with a sustainability focus. We pursue Bureau of Energy Efficiency (BEE) star rating and Conformitè Européenne (CE) marking for our products.



**Energy intensity ratio (GJ/Crores)**  
(excluding purchased electricity)

FY 2020-21	40.12
FY 2019-20	45.10
FY 2018-19	42.50



**Next steps**

We are working towards energy efficiency across Havells by incorporating better equipment and processes. We are also increasing the share of renewable energy resources (solar power) in our activities. Going forward, we intend to develop rooftop solar power generation systems across all our facilities. Moreover, we ensure to add energy-efficient products to enhance energy efficiency at our customers' end as well.

## Making every drop count

According to UN reports, over 40% of the world population will face acute water shortages by 2050. At Havells, we are conscious of this fact and recognise that water is a shared resource and every individual, including corporates must ensure that every drop of water is accounted for.

Responsible water consumption is a priority at Havells. We focus on gaining water efficiency. We became a water-positive company during FY 2015-16 with the index improving 1.6 times in FY 2018-19, as assured by an independent third party.

### Managing water

Water management for us is based on the concept of giving back to nature more than we extract. We have clearly identified our units in water-deficit regions and work double hard to diminish our water consumption in these units. We use different methods such as harvesting rainwater and recharging the ground aquifers to realise this aim.

As an FMEG, our manufacturing processes are not water intensive, but some units like water-based paint shops use water extensively. We ensure these procedures are managed efficiently and are incorporating new technologies to reduce water consumption. As a result, we adopted dry-powder-based paint shops and air-based screw compressors that do not utilise water like the conventional technologies in use, thereby reducing our intake of this precious natural resource. We have also installed digital water meters and updated our water balance diagram to enhance our water management systems and processes.

### Water consumption sources\*

	(%)	(mega litres)
Groundwater	65	68
Third-party water tanker	12	24
Municipal water	23	13

\*Figures rounded off

# 106

## MEGA LITRES

Freshwater consumption during  
FY 2020-21

### Water consumption

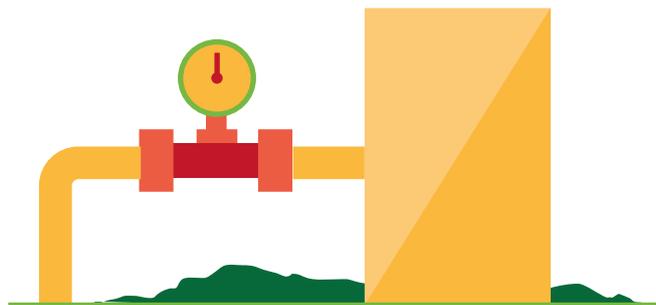
With a disciplined day-to-day usage, our water management strategy concentrates on every aspect of its consumption – from intake to discharge.

We reduced our freshwater water consumption with targeted conservation measures and our regular efforts. In fact, in FY 2020-21, we managed to bring it down significantly. Also, the pandemic lockdown has contributed to the reduction impact.

### Decreasing water consumption (mega litres)



We introduced flow-optimised and sensor-based taps and urinals at our premises, checked water leakages and closed unnecessary water distribution points to reduce water wastage. We also installed water meters for better control and monitoring of water usage at Havells.





## Recycling water

We treat and recycle wastewater generated from our operations, toilet and canteen facilities. We have equipped all our units with sewage treatment plants (STPs) and effluents treatment plants (ETPs) as required. We use recycled water for developing greenbelt and plantation. There is no impact on any water body or related habitats due to our strong wastewater management systems. Only our Faridabad plant released treated water (after maintaining the minimum discharge standards) into municipal sewage line with necessary approvals from the concerned authorities during FY 2020-21. At Havells, we maintain the required standards of STP and ETP according to the applicable guidelines and directions of Central Pollution Control Board (CPCB) and State Pollution Control Boards (SPCBs).

# 46

## MEGA LITRES

Total recycled water from STP

# 13

## MEGA LITRES

Total recycled water from ETP

## Harvesting rainwater

All our manufacturing plants are equipped with rainwater harvesting systems that collect water from rooftops and paved surfaces and channel it through dedicated rainwater drains into scientifically designed artificial groundwater recharging structures. Last year, we added three new rainwater harvesting and groundwater recharge pits with capacity of 75 kilo litres each at our Neemrana facility. These new structures receive runoff rainwater from the recently erected storage shed.



## Next steps

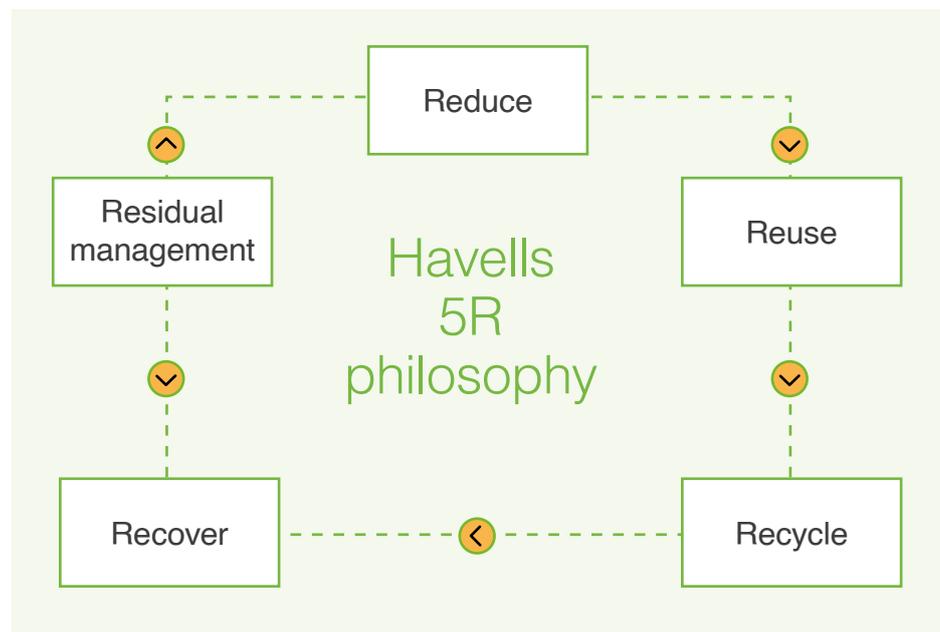
At Havells, we will further work towards reducing our water consumption and increasing our water reclamation efforts. Going forward, we will incorporate more rainwater harvesting projects across our units and communities.

## Optimising resource use, reducing waste

We are continuously focusing on improving material efficiency, environment-friendly packaging and waste recycling, among others. Material efficiency at Havells contributes to reduced industrial waste volumes, lower consumption of virgin raw materials, increased waste segregation, decreased energy demand and reduced carbon emissions.

### 5Rs approach at Havells

At Havells, the 5Rs philosophy involves reduce, reuse, recycle, recover and residual management. With this technique in place, we recycle ~95% of our non-hazardous waste. We reuse waste wood from cable drums to build school furniture as part of our social responsibility activities and ensure to never use paper cup or plastic water bottles, paving the way for a circular economy to flourish.



### Efficiently using raw materials

We believe in judicious use of resources and try to minimise our consumption. We use a variety of raw materials, including different metals, plastics, resins, PVC and others.

#### Virgin raw materials used in FY 2020-21

Raw materials	Associated process material (grease, lubricants, paints, solvents, inks)	Semi-manufactured goods or parts	Packaging material
<b>1,20,502 mt</b>	<b>33,478 mt</b> <b>9,30,761 Litres</b>	<b>1,05,80,664 number</b>	<b>10,04,439 FT3</b> <b>54,59,64,519 number</b> <b>3,339 mt</b> <b>2,29,60,265 Metres</b>

## Waste management system

We have a stringent waste management system for hazardous and non-hazardous waste generated at Havells. During the year, we recycled 12,907.60 MT of non-hazardous waste and reused 478.87 MT, including metal, rubber and plastic scrap.

All hazardous waste generated at Havells is disposed according to regulatory specifications provided by SPCB/ CPCB and Ministry of Environment Forest and Climate Change (MOEFCC). During the year, there were no significant spills to be reported and total hazardous waste disposed were 196.55 MT through authorised vendors.

**12,319 MT**

Waste recycled

**<5%**

Total waste to landfill

## Plastic Waste Management (PWM)

We take responsibility of disposing plastic wastes associated with our product packaging. In order to fulfil our extended producer responsibility (EPR) we are collecting plastic low-density polyethylene (LDPE) bags and thermocol.

### Decreased plastic use in packaging

Removed metallised Polyethylene Terephthalate film from our packaging

Used pulp-moulded trays for our water heater packaging to replace thermocol

Reduced lightweight expanded polystyrene (EPS) from our packaging (especially in the professional lighting segment) and replace with corrugated or honeycomb fillers

Incorporated paper-based tapes to replace biaxial oriented polypropylene (BOPP) tapes in lighter weight packaging

Introduced bio-degradable plastic bags for our packaging

Used recycling bins instead of plastic packaging to move some of our raw materials to be used in production

## Environment-friendly packaging

At Havells, our objective is to maximise the use of recycled materials for packaging. We partner with various research institutes and NGOs to develop new-age packaging materials.

Our packaging development management system (PDMS) helps us minimise packaging materials by developing the product packaging parallel to its design. This allows us to prepare the product prototype, alongside its packaging, optimising the need for packaging materials. Moreover, vendors involved in packaging are better prepared to handle it, thereby increasing material efficiency and reducing waste. The use of PDMS allows us to capture inputs from various departments like Marketing, Sales, Marcom and others to incorporate them into packaging development.

We are also working towards introducing recycled materials in product design to diminish the use of virgin materials and modernising our processes to handle recyclable materials.

## E-waste management

We undertake e-waste management service under the guidelines of E-Waste (Management) Rules, 2016, issued by the Ministry of Environment and Forest, Government of India.

Under this initiative, we have partnered with government-authorised recyclers. We collect electronic products at the end of their lifecycle at our e-waste drop-off centres and ensure environmentally safe management of these electronics and/or defective spare parts. For safe disposal of their e-waste, customers can schedule doorstep pickup by calling our toll-free number 1800-1020-666. We are urging our channel partners and customers to take up this challenge of helping us collect e-waste and defective spare parts.

All the necessary and legal authorisations required for the processing facilities have been undertaken and approved by concerned governmental agencies.

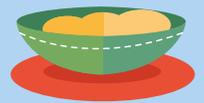
## Next steps

We are working towards reducing our use of virgin materials and adopting the circular economy philosophy to further strengthen our 5R philosophy while diminishing wastes in our production and packaging.

# BUILDING ENDURING BONDS



WE HAVE EARNED THE CONFIDENCE OF OUR STAKEHOLDERS (CUSTOMERS, PEOPLE, VENDOR PARTNERS AND COMMUNITIES) WITH CONTINUED EFFORTS TO UNDERSTAND THEIR ASPIRATIONS AND MEET THEIR EXPECTATIONS.



### Social and relationship sustainability facts

# 9

Large virtual dealer meets

 70-71

# 90+ MILLION

Customer engagement via social media\*

 64-65

\*Views, likes, comments and shares of our postings on Facebook, Instagram, Twitter

# 386

Virtual training sessions for Team Havells during FY 2020-21

 66-69

### Material issues addressed in this segment



#### Economic and governance

- Brand salience
- Technology and digital transformation



#### Social

- Customer & other stakeholders' delight
- Health and safety
- Talent management



#### Environment

- Emissions
- Energy efficiency

### SDGs served



## Aligned to customer needs and aspirations

We are a customer-centric organisation, focused on providing a positive customer experience across their journey with us. Our products offer customer delight with convenience, sustainable value, energy efficiency and enhanced experience for them.

### Delighting customers digitally

During FY 2020-21, we connected with our customers digitally through various online platforms to understand their needs and meet their requirements. While this included increasing our presence significantly on e-commerce sites and focusing on online-to-offline business strategy, we also made sure to support our customers beyond sales.

~96%

Of our orders are made through dealer portal

### Online-to-offline model

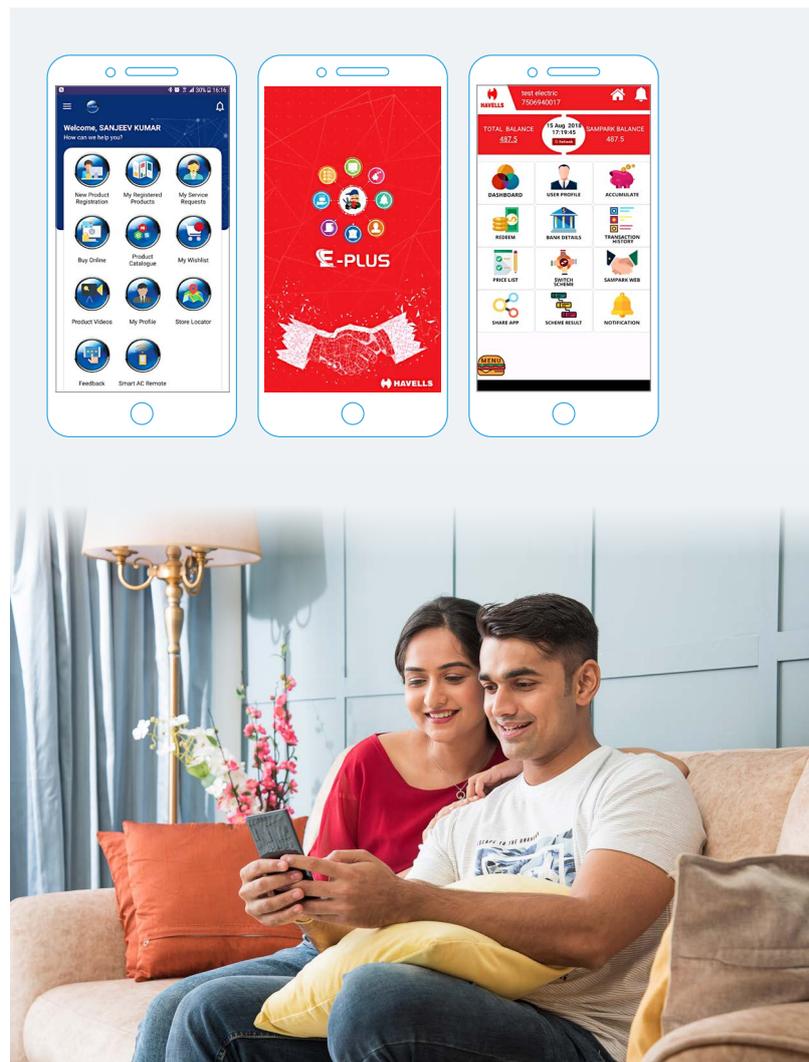
During FY 2020-21, we started the Online-to-Offline (O2O) model to function as an online marketplace for our existing channel partners (dealers, distributors and retailers). Under this model, the channel partners list our products (that they sell) on our e-store. Once the customer makes a purchase on the online platform, they ensure delivery like any other online shopping destination.

### Online support services

We also delivered support services through digital means, conducted various interactive programmes that enabled their 'new normal' lifestyle and most importantly, increased product guarantees wherever possible.

### Support services using digital means

We continued to address and resolve customer concerns during the lockdown by providing seamless basic trouble-shooting services. As our field service engineers (FSEs) were unable to reach complaint locations, we empowered them to leverage digital communication techniques such as WhatsApp chats and video calls to solve standard service requests. Our customers can use dedicated mobile apps (Havells Consumer Connect and My Lloyd), WhatsApp Chat or send text messages for the same. We encouraged customers to take up Do It Yourself (DIY) maintenance drill for specific products like air conditioners, washing machines, air coolers and water purifiers that need regular servicing. For the purpose, we created DIY tutorial videos and step-by-step illustrations.



## Deepening our customer bonds in 'the new normal'

We partnered with four celebrity stylists (Jawed Habib, Ambika Pillai, Sanky Evrus and Pompy Hans) who shared their perspective on styling at home, work from home styling, tips and tricks for monsoon styling and myths around styling tools.

These stylists conducted sessions on our social media platforms, which received stupendous traction. The brand campaign, #schoolofgrooming, helped us cater to the evolving tastes of our target customers and helped them stay ahead with the latest grooming trends.

~3 MILLION

Reached through this programme

~2 MILLION

Views on Facebook and Instagram

## Cushioning customers with increased product guarantee

We extended warranty period for all our consumer products, ensuring that warranties/service contracts ending between 22<sup>nd</sup> March 2020 and 31<sup>st</sup> May 2020 lasted till 30<sup>th</sup> June 2020. The expansion of the warranty/contract period ensured that our customers had one less thing to worry about! It further underlined our customer-centric approach, delighting customers.

## Customer safety is a key priority

In today's connected world of IoT-enabled electrical products, safety concerns have come to include data and privacy as well. At Havells, we ensure our products offer complete electrical and data safety and ensure to maintain privacy of our customers. We follow all relevant national and international standards for product safety such as Bureau of Indian Standards (BIS), Japanese Industrial Standards (JIS) and others wherever applicable. During the year we have not received any complaints/incidents concerning breach of customer privacy and loss of customer data.

## Data safety and privacy

At Havells, we use Artificial Intelligence/Machine Language (AI/ML) based security solutions to protect our business and our customers' data stored with us from cyber threats. Further, we have a dedicated IT Security and SOC Team to ensure operating effectiveness of our cyber security architecture. This is followed by employee awareness and training programmes conducted regularly on data security and privacy, cyber threats (phishing/spoofing etc.), including tools like data encryption, access control and multi-factor authentication (MFA) are implemented.

## Customer education

For us, educating customers on safety of electric products is among our moral responsibilities. With this mindset in place, we have always kept our customers updated on various safety focus areas for our offerings. During the year, we designed an exciting campaign roping in veteran actor Vijay Raaz in the role of an electrician.

## Driving customer awareness with campaigns in vernacular languages

We designed a digital campaign that spread awareness about the importance of installing residual current circuit breaker (RCCB) to safeguard from shock due to current leakage. The campaign is an extension of Havells' long-standing thought leadership and commitment to electrical safety. The digital film visually emphasises the risks of an electric shock in the absence of an RCCB – a very simple yet vital device, which should be a part of every home. The campaign was launched in the several local languages such as Bengali, Malayalam, Telugu, Tamil and Kannada, apart from Hindi.

## Next steps

We will continue to deliver best-in-class products and services to our customers. Going forward, we will focus on increasing our engagement with our customers by educating them on our offerings and safe usage.

## Promoting a culture of collaboration

We understand that how our employees perceive Havells reflects our success in engaging with them. We constantly connect with them, encouraging them to grow with us. We are a Great Place to Work certified organisation. During the year, our mantra for human resource function, 'motivate and collaborate' helped our leadership team to continue to interact with them regularly, inspiring them to stay focused.

### People strength

**17,886**

Team size

**5,727**

Permanent employees

**12,159**

Contractual employees

### Finding the right cultural fit

At Havells, we continuously strive to align employee aspirations with organisational values and ambitions, translating individual performance into holistic organisational accomplishment.

Our rigorous, multi-layered hiring process is designed to onboard talent who are culturally fit for our organisation and are committed to grow with us. This is re-affirmed by the fact that more than 35% of our employees have been with us for over five years.

Our hiring policy (within India) concentrates on preferred local recruiting. During the year, we started using digital platforms for induction wherein we emphasised providing our recruits information on organisational structure, core values and others.

**911**

New employees recruited  
in FY 2020-21

### The Buddy Program

We initiated the Buddy Program for easier cultural integration of our recruits, wherein they are assigned a Buddy during the initial 30 days of their journey with us. The Buddy could be from the same or any other department and acts as a go-to-person for any query, information or support needed, sharing the organisation's formal/informal practices and ways of working. During the year, the programme was made available to 115 employees in Sales and 94 employees in CRI. Going forward, we will expand it to include all recruits at Havells.



### Learning and development

At Havells, we invest significantly in training and re-skilling programmes for our people that improve their competencies and skillsets. During the year, as our teams worked from home, they had access to the latest technological tools that ensured continued interactions between the management and the team. We used this phase to encourage upskilling and learning across the organisation. Over 300 sessions on MS teams were conducted, including training on functional/behavioural and technical topics. These programmes were facilitated by our in-house experts from various departments.



Note: Pre-pandemic image

Trainings for permanent employees during FY 2020-21

**786**

Total training sessions

**2,682**

Total people trained

**25,703**

Total person-hours of trainings

During the year, we conducted the training programmes on automation and IoT, consultative selling skills, application-oriented products, personal effectiveness, SFA application, Sampark and E-Plus, sampling plan, negotiation skills, electronics best practices, financial trainings like COPA, Vistex and service-related trainings. These initiatives were conducted online.

Our online trainings were extended to our trade partners, customers, specifiers, retailers/dealers and ISPs.

**9,000**

Trade partners across India were participated in an online training session by Mr. Anil Rai Gupta (CMD)

## Trainings on cyber security

We conducted Havells Security Training to create awareness and training among our people about cyber threats such as phishing, ransomware, credential compromise, account takeover attacks and others. The training was delivered through videos, wherein after watching them participants answered questions to test retention of the information.

### Learning on-the-go

Saksham is our on-the-go learning portal that enhances the knowledge of our sales team on the entire Havells product suite. A compulsory programme, Saksham is accessible through smartphones and computers. Team members complete the allotted modules by an assigned date and are then tested on their retention. They are allowed to revise any number of times before attempting the test.

### Virtual training on new products

Training on new products is one of the most critical areas of customer service. During the year, we quickly adopted technology and shifted the entire training programme to the online platform through tools like Microsoft Teams, Zoom and our own Saksham App.

## Nurturing future leaders to enable smooth transition

We are strengthening succession planning across all levels of Havells. We identify high performers by exposing them to a variety of opportunities and experiences and enabling their growth. In the last few years, we have enabled job rotation and cross-functional movement at Havells to allow our colleagues to undertake larger roles through Internal Job Postings (IJPs). During the year, we encouraged horizontal and vertical movements through IJPs. This also helped us reduce our attrition rate by around two-thirds during the year under review.

# 11%

Employee attrition rate during FY 2020-21

## A performance-driven work atmosphere

We promote meritocracy at Havells and have a strong performance management system (PMS) in place that rewards and recognises talent based on their achievements. The PMS engages with our colleagues through a bi-annual dialogue that allows our teams to engage in constructive feedbacks to assess performance.

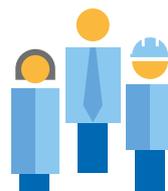
Performance management at Havells aims at building a high-performance culture and fair work environment for both individuals and teams, to enable a collaborative approach towards improving business processes on a continuous basis. Today, over 95% employees are assessed based on defined KRAs.



## Recognition for our people practices

We bagged the 'Great Place To Work' certification second year in a row and are among India's Top 50 – Best Companies to Work For 2020. Our scores this year have even surpassed some of the benchmarks set by the Great Place To Work institution.

Our Alwar facility, completing 25 years is the country's largest integrated cable manufacturing plant. It awarded the Best Employer by Employers' Association of Rajasthan for its excellent business practices and people empowerment.



## Diversity and inclusion

We are an equal opportunities employer and focus on increasing diversity at the workplace. With two female Directors in our Board, we are gradually increasing diversity at the apex decision-making level.

Currently, ~4.32% our team members are female. However, we are working steadily to increase this number.

Also, we have two specially-abled people as part of our team. During the year, 16 people from our team availed maternity leave and of them 13 have already resumed work with us.

## Safety is our collective responsibility

Occupational health and safety is non-negotiable for us and everyone at Havells is responsible for it. As a responsible employer, we have set up world-class safety systems across the organisation. We are an ISO 45001/OHSAS 18001 certified company and have organisation-wide Integrated Management System (IMS), Quality, Environment, Energy and Health and Safety (QEEHS) policy. During the year, we celebrated zero fatalities.

# Zero occupational fatalities

During FY 2020-21

## Key elements of safety management systems

### Safety governance structure

All our manufacturing units have a safety committee that encourages our colleagues to be more attuned towards safe practices. The committees have equal representation from our permanent as well as contractual teammates.

### Safety practices and trainings

We conduct regular safety trainings through classroom educations, fire-fighting demonstrations, daily toolbox talk and others. Additionally, we organise specific work-related health and safety trainings for our colleagues who work at high occupational-disease-prone areas. We also conduct various safety programmes and drills, where we focus on instilling good practices like identifying probable hazards and risks, reporting near miss and others. We also provide our people with proper personal protective equipment where needed.

During the year, we conducted 1,348 health and safety training programmes for our people. Also, special emphasis was given on creating awareness and educating the staff both through online and offline modes, on the rules and guidelines to be followed in the wake of COVID.

# 1,348

Health and safety training programmes

### Inculcating safe practices

We create safety awareness at our plants by observing special days and occasions such as National Safety Day, Road Safety Week and others.

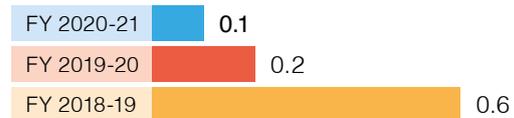
### Ensuring safety at workplace with social distancing

Post the lockdown, we restarted our manufacturing units with airtight social distancing measures. We integrated an AI-based technology product, Trust AI, that uses artificial intelligence and computer vision powered video analytics to monitor our shopfloors and offices, issuing an alert when the desired distance between colleagues is not maintained. The cost-effective technology uses the already installed IP\* and CCTV^ cameras combined with computer vision and also detects when people are not wearing masks, helmets or safety gear. The alert is sent through email or text messages to the factory administrator. The application has a number of AI algorithms to ensure effective alerts and monitoring. This AI- and IoT-based solution delivers insights that help in our digital transformation and ensures business continuity.

\*Internet Protocol (IP)

^Closed-Circuit Television Camera (CCTV)

### Improving lost time injury frequency rate (LTIFR)



# Zero occupational illness frequency rate (OIFR)

During FY 2020-21

## Next steps

As our people are our most important asset, we work continuously to ensure their good health and safety. We are building a congenial work environment to provide safer and healthier work atmosphere.

## Optimising the value chain

FY 2020-21 witnessed an unprecedented time of supply disruptions, uncertainty in material availability, unpredictable lead time and high price volatility. This phase also offered ample growth opportunities with pent-up demand. Our robust local supplier base responded to this challenge by ensuring that our entire supply chain remained flexible and agile to fulfil demand. During the year, we facilitated our micro, small and medium enterprise (MSME) suppliers with easy financing that helped us leverage sourcing of raw materials on time.

In the spirit of bolstering 'Make in India, and, Vocal for Local' initiatives of the government, suppliers were engaged in localisation drive to reduce dependency on imported parts and products. Post COVID lockdown, we established new norms for supplier assessment and covered 130+ new suppliers virtually.

### Upstream supply chain

We whole-heartedly support the Government of India initiative Atmanirbhar Bharat that focuses on local manufacturing, local markets and local supply chain. Accordingly, ~76% of our total requirement is sourced from local and small vendors. We further support these suppliers with skill enhancement and process improvement initiatives. Continuous engagements are practiced through vendor commitment meeting, vendor audit, management reviews and suggestions system to improve business relationship.

~76%

Of total raw materials expenditure was made locally (in India)

### Robust vendor base

We have strengthened our supplier base through continuous improvement in the areas of process improvement, skill enhancement and technology upgradation. These parameters are further incorporated in assessment and selection of new suppliers while onboarding them. Continuous engagement with suppliers is ensured through supplier meets, business reviews, multiple training sessions and a two-way interactive online global vendor portal (GVP), ensuring end-to-end procure-to-pay (P2P) through digital transactions. Performing suppliers are recognised and rewarded by enhanced business share and new business opportunities. During lockdown, we conducted various virtual sessions on vendor capability enhancement that involved ~200 suppliers.

~80%

Of our suppliers have a rejection rate of only 100 ppm

### Monitoring supplier performance

As a corporate policy, Havells ensures fair and transparent business allocation to performing suppliers. We have an automated vendor rating system to categorise suppliers into various grades based on performance parameters such as quality, cost, delivery and service. Monthly performance rating is shared with suppliers through GVP. In order to meet future business needs, we tightened the supplier performance criteria for continuous upgradation. We ensure flawless quality by identifying critical parts and critical suppliers and supporting them at the development stage through Production Part Approval Process and Quality Risk Assessment activities.

### Sustainability management programme

We have been working to enhance our sourcing practices, through process of risk analysis and risk control. This includes securing our supply chain on various risks such as single source parts, import dependency and sustainability risks such as financial, statutory and regulatory, energy, environment, fire and safety, social aspects like child labour, working conditions and others. Our sustainability roadmap focuses on these areas and ensures that our sourcing methods are sustainable. According to our sustainability agenda, ~250 suppliers covering 80% of the spend are identified in sustainability initiative and assessed. As a corporate philosophy, Havells believes in conducting ethical, legal, safe, fair and environmentally responsible business practices. We follow a zero tolerance approach towards non-compliance to Product Sourcing Agreement and our CoC, which are mandatory before onboarding suppliers and reviewed periodically.

## Distribution channels

Our record performance during the year can be directly attributable to our distributors, dealers and retailers who have worked in tandem with us to ensure the last-mile delivery of our products.

### Robust distribution network



# 14,200+

Dealers



# ~1.8+ LAKHS

Retailers



# 650+

Brand showrooms

#### Deeper penetration with fortified distribution network

We connect with local electricians and groom them as our brand ambassadors. These influencers then educate customers on the benefits of RCCB, MCB and other safety devices that ensure customer safety.

# ~1.5 LAKHS

Electrician influencers

### Largest brand shop channel in the industry

We launched the Havells Galaxy stores to create a unique platform that allows our customers/potential users to experience our products. The flagship stores showcase all our products, even if they aren't sold in that particular region. Designed for the modern consumer, they serve as the one-stop shop for delivering end-to-end solutions for customers' electrical goods requirements. Similarly, we have also launched exclusive brand showrooms for Lloyd across the country, which host all products under the brand.

As on 31<sup>st</sup> March 2021, we enjoy the largest brand shop channel in the industry with 566 Havells Galaxy stores and 94 Lloyd brand shops.

#### Dealer care

Our dealer network is tempered with our strong bonds forged for years on the fire of mutual trust and enablement. We have developed various dealer-centric programmes that provide health insurance and channel financing, among others.

Some initiatives that helped us earn their loyalties are as follows:

- **Channel Financing** offers Havells' guarantee to banks on behalf of our dealers. This ensures our dealers buy more stocks and reduces our debtor turnover ratio. Initiated in 2007, Channel Financing offers discount to dealers, decreasing their net interest payable as well
- **Griha Lakshmi** scheme started in 2014. It recognises and empowers the wives of our channel partners for their contribution in the growth of their husbands' businesses, and thereby Havells. In this scheme, we directly remit the incentive amount to the lady's bank account
- Under the **QRG Growth Fund**, we manage some funds on behalf of our channel partners. We use an independent asset management service to invest a portion of our channel partners' income on their behalf. Channel partners can retrieve the amount whenever needed

#### Next steps

We are strengthening our bonds with our channel partners with focused initiatives that enable them to grow alongside us. Going forward, we will continue to do so.

## Driving inclusive development agenda

At Havells, we believe in inclusive growth and sustainable development. We identify focused intervention areas and create a participatory model for transformation. Our social programmes focus on holistic development of school children and infrastructure of educational institutions, aiding in green development and conserving the nation's heritage.

### Holistic development of school-going children

Children are the future of India and we focus on providing them holistic opportunities of growth with programmes such as mid-day meals (for nutrition), hygienic sanitation facilities (for healthy living), school furniture and building infrastructure at government schools (for education).

#### Mid-day meals

Our mid-day meal programme provides nutritious meals according to government-approved diet chart for 693 government schools across Alwar district, Rajasthan. We prepare the meals in our modern kitchen (spread over 4 acres) and ensure on-schedule delivery using our fleet of ~30 vans and an in-house app. We manage the entire operation, from procurement to delivery, every day. Since inception (in 2005), we have served over 90 million meals to students.

During the year, this service was suspended due to the pandemic, although we continued to provide dry rations to our beneficiaries and served meals to those severely impacted by pandemic.

Going forward, we intend to serve 90,000 mid-day meals. The groundwork for the mission has been laid, with applications filed with district authorities. Currently, we are awaiting approval.

**~90 MILLION**

Mid-day meals served since inception



Note: Pre-pandemic image



Note: Pre-pandemic image



### Hygienic sanitation

We aim to provide school-going children a hygienic learning ambience and initiated Water, Health and Sanitation (WaSH) in 2013 to promote healthy habits among them. WaSH is aligned to the Swachh Bharat Mission and reaches 500 schools in Alwar district, Rajasthan.

With a 360-degree view on sanitation, over the years we have set up 4,096 eco-friendly bio-toilets in the government schools of Alwar and conducted sensitisation workshops. We also ensure to maintain the infrastructure in these schools throughout the year.

# 4,000+

Bio-toilets constructed



### Project Baala

Through Project Baala, we create awareness about menstruation among adolescent girls in rural India. As part of the project, we distributed re-usable sanitary napkins to over 1,46,000 girls studying in government schools of Alwar district, Rajasthan and Haridwar district, Uttarakhand till date. During the year, we distributed 66,740 kits in collaboration with Agha Khan, Project Mumbai, Akshay Patra and others. Going forward, we look to distribute many more sanitary kits to women and girls from marginalised socio-economic families.

# 1,46,000+

Beneficiaries of Project Baala till date



Note: Pre-pandemic image

### Educational infrastructure

We have been donating funds to educational institutions for developing infrastructure and providing scholarships to meritorious students to promote and support education. We have been continuously supporting Ashoka University with such funds over the years. Also, in FY 2019-20, we supported students from economically weaker backgrounds by providing assistance to BML Munjal Foundation.

Till date, we have donated ~2,500 bench and table sets, benefiting at least 5,000 students in Alwar and Haridwar. During the year, we donated ~200 benches and table sets.

### Aiming towards skill development

In collaboration with Electronics Sector Skill Council of India (ESSCI), we will develop micro entrepreneurship ecosystem by establishing Centres of Excellence (CoEs). These CoEs will help develop industry-ready electrical/ appliance labs and provide trainings for installation, service and maintenance of domestic and industrial electrical appliances, solar and renewable energy and air conditioning systems. Moreover, these institutes will connect distribution channels for last-mile sales/service points and provide handholding to micro entrepreneurs to launch their own business, besides continuing to provide mentoring support. The trainees will receive Havells' brand certificates.

These CoEs will increase our rural outreach, improving business, upskill existing electricians/ technicians on our products, provide trained technicians for our distribution channels and upcoming brand stores.



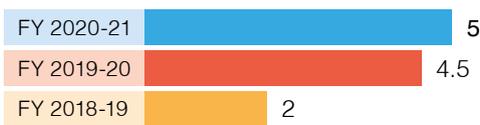


## Green development

At Havells, we do not wish to create economic value at the expense of the environment. Therefore, it is precisely why we focus on rejuvenating our natural ecosystems and biodiversity by planting trees in and around the nearby areas of our manufacturing facilities.

We are also working towards growing into a wood and paper neutral organisation in the long run. During FY 2020-21, we planted over 5 Lakhs trees, of which 4 Lakhs were planted in Bhopal, Madhya Pradesh and 1 Lakh in Neemrana, Rajasthan. Since FY 2017-18, we have planted overall more than 11 Lakhs tree saplings.

Number of trees planted (in Lakhs)



Most of our operations are in the industrial areas/zones. None of our operational sites owned, leased and managed are in or adjacent to protected areas and/or areas of high biodiversity value outside protected areas. Also, there is no International Union for Conservation of Nature (IUCN) Red List species and national conservation list species with habitats in areas affected by operations. Hence, there is no impact in relation to concerning biodiversity aspects.

## Conserving India's heritage

In association with the Aga Khan Foundation India (AKFI), we are contributing towards the development of Humayun's Tomb Interpretation Centre. The centre is spread over 10,000 sqm and would be the first-of-its-kind facility planned at any of Delhi's World Heritage Sites. It will also serve as a cultural public facility. Alongside, this we will also conserve 'Sabz Burj', a nationally important monument in New Delhi.

## Kanya Upwan

In association with the Alwar district administration in Rajasthan, we are developing 1.86 hectare of land near Kati Ghati (Alwar) as Kanya Upvan for the next five years. The initiative began in FY 2017-18 and the administrative authorities have been planting a sapling on the birth of a girl child in the district. We are landscaping the area to turn it into a local attraction.



## Next steps

Our community care programmes focus on the entire lifecycle of a child born, from education with mid-day meals and school infrastructure to hygienic living by providing proper sanitary conditions through bio-toilets and Project Baala, skill development for livelihood, recreation options such as Kanya Upawan and conserving heritage sites. Going forward, we will focus more on these programmes.

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<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its boundaries	32
	GRI 103-2: The management approach and its components	32
	GRI 103-3: Evaluation of the management approach	32
<b>GRI 307: Environmental Compliance 2016</b>	Disclosure 307-1 Non-compliance with environmental laws and regulations	32
<b>Supplier Environmental Assessment</b>		
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its boundaries	70
	GRI 103-2: The management approach and its components	70
	GRI 103-3: Evaluation of the management approach	70
<b>GRI 308: Supplier Environmental Assessment 2016</b>	Disclosure 308-1 New suppliers that were screened using environmental criteria	70
	Disclosure 308-2 Negative environmental impacts in the supply chain and actions taken	70
<b>SOCIAL STANDARDS</b>		
<b>Employment</b>		
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its boundaries	66
	GRI 103-2: The management approach and its components	66
	GRI 103-3: Evaluation of the management approach	66
<b>GRI 401: Employment 2016</b>	Disclosure 401-1 New employee hires and employee turnover	66
	Disclosure 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	66-69
	Disclosure 401-3 Parental leave	66

GRI Standard	Disclosure	Page number
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<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its boundaries	69
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<b>GRI 403: Occupational Health and Safety 2018</b>	Disclosure 403-1 Occupational health and safety management system (MA)	69
	Disclosure 403-2 Hazard identification, risk assessment, and incident investigation (MA)	69
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	Disclosure 403-5 Worker training on occupational health and safety (MA)	69
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	Disclosure 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships (MA)	69
	Disclosure 403-8 Workers covered by an occupational health and safety management system	69
	Disclosure 403-9 Work-related injuries	69
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<b>Training and Education</b>		
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its boundaries	66-67
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<b>GRI 404: Training and Education 2016</b>	Disclosure 404-1 Average hours of training per year per employee	67
	Disclosure 404-2 Programs for upgrading employee skills and transition assistance programs	66-67
	Disclosure 404-3 Percentage of employees receiving regular performance and career development reviews	66-67
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<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its boundaries	68-69
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GRI Standard	Disclosure	Page number
<b>Non-Discrimination</b>		
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its boundaries	32
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<b>GRI 406: Non-discrimination 2016</b>	Disclosure 406-1 Incidents of discrimination and corrective actions taken	32
<b>Child Labor</b>		
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its boundaries	32
	GRI 103-2: The management approach and its components	32
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<b>GRI 408: Child Labor 2016</b>	Disclosure 408-1 Operations and suppliers at significant risk for incidents of child labor	32
<b>Forced or Compulsory Labor</b>		
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its boundaries	32
	GRI 103-2: The management approach and its components	32
	GRI 103-3: Evaluation of the management approach	32
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<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its boundaries	32
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	GRI 103-3: Evaluation of the management approach	32
<b>GRI 412: Human Rights Assessment 2016</b>	Disclosure 412-1 Operations that have been subject to human rights reviews or impact assessments	32
	Disclosure 412-2 Employee training on human rights policies or procedures	32
	Disclosure 412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	32
<b>Local Communities</b>		
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its boundaries	72-75
	GRI 103-2: The management approach and its components	72-75
	GRI 103-3: Evaluation of the management approach	72-75
<b>GRI 413: Local Communities 2016</b>	Disclosure 413-1 Operations with local community engagement, impact assessments, and development programs	72-75
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GRI Standard	Disclosure	Page number
<b>Supplier Social Assessment</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundaries	70
	GRI 103-2: The management approach and its components	70
	GRI 103-3: Evaluation of the management approach	70
GRI 414: Supplier Social Assessment 2016	Disclosure 414-1 New suppliers that were screened using social criteria	70
	Disclosure 414-2 Negative social impacts in the supply chain and actions taken	70
<b>Customer Health and Safety</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundaries	65
	GRI 103-2: The management approach and its components	65
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GRI 416: Customer Health and Safety 2016	Disclosure 416-1 Assessment of the health and safety impacts of product and service categories	65
	Disclosure 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	65
<b>Marketing and Labeling</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundaries	32
	GRI 103-2: The management approach and its components	32
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GRI 417: Marketing and Labeling 2016	Disclosure 417-1 Requirements for product and service information and labeling	32
	Disclosure 417-2 Incidents of non-compliance concerning product and service information and labeling	32
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<b>Customer Privacy</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundaries	65
	GRI 103-2: The management approach and its components	65
	GRI 103-3: Evaluation of the management approach	65
GRI 418: Customer Privacy 2016	Disclosure 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	65
<b>Socioeconomic Compliance</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundaries	32
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	GRI 103-3: Evaluation of the management approach	32
GRI 419: Socioeconomic Compliance 2016	Disclosure 419-1 Non-compliance with laws and regulations in the social and economic area	32

# Assurance Statement



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## **Independent Limited Assurance Statement to Havells India Limited on their Sustainability Report for Financial Year 2020-21**

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 Assurance and consulting Services LLP ('KPMG', or We) to provide an independent assurance on its Sustainability Report 2020-21 ('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 2020 to 31 March 2021, 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)
  - Ghiloth, (Rajasthan)
  - Sahibabad (Uttar Pradesh)
  - Corporate Office, Noida (Uttar Pradesh)
- 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"> <li>Organizational Profile: GRI 102-8 and GRI 102-13</li> <li>Strategy and Analysis: GRI 102-14</li> <li>Ethics and Integrity: GRI 102-16</li> <li>Governance: GRI 102-18</li> <li>Stakeholder Engagement: GRI 102-40 to GRI 102-44</li> <li>Reporting Practice: GRI 102-45 to GRI 102-56</li> <li>Management Approach: 103-1 to 103-3</li> </ul>	<ul style="list-style-type: none"> <li>Environment: 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)</li> <li>Labour Practices and Decent Work: Employment (GRI 401-1 to GRI 401-3), 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), 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)</li> <li>Supply Chain: Supplier Social Assessment (GRI 414-1 to GRI 414-2), Supplier Environmental Assessment (GRI 308-1)</li> <li>Public Policy (GRI 415-1)</li> <li>Product Responsibility: Customer Privacy (GRI 418-1), Marketing and Labelling (GRI 417-1 to GRI 417-3)</li> </ul>

#### 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

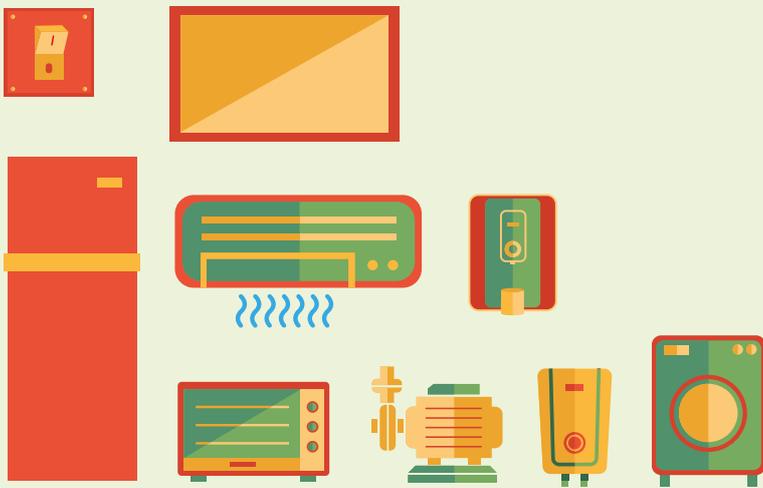
**Responsibilities**

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  
KPMG Assurance and Consulting Services LLP  
Dated: 11 May 2021





**HAVELLS**

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