



HAVELLS

A Better Tomorrow Begins Today



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Havells India Limited constantly strives towards achieving sustained improvement in the quality of people's lives through innovative solutions in Fast Moving Electrical Goods (FMEG) space, while fulfilling its economic, environmental and social responsibilities. In this pursuit of ours, on one hand, we are continuously working towards improving the efficiency, quality and standards of our products and services, while simultaneously focussing on internalisation of sustainable development agenda into our way of working by upgrading our manufacturing facilities, systems and process. We power this change through our state-of-the-art manufacturing facilities, incorporating concepts and elements of green buildings, and providing a safe and healthy working environment for our workforce.

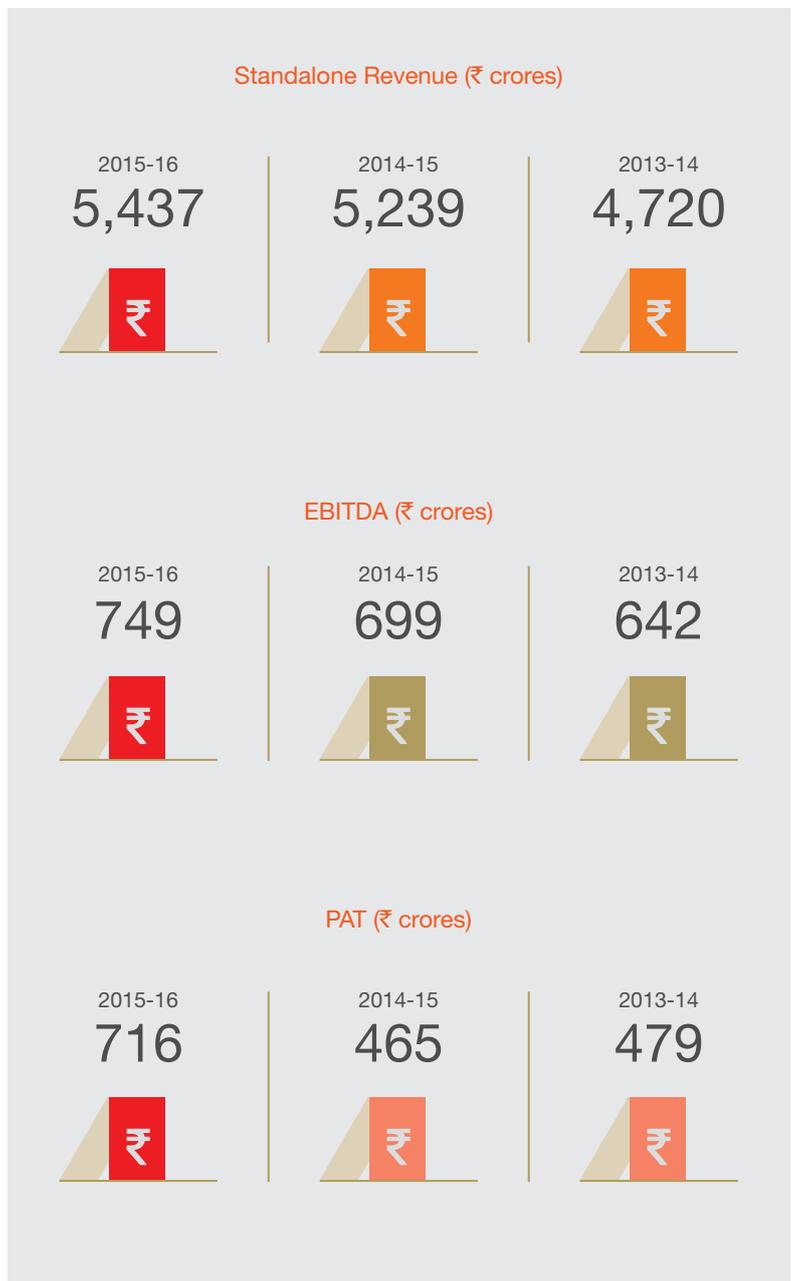


Performance Snapshot

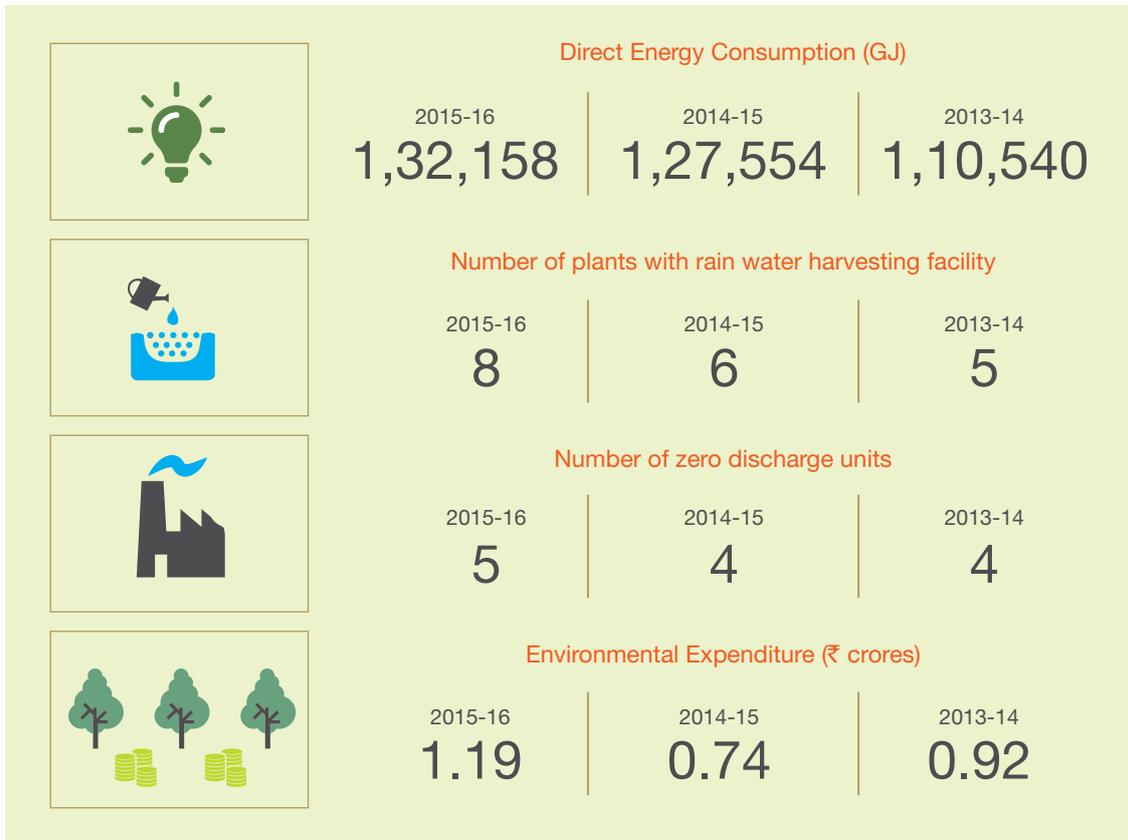
Overview



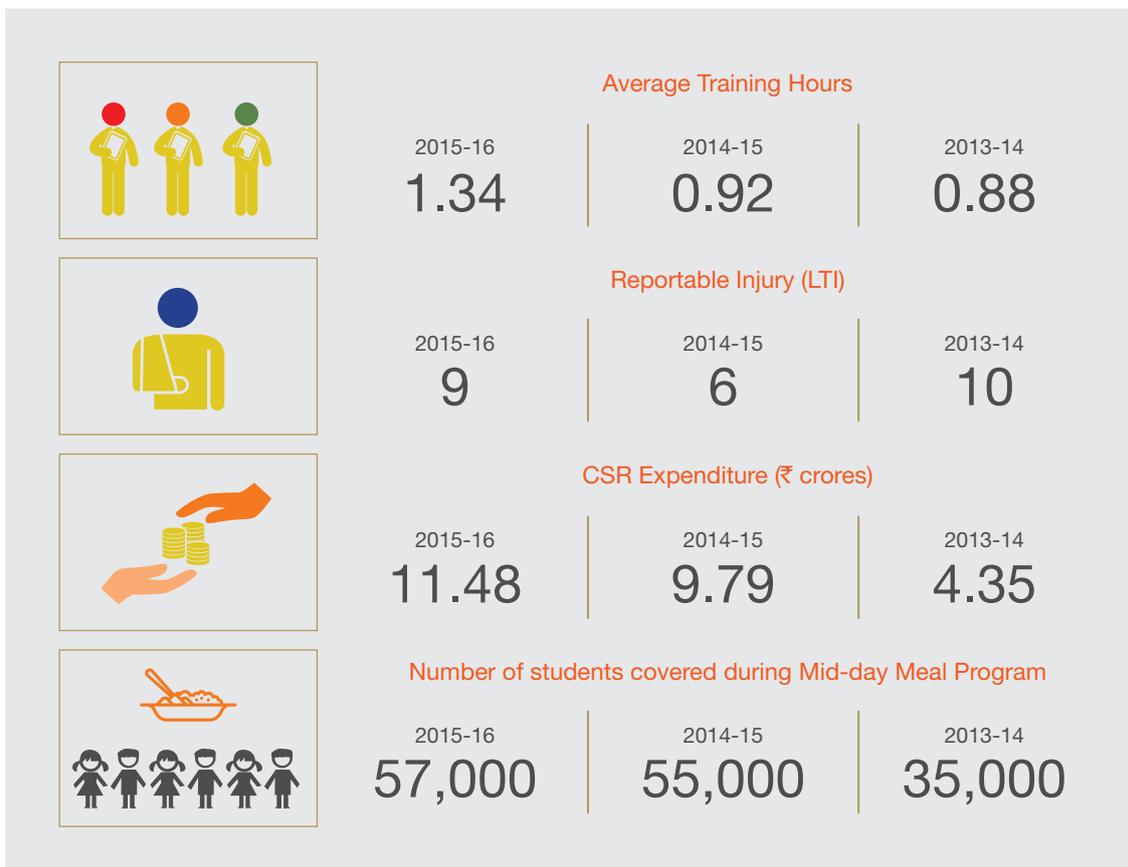
Economic Highlights



Environmental Footprint



Social Performance



Report Overview

A Better Tomorrow Begins Today



Havells India Limited (Havells) is a sustainability-driven company. Operating in a rapidly expanding global marketplace, we are guided by needs of our consumers and dedicated to fulfilling our sustainability commitments.

We publish our sustainability report annually to disclose our sustainability performance. Our fourth sustainability report titled "A Better Tomorrow Begins Today", presents key performance highlights of 2015-16 in the economic, environment and social areas. We hope you find this report informative and useful. Your comments and suggestions are welcome at sustainability@havells.com.



Report Boundary

The report has been prepared as per Global Reporting Initiative (GRI) G4 guidelines. The disclosures presented in the report are in accordance with the “Core” reporting option.

The report presents data and information of the year 2015-16 (1st April 2015 - 31st March 2016):

Report Scope and Boundary

S. No.	Havells Facilities	Performance indicators covered in Report		
		Economic	Environmental	Social
1	Manufacturing units			
	a) Neemrana, Rajasthan	✓	✓	✓
	b) Alwar, Rajasthan	✓	✓	✓
	c) Baddi, Himachal Pradesh	✓	✓	✓
	d) Faridabad, Haryana	✓	✓	✓
	e) Haridwar Fans, Uttarakhand	✓	✓	✓
	f) Haridwar Standard, Uttarakhand	✓	✓	✓
	g) Noida, Uttar Pradesh	✓	✓	✓
	h) Sahibabad, Uttar Pradesh	✓	✓	✓
2	Corporate Office			
	a) Noida, Uttar Pradesh	✓		✓

Materiality Assessment

Sustainable development is not just about addressing the material issues facing our business, but also considering the interests of our stakeholders. These issues are relevant to us and are addressed in our internal strategic priorities, corporate social responsibility approach and stakeholder communication.

We conducted a materiality assessment in 2013, with the resulting 'issues matrix' shown below. Havells conducted

structured stakeholder surveys that involved seeking feedback from internal stakeholders, i.e., employees spread across manufacturing plants and the management (including top management, functional heads, product heads and select senior employees from the corporate office). These top issues emerged as the priority areas for Havells sustainability journey and future reporting.

The assessment was reviewed to assess the relevance and validity of these issues as well as identify new issues in 2015-16.

Materiality Matrix

Following are the 9 key material issues that have been identified after looking at issues highlighted by management and other stakeholders.



We intend to refine and update our materiality assessment in 2016-17 with a detailed stakeholder consultation and internal assessment of rising trends, regulatory mandates, environmental and societal concerns, and overall business risks and opportunities.

Reporting Principles

Sustainability Report 2015-16, covers those aspects deemed material to our business and our stakeholders.

Our effort has been to ensure that the information presented in this report to our stakeholders is unbiased, comparable, accurate, reliable and comprehensible. We have developed systems and practices for regular and reliable tracking of sustainability performance data. This is especially useful since we hold a diverse product portfolio and have a large geographical spread of manufacturing sites and offices.

In the report, we have pointed out significant limitations in the information presented, wherever applicable.

Due to rounding-off, numbers presented throughout this report may not add up precisely to the totals provided.

External Assurance

We believe that independent assurance not only leads to quality and process improvements but helps in building trust and credibility with key stakeholders.

Sustainability Report 2015-16 is externally assured by Ernst & Young LLP, excluding economic performance indicators, which are derived from our audited financial reports. The assurance is in accordance with the 'limited assurance' criteria of the International Standards on Assurance Engagements ISAE 3000. The assurance approach, methodology, and observations are presented in the assurance letter at the end of this report.

Assurance Statement



Ernst & Young LLP
22, Connaught Place,
New Delhi - 110028, India
Tel: +91 22 6610 3400
Fax: +91 22 6610 3750
Website: www.ey.com

The Management and Board of Directors
Havells India Limited,
GRO Towers, 3D, Sector - 12E,
Noida 201304, Uttar Pradesh, India

Independent Assurance Statement
Ernst & Young LLP (EY) was engaged by Havells India Limited (the 'Company') to provide independent assurance on its Sustainability Report 2015-16 (the 'Report') covering the Company's sustainability performance during the period 1st April 2015 to 31st March 2016.

The development of the Report based on the Global Reporting Initiative (GRI-G3.1) Guidelines; its content and presentation is the sole responsibility of the management of the Company. EY's responsibility, as agreed with the management of the Company, is to provide independent assurance on the report content as described in the scope of assurance. Our responsibility in performing our assurance activities is to the management of the Company only and in accordance with the terms of reference agreed with the Company. We do not therefore accept or assume any responsibility for any other purpose or to any other person or organization. Any dependence that any such third party may place on the Report is entirely at its own risk. The assurance report should not be taken as a basis for interpreting the Company's overall performance, except for the aspects mentioned in the scope below.

Assurance standard
Our assurance is in accordance with International Federation of Accountants' International Standard for Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000), and our conclusions are for 'limited assurance' as set out in ISAE 3000.

Scope of assurance and methodology
The scope of our work for this assurance engagement was limited to review of information pertaining to environmental and social performance for the period 1st April 2015 to 31st March 2016. We conducted review and verification of data collection, measurement methodology and general review of the logs of inclusion/exclusion of necessary relevant information; data and this was limited to:

- Review of consistency of data/information within the report as well as between the report and source;
- Verification of the sample data and information reported at the following units/locations:
 - Meerut (Uttar Pradesh)
 - Delhi (Haryana)
 - Noida (Uttar Pradesh)
 - Fatehabad (Haryana)
 - Corporate office at Noida (Uttar Pradesh)
- Execution of an audit trail of claims and data streams, on a selective test basis, to determine the level of accuracy in collection, transcription and aggregation;
- Review of the Company's plans, policies and practices, pertaining to their social, environment and sustainable development, so as to be able to make comments on the fairness of sustainability reporting.

Limitations of our engagement
The assurance scope includes:

- Data and information outside the defined reporting period (1st April 2015 to 31st March 2016);
- Review of the 'economic performance indicators' included in the Report which, we have been informed by the Company, are derived from the Company's audited financial records;
- The Company's statements that describe expression of opinion, belief, inference, aspiration, expectation, aim or future intention.

Our assurance team and independence
Our assurance team, comprising of multidisciplinary professionals, was drawn from our Climate Change and Sustainability sector, and undertakes similar engagements with various Indian and international companies. As an assurance provider, EY is required to comply with the independence requirements set out in International Federation of Accountants (IFAC) Code of Ethics for Professional Accountants. EY's independence policies and procedures ensure compliance with the Code.

Observations and opportunities for improvement
During our review process, we observed that:

- The Company has completed the Report on the basis of GRI G3.1 Guidelines of the Global Reporting Initiative;
- The Company has demonstrated fairly reliable sustainability data collection and management system; however, it may further improve the accuracy and completeness of reporting on certain indicators, viz. water withdrawal, employee training, energy (state) and hazardous waste disposal;
- The Company may improve an understanding of sustainability indicators within the organization and internal review of the sustainability performance data.

Conclusion
On the basis of our procedures for this limited assurance, nothing has come to our attention that causes us not to believe that the Company has reported on sustainability issues relevant to its business and its stakeholders.

Sudipta Das
Ernst & Young LLP
Sudipta Das
Partner

Dated: June 4th, 2016
Place: Kolkata, India

Assurance Statement



Ernst & Young LLP
22, Connaught Street,
24th Floor, Block 'W'
Kolkata 700 016
India

The Management and Board of Directors
Havells India Limited,
GRO Towers, 3D, Sector - 12E,
Noida 201304, Uttar Pradesh, India

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Sudipta Das
Ernst & Young LLP
Sudipta Das
Partner

Dated: 04 August 2015
Place: Kolkata, India



Assurance Statement for FY 2016 shared at the end of this Report.

Foreword

"We live in a world of limited natural resources. As a responsible business entity, we endeavour to use those wisely."



Dear Stakeholders,

A clear business strategy with focused vision is an invaluable instrument as it ensures long-term progress. At Havells, sustainability is a part of our business strategy. We strive to grow our company in a way that takes into account the environmental and social impacts of our activities. We endeavour to ensure inclusive growth of our various stakeholders.

We live in a world of limited natural resources. As a responsible business entity, we endeavour to use those wisely. We are concerned about global warming, the greatest threat to our environment today. Efficient use of energy plays an important role in reducing the greenhouse gas emissions that are heating up our planet. That is why resource efficiency has been an element of our environmentally responsible business approach.

We take into account the environmental impact of a product during its entire life cycle. Since most of the environmental impacts and life-cycle costs occur post-sale, our focus is to ensure efficient resource consumption during usage. This not only mitigates the environmental impact but also benefits our consumers through reduced energy costs associated with their appliances.

While keeping our commitment to the environment, we work tirelessly to increase efficiency and productivity in areas that face pressing operational issues. This strategy has enabled us to ride lucrative economic waves and stay afloat during tough economic times.

At Havells, people are at the centre of our operations and we continue to attract and retain outstanding talent. Our responsibility towards our human resources is reflected in our high workplace standards. We are equally serious about our role as a contributor to the economic and social welfare of people and communities.

In the year gone by, Havells has transitioned further on its path of corporate responsibility and sustainable development efforts. For this, and for their continued faith and support, we would like to sincerely thank all our stakeholders.

Truly Yours

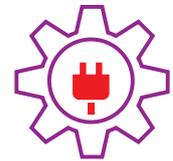
Anil Rai Gupta
Chairman & Managing Director



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Havells: Our Expanding World

Starting out as a trading company, Havells has today grown into a leading Fast Moving Electrical Goods company with a national and global presence.



Our journey so far

Headquartered at Noida, India, we have 7 manufacturing locations across the country. Our products are sold through a network of dealers and exclusive brand stores (Havells Galaxy). Globally, we have a presence in over 50 countries.

We offer one of the largest portfolios of electrical products with 17 business verticals ranging from solutions

for industrial applications, like industrial circuit protection, high-tension (HT) and low-tension (LT) cables, control gear, change-over switches, to consumer electrical products like home appliances, lighting fixtures, LED lights, CFLs, domestic cables, and home circuit protection devices. The company owns strong Indian and international brands like Havells, Crabtree, Standard and Reo.



We were the first Company to offer **BEE 5-star energy efficient ceiling fans** in the country. We were also responsible for introducing the **first green CFL** in India.



Our domestic appliances are a refreshing discovery in **premium design**, unmatched functionality and **lifestyle experience**.

With our manufacturing prowess, commitment to quality, innovation, and customer satisfaction, we have consistently grown in scale.



Network strength of **20,000 dealers**, and countless retailers.



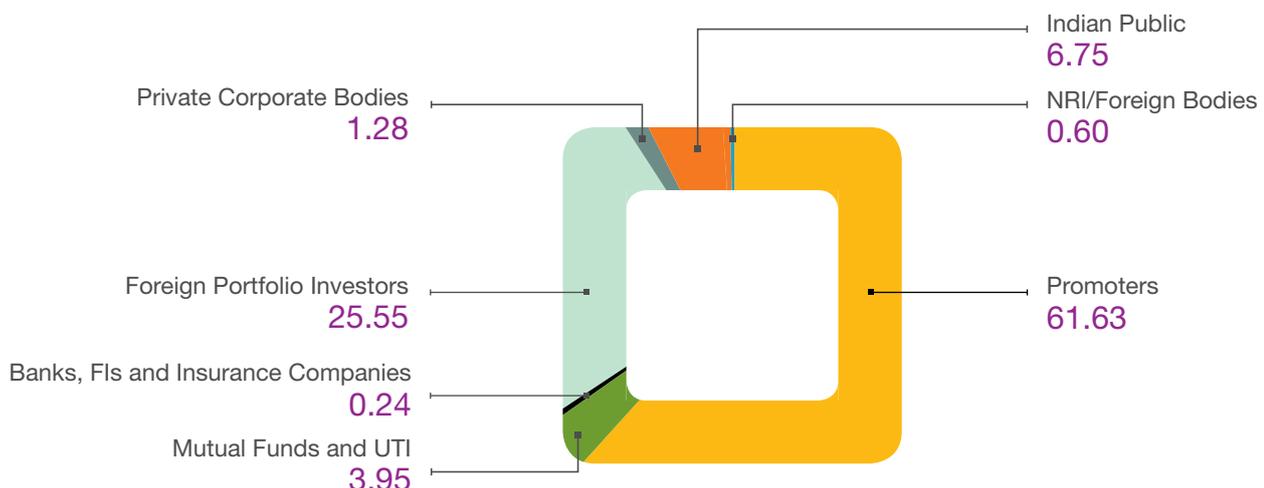
Each year, we manufacture **11,50,000 kilometres** of domestic and industrial cables, which is almost **3 times** the distance between the earth and the moon



Our fire survival cables continue to remain in operation at high temperatures like **650°C, 750°C** and **950°C** in different conditions.

Company Ownership Pattern

Ownership Pattern as on 31st March 2016



Vision, Mission and Values

Vision

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

Mission

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

Values

Customer Delight - A commitment to surpass our customer expectations;

Leadership by Example - A commitment to set standards for our business and transactions based on mutual trust;

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

Integrity & Transparency - A commitment to be ethical, sincere and open in our dealings.

Sustainability Vision

Reduce CO₂ emissions

Develop and manufacture energy efficient products; reduce direct and in-direct emissions in manufacturing operations

Improve quality of life

Create a sense of wellbeing with superior quality products

Improve environmental protection

Reduce hazardous substances and improve waste management

Offer profitable business to market

Better efficiency, sustainability and longer product life



Our Business Ecosystem

A business cannot be successful unless it creates prosperity and opportunity for others. With this philosophy we work closely with our business partners (dealers and suppliers) while serving our valuable customers to their utmost satisfaction.

Brand loyalty in the electrical goods space is particularly vulnerable. Customers often switch to competitor products when their favourite brand isn't available on the shelf. Hence we give high importance to maintain an efficient and responsive supply chain network. Over the years we have built a flexible and cost-competitive network of distributors. In India, we have a presence in over one lakh retail outlets that are serviced by an extensive distribution network. We also have a chain of exclusive brand showrooms called 'Havells Galaxy', which cater to both industrial and domestic consumers.

To manage our supply chain operations, we have IT infrastructure that allows real-time monitoring of our global supply chain, right from development, procurement, production, logistics and sales to service helps the company detect market changes and proactively address exigencies. We have provided our suppliers with an online facility through which they can access information and conduct business transactions such as order inquiry, order acknowledgement, material planning, invoicing, advance shipping notification (ASN), quality, payments, tax forms, etc.

After sales service is an important function for the company. We are the first FMEG Company to offer doorstep service to its customers in over 400 districts across the country. Adding to their convenience, our call centre operates in nine different regional languages.



Our in-bound supply chain is extensive. We procure raw materials and equipment from around 1200 suppliers located within the country and abroad. Some of our raw materials and equipment are imported from countries like China, Germany, France, South Korea, USA, Thailand, Singapore, Taiwan, Switzerland, Canada, Netherlands, etc.



Over
1 lakh
retail outlets in India
as on 31st March,
2016

Our India Presence



NOT TO SCALE - FOR ILLUSTRATION PURPOSE



Branch Locations - India

- Delhi
- Haryana
- Chandigarh
- Himachal
- Ludhiana
- Amritsar
- Jammu
- Srinagar
- Jaipur
- Jodhpur
- Noida
- Kanpur
- Lucknow
- Dehradun
- Haldwani
- Indore
- Bhopal
- Jabalpur
- Chhatisgarh
- Kolkata
- Siliguri
- Assam
- Orissa
- Bihar
- Jharkhand
- Mumbai
- Nagpur
- Pune/Kolhapur
- Goa
- Ahmedabad
- Surat
- Rajkot
- Hyderabad
- Vijayawada
- Bangalore/Hubli
- Chennai
- Trichy
- Coimbatore
- Madurai
- Cochin
- Calicut
- Trivandrum

Manufacturing Locations - India

- ▲ Alwar
- ▲ Baddi
- ▲ Faridabad
- ▲ Haridwar
- ▲ Neemrana
- ▲ Noida
- ▲ Sahibabad

Our Brands and Products

The company envisioned building the brand in India at a time when products in electrical segments were considered as commodities. Havells has proven its brand value in the

industry in both domestic and global market. Internationally, our strategy has been to associate with trustworthy, legacy brands.

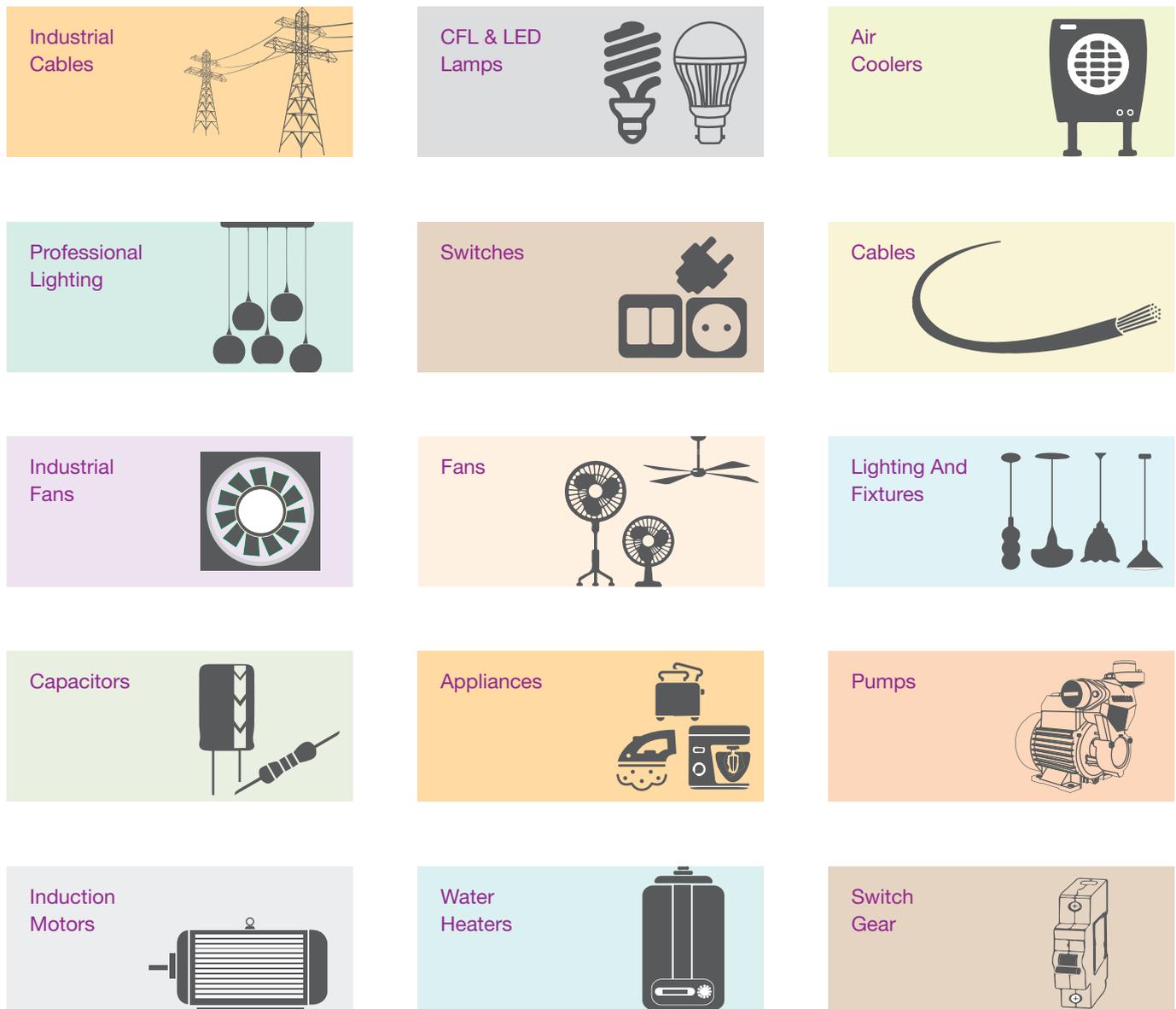
Havells Brands



Note: Havells India Limited divested 80% stake in Sylvania to Shanghai Felio Acoustic, one of China's leading lighting companies for around ₹ 1,100 crore

Product Range

Havells products fall under seventeen verticals, which include solutions for industrial applications like industrial circuit protection, high tension (HT) and low tension (LT) cables, control gear, change-over switches and consumer electrical products like home appliances, lighting fixtures, LED lights, CFLs, domestic cables and home circuit protection devices.



Awards and Memberships

The following are the company's awards and memberships for 2015-16.

Award Name	Award Description	Havells Role
Bronze Effie Award	Regional campaign – Hawa Badlegi	Symbolising excellence in marketing in the regional category
CIO Special Award- Innovation in mobility	Won the 'Mobility Maven Honoree 2015'	Conferred to the IT team at Havells for their latest application- Havells M-Catalogue under the 'Innovation Category'
Reader's Digest Award- Most trusted Brand Award	"Gold Award" by the Reader's Digest Trusted Brand Awards	Received the award under the "Household electrical products" category



Bronze Effie Award



CIO Special Award- Innovation in mobility



Reader's Digest Award- Most trusted Brand Award

Membership	Havells Role
Electric Lamp and Component Manufacturers Association of India (ELCOMA)	For exchange of knowledge and capabilities
International Facility Management Association (IFMA)	For developing strategies to manage human, facility and real estate resources
Confederation of Indian Industry (CII)	"Gold Award" by the Reader's Digest Trusted Brand Awards
PHD Chamber of Commerce	For representing the company at the industry association and share with other industries in the electrical sector, concerns and interests
Indian Electrical & Electronics Manufacturers' Association (IEEMA)	

Good Governance for a Better Tomorrow

For Havells, corporate governance goes beyond managing compliances and regulatory requirements.

Our governance practices define the nature and quality of our relationships in the key spheres of influence including workplace, market place, supply chain, community and the public policy realm.

Our corporate governance is driven by board oversights, timely disclosures, transparent accounting policies and high level of integrity in decision making. We believe that corporate governance is an ethically driven business process that is committed to values aimed at enhancing an organisation's growth. Effective board oversight and sound governance practices are fundamental to our organisation's long term growth plans and is critical in enabling the company to deliver value to its stakeholders. Robust corporate governance is also critical for enhancing and retaining investor trust.



In India, corporate governance standards for listed companies such as ours is regulated by the Securities and Exchange Board of India (“SEBI”), through Clause 49 of the Listing Agreement with the Stock Exchange.

At a macro level, our governance philosophy rests on basic tenets, viz., board’s accountability to the company and shareholders, strategic guidance and effective monitoring by the board, protection of minority interests and rights, equitable treatment of all stakeholders as well as transparency and timely disclosures.

We strive for excellence through adoption of the best governance and disclosure practices. We continuously strengthen the quality of our disclosures, the board composition and its functioning, remunerations paid and levels of compliance with various Corporate Governance Codes, to the extent practicable and required by applicable regulations.

Good governance practices are the foundation on which we build our triple bottom line commitments and performance. A strong and responsive governance structure supports our efforts towards a sustainable future.

Our Board

We strive to enhance our business with the highest standards of governance, transparency, and accountability. Our board of Directors administer the performance of management, set corporate management policies and make strategic business decisions. These activities are in accordance with relevant laws and regulations of the country and the resolutions made at the annual general shareholders meeting (AGM).

Our board comprises of people from a variety of regions, experiences, training, education and cultures who contribute ideas, wisdom and experiences to increase shareholder value.

The board is constantly apprised of various initiatives undertaken to effectively implement our sustainability action plan enabling them to take informed decisions. These steps include- resource optimization, energy efficiency, fatal or serious accidents, significant labour concerns and their proposed solutions to name a few.

The board ensures compliance to all laws applicable to the company and is regularly informed of materially important show-cause notices, demand, prosecution, penalty notices, non-compliance of any regulatory, statutory nature or listing requirements etc., if any.

Board Composition

The Board of Directors are an optimum combination of executive and non-executive directors with one woman director. More than 50% of the board of directors comprised of non-executive directors. The chairperson of the board is an executive director and majority of the board is comprised of independent directors. The board meets at least four times a year and more often, if needed.

During 2015-16, the time gap between any two board meetings did not exceed one hundred and twenty days. During the reporting period, nine board meetings were held. The Board of Directors periodically review compliance reports pertaining to the laws applicable to the company. All statutory and other matters of significance including information as mentioned in part A of schedule II to the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 are tabled before the board so that it can discharge its responsibility of strategic supervision for the company.

In 2015-16, we received eight shareholder grievances and all were resolved within the year.



Board of Directors as on 31st March, 2016:

S. K. Tuteja

Independent Director

V. K. Chopra

Independent Director

S. B. Mathur

Independent Director

Dr. Adarsh Kishore

Independent Director

Anil Rai Gupta

Chairman and Managing Director

Puneet Bhatia

Non-Independent

Non-Executive Director



T. V. Mohandas Pai

Non-Independent
Non-Executive Director

Rajesh Kumar Gupta

Whole-time Director (Finance)
and Group CFO

Surjit Kumar Gupta

Non-Independent
Non-Executive Director

Pratima Ram

Independent
Director

A. P. Gandhi

Independent Director

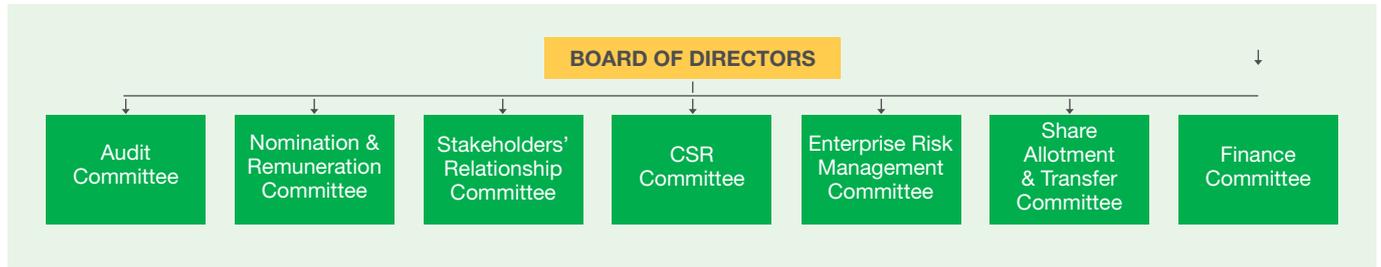
Ameet Kumar Gupta

Whole-time Director



Committees of the Board

Committees of the Board as on 31st March, 2016



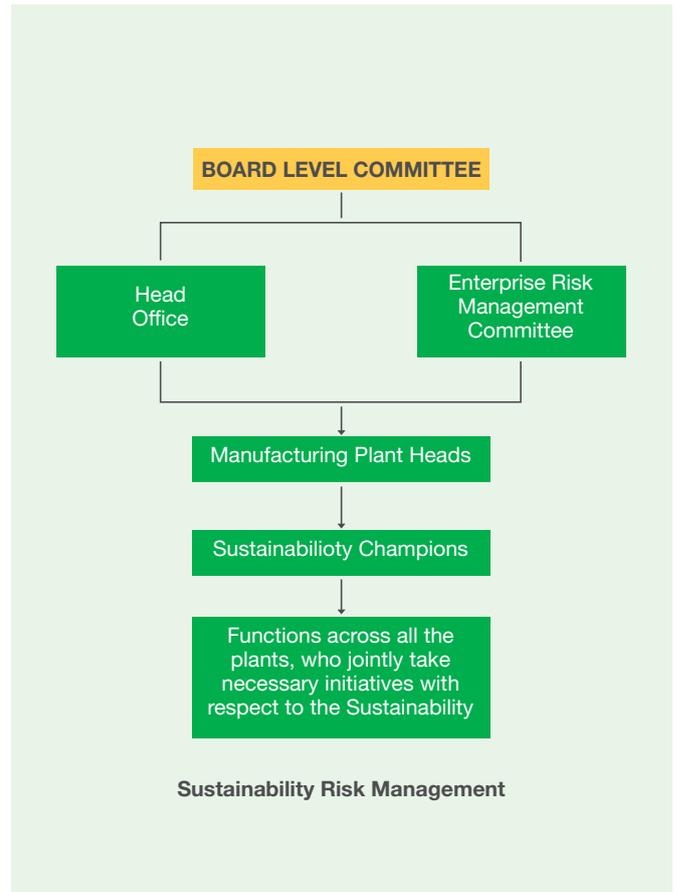
Board Committee	Composition	Key functions
Audit Committee	Total members: 4 Non-Executive Directors: 4 Company Secretary acts as Secretary to the Audit Committee	<ul style="list-style-type: none"> Primarily dealing with appointment of auditors, monitoring their performance, examination of the auditors' report etc. Reviewing financial statements, performance, and related functions Review of transactions, internal controls, risk management systems
Nomination and Remuneration Committee	Total members: 4 Non-Executive Directors: 4 Chairman is an Independent Director	<ul style="list-style-type: none"> Identify persons who are qualified to become directors and persons who may be appointed in senior management based on the formulated criteria Evaluation of Directors' performance
Stakeholders' Relationship Committee	Total members: 5 Non-Executive Directors: 4 Chairman is a Non-Executive and Independent Director	<ul style="list-style-type: none"> Address the concerns of the stakeholders
Corporate Social Responsibility Committee	Total members: 4 Non-Executive Directors: 2 Chairman is an Non-Executive and Independent Director	<ul style="list-style-type: none"> Identify, monitor, review CSR activities and provide strategic direction
Enterprise Risk Management Committee	Total members: 4 Non-Executive & Independent Directors: 2 Chairman is an Independent Director	<ul style="list-style-type: none"> Identify and address key risks that the Company may face
Share Allotment and Transfer Committee	Total members: 3 Non-executive Director: 1 Executive Director: 2 Chairman is an Non-Executive Director	<ul style="list-style-type: none"> To consider requests of share transfer, duplicate share certificate etc. and also to attend the investor grievances
Executive Committee	Total members: 4 Non-Executive Director: 1 Executive Director: 3 Chairman is an Non-Executive Director	<ul style="list-style-type: none"> Decide business matters of routine nature and implementation of strategic decisions of the board

Risk Management

Mitigating risks through a formal process is necessary for the long-term sustainability of our organisation. A strong risk management and internal control system forms the backbone of our risk management practices. In line with our commitment to provide sustainable returns to all our stakeholders, we have clearly defined systems and policies to address key business challenges and opportunities in a timely manner.

Risk management at Havells is a key strategic focus and encompasses practices relating to identification, evaluation, monitoring and mitigation of key risks to business. The twin purpose of Enterprise Risk Management is to minimize possible adverse impacts and to leverage opportunities for the benefit of the company.

Havells follows a PSPD (Predictable, Sustainable, Profitable and De-risked) approach for risk management. We benchmark with COSO (Committee of Sponsoring Organisations of the Treadway Commission, USA) Internal Financial Control Framework in accordance with the Companies Act 2013, revised clause 49 of the listing agreement of SEBI. These incorporate an interactive management-oriented approach to the optimization of key business challenges and opportunities. Our core values and ethics provide a platform for the company’s risk management policies and practices.



Assurance Framework



Risk management activities are carried out at periodic intervals by the designated team. Risk surveys are conducted across functions to get inputs on key challenges towards achievement of business objectives and their

prioritization within the risk mitigation plan. Periodic assessments of risks and their potential impact on business growth, profitability, talent engagement and market position is conducted.

Ethical Business Conduct

At Havells, we give utmost importance to business ethics. We supplement our traditionally held values of ethical behaviour and moral conduct with explicit rules and regulations that guide our actions in financial, propriety, customer care and business excellence.

We are committed to conduct our business in accordance with applicable laws, rules and regulations and with the highest standards of business ethics. We have implemented a Code of Conduct that is intended to provide guidance and help in recognizing and dealing with ethical issues. An appropriate mechanism of reporting unethical conduct fosters a culture of honesty and accountability. The Code of Ethics is applicable to all the Directors, Senior Management and every employee of Havells. The code is intended to deter wrongdoing and promote ethical conduct in the company. At Havells, employees are to follow this Code of Conduct and comply with policies and procedures applicable to them. The top management helps create a culture of high ethical standards and commitment to compliance and encourages stakeholders to raise any issue in this regard.

Policies

The company has a whistle blower policy called 'Satark' that empowers any person associated with the organisation to report any unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy, to the management through a proper channel.

The 'Idea' policy aims to promote a culture of innovative thinking and creativity in the business. The ideas may be related to both technical and non-technical areas like, commercial, general administration, manufacturing processes, cost savings or any other aspect.

Policy 'Nirbhaya' has been formulated with the objective of providing a streamlined and uniform way of dealing with cases of harassment, to prevent and redress sexual harassment of women at the work place.

We have also formulated a Policy for Prohibition of Insider Trading to deter people from indulging in any malpractices in the securities of the company based on unpublished price sensitive information.

Beyond Compliance

With increasing accountability and potential exposure to liability, Havells management ensures that corporate governance standards are clearly understood and adhered to. Achieving compliance to all national and international regulations is our highest priority.

All statutory compliances with respect to preventive maintenance schedules and environmental clearances are taken in due course. We monitor impact of our operations on the environment and work towards reducing emissions, effluents and waste produced. We have well established

We have adopted performance management systems to supplement our policy articulation with performance management systems. At the plant level, significant environmental and social aspects are managed through ISO-based management system standards, such as ISO 9001, ISO 14001, ISO 50001; and OSHAS 18001.

environment management systems, technologies and equipment like effluent and sewage treatment plants to keep the level of waste and pollution below the prescribed limits of the Pollution Control Board. The hazardous solid waste generated at our facilities is disposed through authorized vendors.

Society, especially the communities around our plants, is an important stakeholder for us. To comply with provisions of Section 135 of the Companies Act, during the reporting period, we contributed a sum of ₹ 11.48 crores towards various social causes and debited the same to the statement of profit and loss.

To strengthen our safety standards, we have adopted the OHSAS-18001 standard. The standard offers us a platform to address issues concerning child labor, forced and compulsory labor, health and safety, freedom of association and the right to collective bargaining, disciplinary practices, working hours and remuneration.

During the reporting period, there were no non-compliances related to discrimination, child labor or forced labor and no fines or non monetary sanctions were levied on us for non-compliance of environmental laws and regulations. There were no incidents of non-compliance or fines levied with respect to the regulations or voluntary codes concerning the health and safety impacts of products and services, products related communication and product information disclosure and labelling.

Fostering Stakeholder Engagement

We periodically engage with our stakeholders through various platforms and communication channels. The information gathered from them feeds into our decision-making process.

We continuously develop deeper engagements with stakeholder groups and intend to further strengthen our interaction with suppliers, communities and employees.

Stakeholder Engagement Details

Stakeholder	Engagement Mechanism	Purpose
Shareholders	<ul style="list-style-type: none"> Annual General Meeting Investor conferences Audio-video conferences Quarterly financial report updates and bulletins Factory visits for the institutional investors Press-releases Dedicated e-mail id : investors@havells.com to resolve investor queries 	<ul style="list-style-type: none"> Shareholder engagement for general discussions and sharing industry updates Sharing performance results Instill confidence in potential investors and retaining trust of existing investors Paperless communications to reduce paper consumption
Workforce	<ul style="list-style-type: none"> Training programmes for employee skills upgradation and on occupational health & safety Daily Work Management (DWM), meetings to discuss work and non-work issues 	<ul style="list-style-type: none"> Innovation, improvements, performance, etc. Employee motivation, skill upgradation and team building Daily discussion and resolution of issues Prevention of accidents, health hazards, production losses, etc.
Dealers	<ul style="list-style-type: none"> Dealer meetings Direct access to Chairman's office and dedicated toll free number for complaints and feedback Welfare schemes Dealer surveys 	<ul style="list-style-type: none"> As partners in business, focus on their welfare, growth and creation of wealth Receiving market feedback Discussion regarding the product features, like safety, energy efficiency, etc
Customers	<ul style="list-style-type: none"> Feedback reports from dealership network Havells connect customer service for feedback, query, product complain and redressal Social media 	<ul style="list-style-type: none"> Awareness building on product features, especially safety aspects Collection of feedback for future product and service improvement Grievance redressal
Bankers & Financial Institutions	<ul style="list-style-type: none"> Quarterly reports and updates Compliance visits and audits Analyst's meets 	<ul style="list-style-type: none"> Compliance Discussion on emerging regulations Self checks and feedback on business performance
Vendors	<ul style="list-style-type: none"> Vendors meet Online Vendor Portal Communication on telephone and e-mail 	<ul style="list-style-type: none"> Compliance to Havells standards Pricing and payment Product quality and timely supply
Regulators & Statutory Bodies	<ul style="list-style-type: none"> Regular compliance reports Statutory audits 	<ul style="list-style-type: none"> Compliance Disclosures on aspects defined by Government of India
Media	<ul style="list-style-type: none"> Media meets Press conferences Management interviews 	<ul style="list-style-type: none"> Important announcements meant for mass stakeholders Providing regular, credible progress information for communication to stakeholders
Local Communities	<ul style="list-style-type: none"> Daily informal interactions – Mid day meals Regular field survey 	<ul style="list-style-type: none"> Assessment of Havells' initiatives and their impacts CSR budget and expenditure planning

Towards Sustainable Growth

Along with our continuous focus on addressing customer's expectations and market demand, we focus on maintaining our market share.



Our contribution to national and local economies is through our business with our suppliers, wages, salaries and taxes paid and our long-term capital investments.

Our economic performance highlighted in the report is based on the stand alone financial statements of the company.



Economic Performance

At Havells, we lay great stress on a robust economic performance. Our stringent financial controls focus on creating value through economic growth, strategic capital spending and cost-reduction activities thus ensuring long term business success.

From the business point of view, the year in reporting was a successful one, despite the challenging business environment. As our financial security has strengthened, we are investing in our products, our people and our

communities. The financial performance of our company has a ripple effect that touches and improves many lives.

The second half of the financial year witnessed early signs of recovery in the industrial cable and the LED lighting segment. The substantial decrease in commodity prices impacted revenue growth in the cable segment, which contributes considerably to the total revenue mix thus, despite volume growth, revenue growth remained modest during the year.

Financial Performance Summary

Standalone Financials (₹ crores)*	2015-16	2014-15	2013-14
Economic value generated			
Net Revenues	5437	5239	4720
Economic value distributed			
Operating costs	4689	4540	4078
Profit After Tax (PAT)	715	465	479
Total expenditure on employees	376	313	248
Payments to providers of capital	451	226	219
Contribution to the exchequer	945	843	819
Voluntary community investments	11	10	3
Benefits for carrying out R&D	11	8	5
Financial Assistance received from Government			
Tax relief and tax credits	-	-	-
Subsidies	-	-	-

*Figures mentioned in the above table are disclosed as per audited Annual Reports of Havells India Limited.

Aiming at Manufacturing Excellence

The government initiated a Zero Effect - Zero Defect (ZED) drive, impressing on Indian companies the importance of manufacturing goods in the country with “zero defects” and ensuring that these goods have “zero effect” on the environment too. This is aimed at making India a global manufacturing hub.

The ZED scheme is an integrated and holistic certification system that accounts for quality, productivity, energy efficiency, pollution mitigation, financial status, human resource and technological depth, including design and IPR in both products and processes. The parameters of the scheme cover all aspects of the existing schemes of the Ministry of MSME.

Quality Management System (QMS)/ Quality Technology Tools (QTT)

Lean Manufacturing Competitiveness Programme (LMCS)

Design Clinic and Technology and Quality Up-gradation (TEQUP)

Building Awareness on Intellectual Property Rights (IPR)

ZED presents a model, where the concept of quality is given a holistic makeover from being a tool for compliance to a source of competitiveness. In the past there was total dependency on inspection of the final product to correct defects. Today, the focus is on being proactive by improving processes like quality planning, product and process designing, optimum processes, efficient resource management, effective outsources activities and breakthrough outcomes. Side by side, there is an equal emphasis on the elimination of the impact on the environment through adequate planning at the product and process design, pre-production (start-up activities), production and maintenance activities, post production (disposal after use) and outcome of environment performance. Overall, the net result is sustainable development.

Havells ZED Drive

During the reporting period, our Sahibabad plant was shortlisted to participate in the government’s ZED drive. We could comfortably participate in this drive because we had been voluntarily working on sustainability issues for the last few years. We expect that focusing on the ZED drive will not only give us credible recognition in the industry but also help in streamlining our operations, lowering costs and mitigating

socio-environment impacts. It will also enable us to offer superior quality products.

We have achieved good ratings on most of the parameters under the ‘Zero Effect’ category and have been continuously working towards attaining higher goals. Similarly on the ‘Zero Defect’ side, we have performed well because of our early investments in creating world class infrastructure. Most of the manufacturing processes at our plants are automated and need minimum human intervention. Maximum effort is at the time of assembly. We are actively and continuously improvising on ‘Zero Effect’ and ‘Zero Defect’ aspects, and take the learning of one plant to other plants as well.

Benefits of ZED

- Credible recognition of industry for international customers seeking investment in India
- Streamlined operations and lower costs
- Superior quality, reduced rejection and higher revenue
- Additional employment generation
- Other benefits as announced by Government from time to time

Local Purchasing

As our manufacturing locations are in India, we prefer sourcing raw materials, spares and equipment locally, from within India. Only in exceptional cases, where our expectations or availability or customer’s requirements are not met, we procure from outside India. Since our major spending on sourcing remains within the country, it contributes to the economic growth of local economies. During 2015-16, we spent 87% of our total procurement budget within India.



we spent
87%
of total procurement
budget within India
and rest outside India

Responsible Investments

Environmental and energy concerns are important aspects in planning our production and investments. In the last few years we have invested significant sums in processes and equipment that leads to energy efficiency, cost reduction and reduce environmental impacts. We invested in many environment-friendly initiatives at our manufacturing units in 2015-16. The costs towards environmental protection includes pollution abatement measures, proper and safe waste disposal, DG set servicing, installation and up-gradation of STPs / ETPs, running of rainwater harvesting units, renewal of environmental consents and plantation initiatives.

During the reporting year, we spent ₹ 1.19 crores towards environmental initiatives across our manufacturing plants in India.



₹ **1.19** crores
towards environmental
initiatives across our
manufacturing plants in India



Future Proofing Environmental Externalities

Today, more than ever before, limited resources are being shared by a burgeoning number of people.



This is placing an unsustainable burden on earth. Resource conservation and optimization, is therefore the need of the hour.

For many years, our products have made life easy and convenient for people. With purchasing power increasing, we foresee an increasing demand for energy efficient and environment friendly products.



We strive to mitigate environmental impacts of our business operations and wherever we suspect that the risk of our actions might harm the environment, we follow a precautionary approach. We aim for responsible use of natural resources, reduction in air emissions and investment in environmentally sound technologies that go beyond compliance.

At Havells, we are committed to Environmental, Health and Safety (EHS) aspects of our operations and have implemented EHS management system in most of our manufacturing plants. These plants are ISO 14001 and OHSAS 18001 certified. In addition, we regularly conduct EHS management system audits by third-party certification agencies. We are in the process of implementing ISO 50001 at our plants to ensure focus on conservation efforts through a robust energy management system. Neemrana plant has already successfully implemented ISO 50001 and other plants will follow suit soon.

Material use

As a manufacturer, we have the option of choosing between different materials based on their cost, quality, and suitability to manufacture our products. With sustainability consideration, materials need to be assessed for their full lifecycle impacts also.

Our manufacturing operations consume raw-materials, such as copper coils, copper sheets, copper tapes, steel, aluminium, zinc, brass coils, brass strips, bearings, CRCA steel, thermoset resin, polycarbonate, polyamide, other engineering plastic, elastomers, transistor, diode, MPP Films, etc. We ensure that our plants continuously explore material conservation efforts where big and small changes can lead to significant resource and material efficiency.

During the reporting period, we undertook initiatives aimed at resource efficiency, including wood conservation, metal recovery from waste, reuse of packaging materials and oil recycling.



Raw-Material Consumption (kg)
2015-16

33,65,61,363

Raw-Material Consumption (Metre)
2015-16

18,91,546

Raw-Material Consumption (No)
2015-16

1,71,52,36,063

Raw-Material Consumption (Col)
2015-16

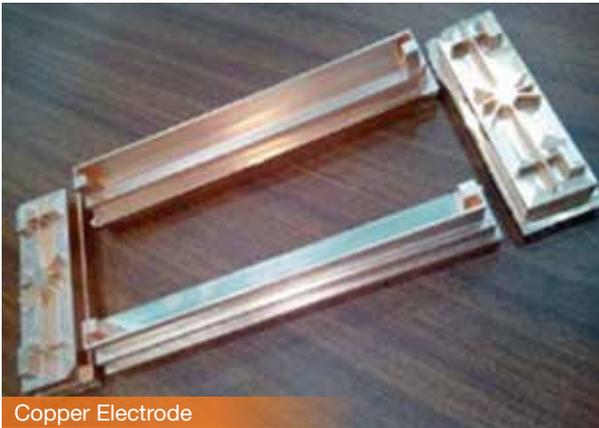
36,67,101

Material Saving & Resource Optimization

Replacing Copper electrodes with Graphite

In our Baddi plant, injection moulding moulds are a part of the process of manufacturing Miniature Circuit Breakers (MCB). From 2015, the material used for electrode in the EDM process was changed from Copper to Graphite. This reduced the need for copper plates by approximately 7.0 kgs. We used 1.55 kgs of graphite instead. There was a weight and associated cost reduction as a result. Further, the use of graphite reduced the spark time of the process.

The replacement resulted in an average saving of ₹ 1000/ mould, material savings and reduction in spark time.



Copper Electrode



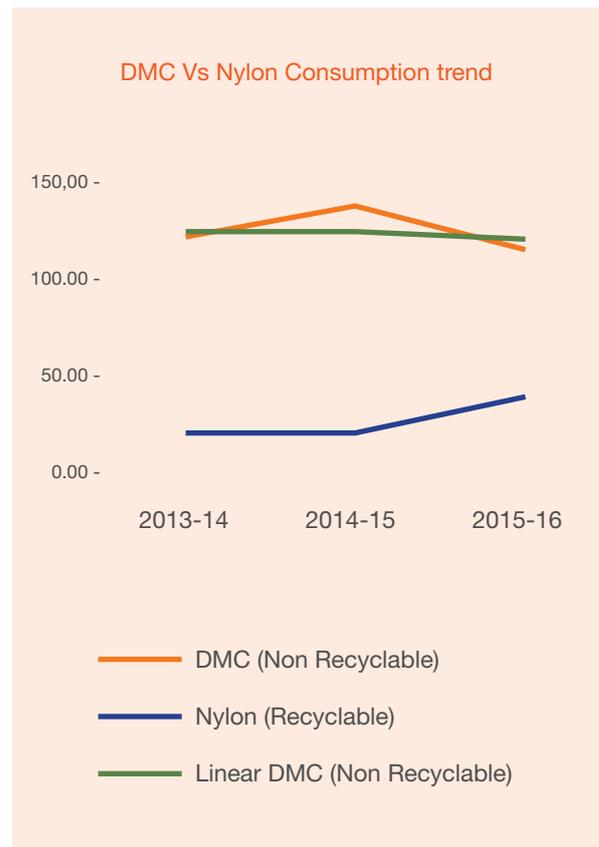
Graphite Electrode

Replacing DMC materials with recyclable nylon materials

Working on the idea of increasing the recyclable component in raw materials, our Sahibabad plant has been monitoring its consumption of recyclables and non-recyclables.

The plant was earlier using Dough Moulding Compound (DMC), a non-recyclable polymer in the production of MCCB. Based on an investigation carried out by the plant to find alternatives, nylon was selected as an alternative for the front cover of MCCBs. Nylon provided the advantages of being recyclable and more cost effective than DMC.

The plant reduced its consumption of DMC by 15%, from 140 tonnes to 119 tonnes, in 2015-16, and increased the use of nylon from 24 tonnes to 41 tonnes.



Hazardous Materials

We carefully consider the potential impacts of the materials in our products and packaging. We monitor the amount and types of materials used, and work to eliminate hazardous substances wherever possible. We have stopped or significantly reduced our dependence on hazardous materials like lead, chromium, cadmium and mercury in our production.

We have made a conscious decision to follow RoHS standards. We ensure that products like cables, CFLs and LED lighting are RoHS certified, making them safe and sustainable for human health and the environment. All our products conform to national and international standards of maximum permissible limits of specified hazardous substances.

We have set targets to further reduce the use of hazardous substances from our products. At present, the hazardous materials used in our manufacturing units include mercury in the liquid, strip and pill forms, grease, coolants, lubricants, paints and other chemicals.

Quantity consumed 2015-16		
Liquid Mercury (kg)	Pill Mercury (No)	Strip Mercury (Metre)
161.7	1,95,33,185	1,065
Paints & Chemicals (Litre)		Other hazardous raw material consumption (kg)*
11,90,419		2,49,27,898

Packaging and Logistics

We are working on reducing the use of packaging materials. Our packaging materials includes thermocol, foam, PVC straps, corrugated boxes, film-rolls, shrink-wrap films, wooden pallets, separators, stickers, etc. Currently, we do not reclaim packaging material to reuse it. Going forward, we will explore this possibility.

For logistics we are working with service providers to reduce the environmental impact of distribution of our products. We are improving our transport methods, routes, load efficiency and taking other similar initiatives.

Quantity consumed 2015-16		
Packaging Materials (kg)	Packaging Materials (no)	
71,10,449	26,51,88,578	
Packaging Materials (roll)	Packaging Materials (set)	Packaging Materials (metre)
10,39,314	7,29,017	14,30,912

Packaging Improvements

Thermocol Reduction Initiative

Havells is sensitised to the harmful effects of thermocol usage and our manufacturing units are constantly looking for innovative solutions in packaging.

Sahibabad, for instance, displays a trend of sharply reduced usage of thermocol. The plant has been replacing thermocol in packing with shredded paper, which was earlier sold as scrap. The plant has reused approximately 6 tonnes of scrap paper, resulting in an 18% reduction in thermocol usage as compared to 2014-15. This has led to an annual saving of ₹ 1.68 lakhs.



Before



After

Wood Reducing in packaging

Our Faridabad plant exports various switch gear products to the Middle East and Europe using wood pallets as a major source of packaging. Palletizing consumed 132 tons of wood annually and the associated annual cost to the company was ₹ 1 crore.

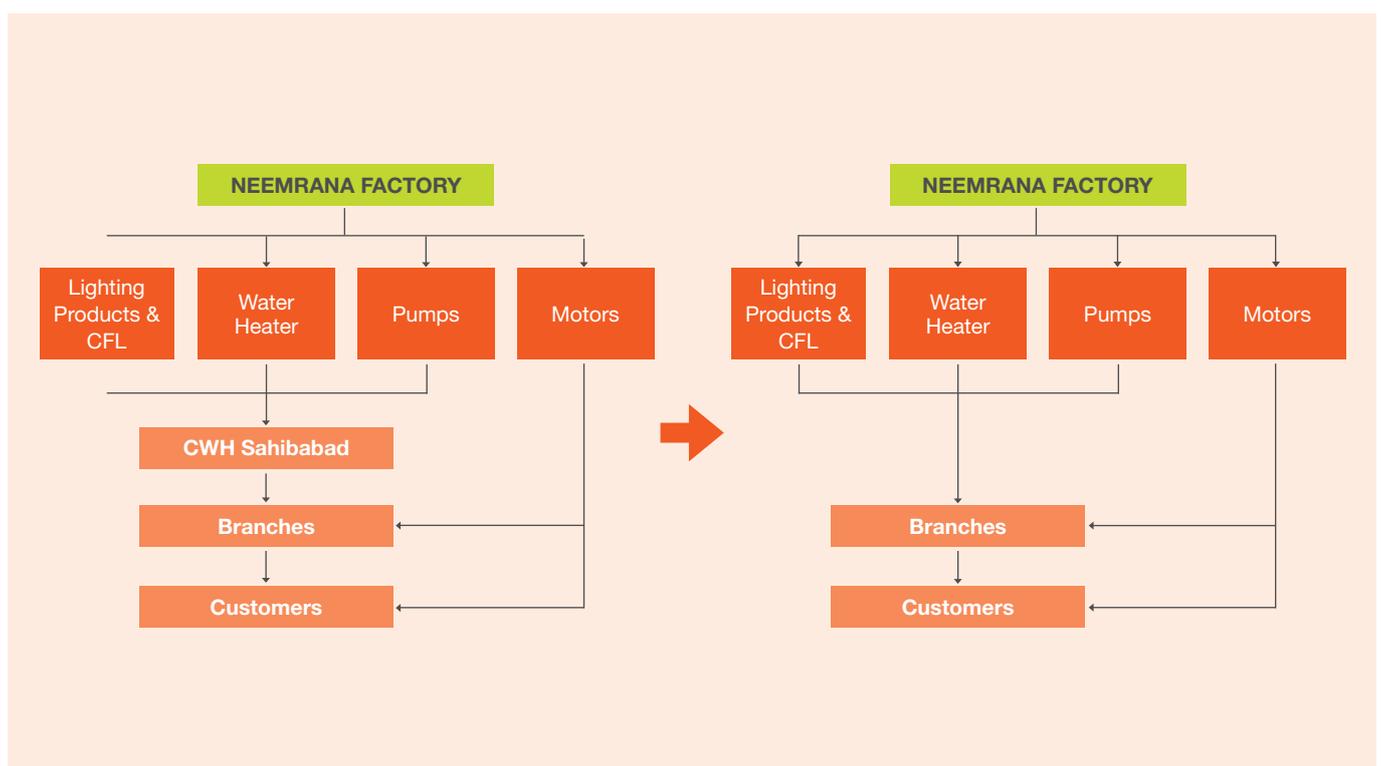
The packaging process was revamped by adopting a faster and a more efficient packaging method. We have started using improvised, higher strength cartons to cut down the use of wood. This new process is environmentally friendly and has reduced the annual usage of wood to 55 tonnes per annum - a massive 58% reduction in consumption. It has also resulted in a cost reduction of 35% annually and packaging time has reduced by 40%. Further, the new packaging method has reduced the cost of de-palletizing and scrap storage at the customer's end, making it more a customer friendly option.



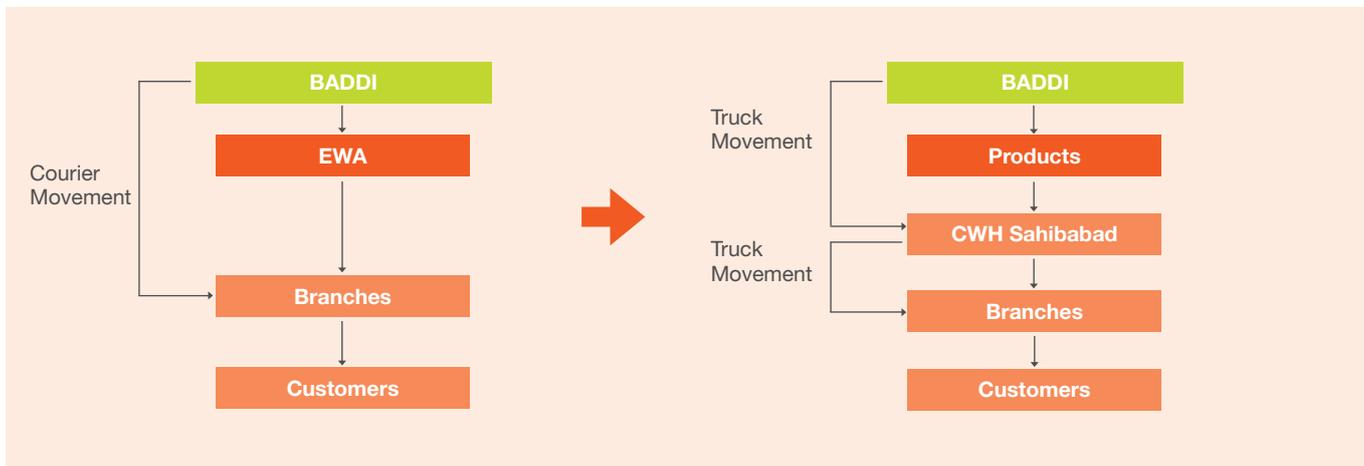
Improving Logistics

We follow a comprehensive logistics system that allows seamless operations. In our efforts to make our logistics movements more effective, we undertook a new initiative at our Neemrana plant.

Earlier, products from the manufacturing plant were transported to our central warehouse. From here, they were distributed to various branches across the country. This resulted in additional freight costs, extra material handling, higher lead times and blocking of space at the central warehouse. To overcome these issues, we eliminated one leg of movement by directly dispatching from the plant to the branches. As a result, we had GHG emission reductions, cost savings, reduced logistics movement, better delivery time and lesser material handling.



A similar initiative to optimize logistics movement was taken at the Baddi plant. Earlier, finished products from the Baddi plant used to directly move to various branches through courier. This resulted in significant logistics costs and high turn-around times. To overcome this, we engaged trucks to transport finished products from the plant to our central warehouse. As a result, we significantly reduced our courier dispatches and improved material handling and delivery times.



Minimizing Waste

For our manufacturing activities, we use resources efficiently, reducing waste and recycling it, wherever possible. The primary waste being generated at our manufacturing plants is metal scrap. Besides, other non-hazardous waste categories include paper scrap, plastic scrap and other scrap. Other scrap includes wooden scrap, dust, DMC, MPP films, powder, XLPE, glass, etc. Metal scrap from our plant, consisting of copper, aluminium and alloys like brass, is sold to vendors and is recycled and reused as raw material. Other scrap waste is sold or disposed off through proper channels.

Hazardous Waste

	Waste Oil	
	Quantity (litre) 2015-16	Quantity (litre) 2014-15
	6,411	10,280
	ETP Sludge	
	Quantity (kg) 2015-16	Quantity (kg) 2014-15
	57,100	21,413
	DG and Compressor Filter	
	Quantity (kg) 2015-16	Quantity (kg) 2014-15
	763	676
	Mercury with Glass	
	Quantity (kg) 2015-16	Quantity (kg) 2014-15
	10,575	11,694
	Cotton Waste (Oil Soaked Cotton)	
	Quantity (kg) 2015-16	Quantity (kg) 2014-15
	15,556	498
	Paint-Chemical Sludge	
	Quantity (kg) 2015-16	Quantity (kg) 2014-15
	36,488	4,051
	Waste Batteries (in numbers)	
	Quantity (kg) 2015-16	Quantity (kg) 2014-15
	8,712	-
	E-waste	
	Quantity (kg) 2015-16	Quantity (kg) 2014-15
	65,583	-

The amount of hazardous waste generated at our plants is minimal and usually restricted to waste oil, ETP sludge, DG and compressor filters, mercury and paint-chemical scrap. These often require special handling during production and become hazardous waste after use. We ensure that all hazardous waste is handled according to local regulations.



Best out of Waste

Bench Donation Campaign

Our Standard plant at Haridwar has come up with a unique way to recycle and use waste wood generated within the plant.

The plant gets around 8-10 tons of wood every month, which was disposed off as scrap after use. The plant decided to utilize the scrap wood to make school benches, which were donated to a government primary school in Jwalapur, Haridwar.

The entire strength of 300 students of the school studied on the floor due to lack of basic infrastructure. The plant donated 100 wooden benches made from recycled wood on International Women's day in 2016. Indeed an example of how CSR and sustainability work together.



Non-Hazardous Waste

Metal Scrap

Quantity (kg) 2015-16	Quantity (kg) 2014-15
37,10,000	31,79,140

Paper Scrap

Quantity (kg) 2015-16	Quantity (kg) 2014-15
5,88,940	7,55,422

Plastic Scrap

Quantity (kg) 2015-16	Quantity (kg) 2014-15
2,40,800	3,03,109

Other Scrap

Quantity (kg) 2015-16	Quantity (kg) 2014-15
17,89,306	17,13,480

Total

Quantity (kg) 2015-16	Quantity (kg) 2014-15
66,51,874	61,13,151

For our DG set and boiler units, we maintain on-site HSD and furnace oil storage facilities. Here, spills present a reasonable risk for our business. To manage this, we ensure proper fuel handling equipment is installed on-site for safe storage and transfer of these fuels.

No significant spill incident occurred across our plant premises during 2015-16.

Notebooks from Waste

Our Standard plant at Haridwar uses aluminium sheets as a raw material for production. These are placed in between layers of paper during transportation to the plant. In the past, this paper was scrapped.

The plant realised the potential of adding it to the sustainability quotient by transforming this scrap paper into 300 notebooks. The plant partnered with a vendor who binds the notebooks which were then donated to 283 children from the government primary school in Jwalapur, Haridwar. The success of the idea has inspired the plant to think of other innovative ways of recycling the available scrap paper and other scrap materials from the plant.



Energy & GHG

Our manufacturing facilities are situated in designated industrial zones and are not energy intensive. Most of our energy demand is met through electricity from the grid. DG sets are installed to meet electricity demands during power outages. Few manufacturing locations also use furnace oil, natural gas and LPG in their operations.

Direct Energy Consumption

Fuel Type: HSD			
Consumption (litres) 2015-16	Consumption (litres) 2014-15	Consumption (GJ) 2015-16	Consumption (GJ) 2014-15
19,48,885	19,42,794	70,394	70,174
Fuel Type: Natural Gas			
Consumption (SCM) 2015-16	Consumption (SCM) 2014-15	Consumption (GJ) 2015-16	Consumption (GJ) 2014-15
13,13,246	11,49,549	47,907	41,936
Fuel Type: Furnace Oil			
Consumption (kg) 2015-16	Consumption (kg) 2014-15	Consumption (GJ) 2015-16	Consumption (GJ) 2014-15
2,25,764	2,18,973	9,121	8,847
Fuel Type: LPG			
Consumption (kg) 2015-16	Consumption (kg) 2014-15	Consumption (GJ) 2015-16	Consumption (GJ) 2014-15
98,853	1,38,280	4,676	6,541
Fuel Type: Biomass			
Consumption (kg) 2015-16	Consumption (kg) 2014-15	Consumption (GJ) 2015-16	Consumption (GJ) 2014-15
5,225	4,929	61	57
Total	Consumption (GJ) FY 2015-16	Consumption (GJ) FY 2014-15	
	1,32,158	1,27,554	

Total Energy Consumption

Direct Energy Consumption (GJ)	
2015-16	2014-15
1,32,158	1,27,554
Indirect Energy Consumption (GJ)	
2015-16	2014-15
2,86,115	2,70,847
Total Energy Consumption (GJ)	
2015-16	2014-15
4,18,273	3,98,401

The total direct energy consumption during 2015-16 was 1,32,158 GJ, which is a 3.6% increase as compared to the previous year. The total indirect energy, i.e., grid electricity consumption at our plants during 2015-16 was 7,94,76,450 kWh or 2,86,115 GJ, which is a 5.6% increase over the previous year. Correspondingly, the total energy consumption during the reporting year was 4,18,273 GJ, a 4.9% increase over the previous year. The increase in energy consumption was due to the increased production during the financial year.

Note: Conversion Rates for reference:

- ▶ Diesel Oil Net Calorific Value = 43 TJ/Gg, IPCC 2006
- ▶ Natural Gas Density = 0.76 kg/SCM, Gail Limited, http://www.gail.nic.in/final_site/energyconversionmatrix.html; Net Calorific Value = 48 TJ/Gg, IPCC 2006
- ▶ Fuel Oil Net Calorific Value = 40.4 TJ/Gg, IPCC 2006
- ▶ LPG Net Calorific Value = 47.3 TJ/Gg, IPCC 2006
- ▶ Biomass Net Calorific Value = 11.6 TJ/Gg, IPCC 2006

To reduce the environmental impacts of GHG emissions, we manage the direct emissions of GHG from workplaces (Scope 1) and indirect emissions of GHG from the consumption of energy and electricity at workplaces (Scope 2). To reduce of GHG emissions at each stage, we have focus on climate mitigation approach, including the development of high-efficiency energy products, and improved efficiency at our manufacturing sites.

The emissions generated from energy consumed outside organization viz. Scope 3 emissions are majorly due to the products used by our numerous consumers. Here, we are working towards making our products more energy efficient so that our consumers not only enjoy cost savings but also contribute to lesser emissions.

We also contribute to scope-3 emissions through inbound & outbound logistics for transportation of supplied and finished goods, business travel and employee commute. We are working to reduce the need for business travel and associated greenhouse gas emissions by equipping our offices with state-of-the-art technology to enable our people to communicate and work together through voice, video and web-based conferencing programmes. We are also establishing processes to track emissions due to these activities and aim to disclose in near future.

GHG Emissions from Direct Energy Consumption

Fuel Type: HSD			
Consumption (litres) 2015-16	GHG Emissions (tCO ₂ e) 2015-16	Consumption (litres) 2014-15	GHG Emissions (tCO ₂ e) 2014-15
19,48,885	5,216	19,42,794	5,200
Fuel Type: Natural Gas			
Consumption (SCM) 2015-16	GHG Emissions (tCO ₂ e) 2015-16	Consumption (SCM) FY 2014-15	GHG Emissions (tCO ₂ e) 2014-15
13,13,246	2,688	11,49,549	2,354
Fuel Type: Furnace Oil			
Consumption (kg) 2015-16	GHG Emissions (tCO ₂ e) 2015-16	Consumption (kg) 2014-15	GHG Emissions (tCO ₂ e) 2014-15
2,25,764	706	2,18,973	685
Fuel Type: LPG			
Consumption (kg) 2015-16	GHG Emissions (tCO ₂ e) 2015-16	Consumption (kg) 2014-15	GHG Emissions (tCO ₂ e) 2014-15
98,853	295	1,38,280	413
Total	GHG Emissions (tCO ₂ e) 2015-16		GHG Emissions (tCO ₂ e) 2014-15
	8,905		8,650

GHG Emissions from Indirect Energy Consumption

Source: Grid Electricity

Consumption (kWh) 2015-16	GHG Emissions (tCO ₂ e) 2015-16	Consumption (kWh) 2014-15	GHG Emissions (tCO ₂ e) 2014-15
7,94,76,450	65,171	7,52,35,342	61,693

Note: Conversion Rates for reference:

- ▶ Diesel Oil Default CO₂/ Emissions Factor = 74100 kg/TJ, IPCC 2006
- ▶ Natural Gas Default CO₂/ Emissions Factor = 56100 kg/TJ, IPCC 2006
- ▶ Furnace Oil Default CO₂/ Emissions Factor = 77400 kg/TJ, IPCC 2006
- ▶ LPG Default CO₂/ Emissions Factor = 63100 kg/TJ, IPCC 2006
- ▶ Weighted Average Grid CO₂/ Emission Factor (NEWNE Grid) = 0.82 kg/kWh (FY 2013-14), CEA Database version 10.0, Dec-2014

Energy Saving Initiatives

Our manufacturing plants have undertaken a number of initiatives to reduce energy consumption. New technologies are constantly explored to bring about an alignment with the Government of India’s National Action Plan on Climate Change.

Details of some of our major initiatives during the year are provided below:

1. Solar based day light system at the Faridabad plant
2. Lighting load optimization of lighting circuits
3. Conventional cooling towers replaced with fan-less cooling towers
4. Conversion of pneumatic screwdrivers into efficient electrical screwdrivers
5. Installation of auto compound loaders in extruders
6. Installation of compressed air saving guns for cleaning applications
7. Timer based operations for air conditioner units across manufacturing units
8. Use of PNG in place of diesel for powder coating plants
9. Replacement of conventional light fittings to LED
10. Replacement of HPSV lights to CMI / LED light
11. Installation of Star-Rated AC systems
12. Conversion of DC motor and drives to AC VFD motors and drives

Energy Efficiency Through Installation of Reactor

Our people look for innovative and creative ways to enhance the energy efficiency at our manufacturing plants.

Our Alwar plant was recording an average failure of 15 capacitors (50 kVAR) per month from a total of 117 capacitors installed. This translated into a cost of ₹ 1 lakh per month and reduced the energy efficiency of the process. In order to increase the overall efficiency of operations, the plant installed a reactor on the capacitor bank. This increased the capacitors’ life by absorbing spikes in the system and reduced the effect of harmonics. It also improved the power factor.

As a result of this simple addition, the failure of capacitors has been reduced to a great extent and the energy and process efficiency has increased. We are now working on the feasibility and replication potential at other units/ locations.



Reducing carbon footprint through biogas

Havells has continuously demonstrated its commitment in increasing its green footprint across its operations. Our Neemrana plant has successfully completed the operation of its 100 cubic meter biogas plant which exemplifies waste utilization and use of renewable energy. The biogas plant has been operational since February 2015. The generated biogas is used for cooking in canteen leading to reducing the Liquefied Petroleum Gas (LPG) usage by 4500 kg (approximately 21 LPG cylinders per month) during 2015-16. The use of biogas has resulted in CO₂ emission reduction of 14 ton.

The plant plans to increase the efficiency of the biogas plant in future by introducing plantations for production of biodiesel and installing horticulture waste cutting machine in the plant.



ODS

Our manufacturing plants do not consume a significant amount of ODS.

The total consumption of ODS gases during 2015-16 was 789 kgs. This amounts to 43.4 kgs of CFC-11 equivalent.

The ODS gas used in our plants was R-22 gas, which was consumed in condensers, chillers and AC units during routine servicing and repair. As an initiative towards emission reduction, we have mapped conventional air conditioners that use ozone depleting R-22 gas and prepared a plan to replace them with new air conditioners that use R-410 gas that is environment friendly and does not harm the ozone layer.

Air Emissions

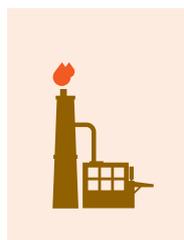
We improve our technology and upgrade processes to reduce our impact on air quality. We strive to reduce the quantity of pollutants discharges by installing preventive technologies on production lines and undertaking efficiency enhancement activities at our plants.

Air emission sources are mainly flue gas and process emissions. We have installed adequate treatment facilities to ensure necessary compliance. The flue gas emissions, mainly from boilers and diesel generators (DG) sets, etc., are provided with adequate stack height for effective dispersion. Regular monitoring of all stacks is carried out. The air emissions are well within the levels stipulated by the regulatory bodies.

Our air emissions load of SO₂, NO_x, and particulate matter are generated mainly from the usage of fossil fuel and from the process vents at our manufacturing plants. We monitor SO₂ as well as NO_x emissions from the stacks at our manufacturing plants. The following table presents the details of these emissions from our manufacturing plants in India.

SO ₂ (tonnes)	
2015-16	2014-15
0.22	0.23

NO _x (tonnes)	
2015-16	2014-15
6.15	5.96



The total consumption of ODS gases during 2015-16 was

789 kgs

Water

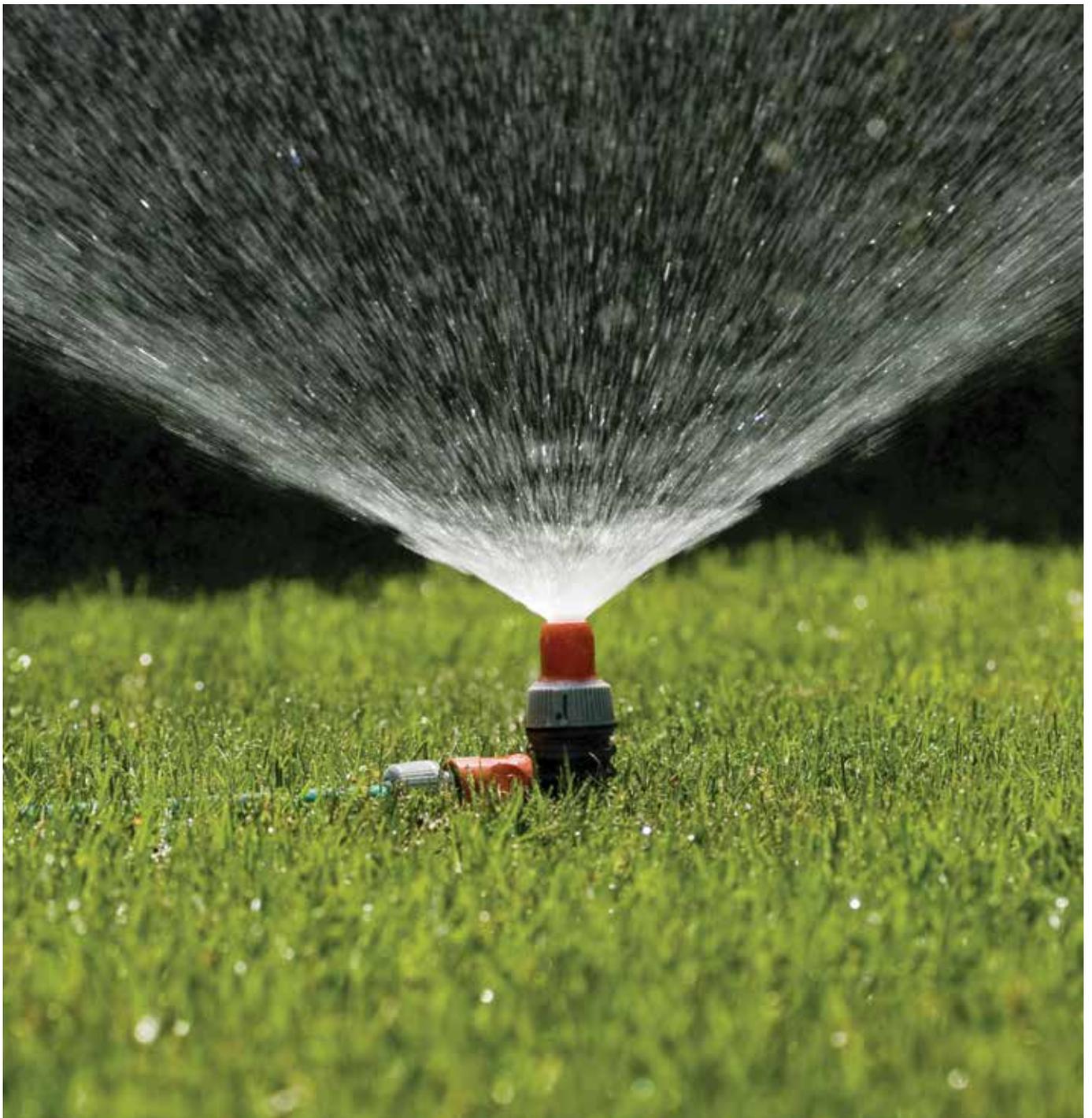
Though our manufacturing processes do not depend on water and much of our consumption is for cooking, cleaning and cooling functions, however we make efforts to effectively manage our water resources. We have company-wide water management practices to secure and maintain sustainable water resources. We focus on reducing wastage and use recycled water.

Water conservation initiatives

To increase reused and recycled water, we have installed STP/ETP facilities at our units. Most of our units are 'zero

discharge facilities' and comprehensively treat and reuse domestic and industrial waste water generated on site. Treated water is used primarily for washrooms and gardening. We also ensure that the treated water discharged from these units is within the permissible limits described by the local regulatory bodies. To save water, most of our manufacturing plants have water-less urinals with the bio-blocks.

We have installed rain water harvesting facilities at all manufacturing locations. Some other conservation initiatives include optimal plumbing and washroom operations, efficient gardening through drip irrigation, sprinklers, etc.



Water Harvesting at Neemrana

The Neemrana plant operates in a water-stressed region. Keeping this in mind, we have focussed our efforts on conserving water despite not being a water intensive industry.

Our Neemrana plant completed the upgradation of its traditional rainwater harvesting structures by installing a new generation rain water harvesting system from Sekisui technology.

This system enhances the capacity of water collection, water percolation and filtration through the use of a network of bore pipes, geo textile membranes and water

reuse. The technology uses honeycomb structures in the recharge polymer tank which provides a void ratio of 95% and thus better water retention and filtration. The technology has additional advantages of faster construction and easy and reduced cost of maintenance. Additionally, a piezometer was also installed along with the system to monitor the changes in groundwater level.

The plant also undertook the restoration of old rain water harvesting systems by cleaning the wells. Blue filter media was additionally installed for preventive cleaning of storm water, post the rains.



New Generation Technology



Restoration of old Rain Water Harvesting

Climate Change

We are aware that climate change is a significant global concern and management of Green House Gas (GHG) to reduce the impact on climate change is a key challenge today.

Although we do not foresee any immediate threat to our business operations due to climate change, as a responsible corporate, we take environmentally- conscious decisions and actions. We align our action plans with the Government’s national policy on climate change.

During the reporting period, representatives from all nations met in COP 21, Paris, to address this pressing issue. At the summit, India has also submitted its new climate plan, also

known as Intended Nationally Determined Contributions (INDC), to reduce the GHG emissions in the next few years. We realize that such targets may not be accomplished without support from industries. Therefore, we embrace GHG reduction as a priority, implementing energy efficiency improvement measures and developing GHG emission reduction technologies as our contribution to the mitigation effort.

Ensuring energy efficiency and expanding our renewable portfolio are some ways in which we can help fight climate changes. We have initiated an energy conservation drive with the objective of monitoring our energy consumption, benchmarking performance against global leaders and implementing solutions to become one of the most energy efficient companies.

Embracing Mutual Growth

Committed, qualified and creative employees are one of our biggest assets.



Today, employees expect a participatory work environment where they can work with dignity and a sense of ownership. We strive to build an organisational culture that strengthens the core competencies of our employees and fosters their growth and development. We believe in providing a dynamic and exciting work environment with a healthy work-life balance.



The company believes in investing in its human resource. There are education and training systems designed to develop the skills and competencies of employees and motivate them. Employees are given opportunities to further continue their education.

The company offers employees a safe and ethical work environment. We have established safety management systems to prevent workplace accidents. The workplace compliance team is dedicated to continuously implement improvements in working conditions. Such systems also help us to identify areas for improvement in working conditions and incorporate corrective measures, if needed.

Employees Strength

We provide HR policies that respond to the changing career phases of employees and their diverse needs. We believe that diversity and inclusion bring fresh ideas, perspectives and experiences to our business and fosters an innovative and stimulating environment that allows employees to grow and deliver value. Our HR policies apply to employees regardless of their race, colour, gender, age, religion, nationality or disability.

As on 31st March 2016, we had 2,084 permanent employees at Head Office and manufacturing locations. In addition, there were 106 GETs/PGETs and apprentices and 7,537 contractual labourers were employed across our manufacturing plants.

Our leave structure is designed according to the Factory Act, which provides employees with earned, sick and maternity leave. During the reporting year, four employees had availed maternity leave, of which three employees re-joined the company during the year and one employee left the organisation.



2,084

employees were on our company payroll at the Head Office and at our manufacturing locations



Gender Diversity & Equal Opportunity

Havells is working on promoting gender equality and woman leadership across the company.

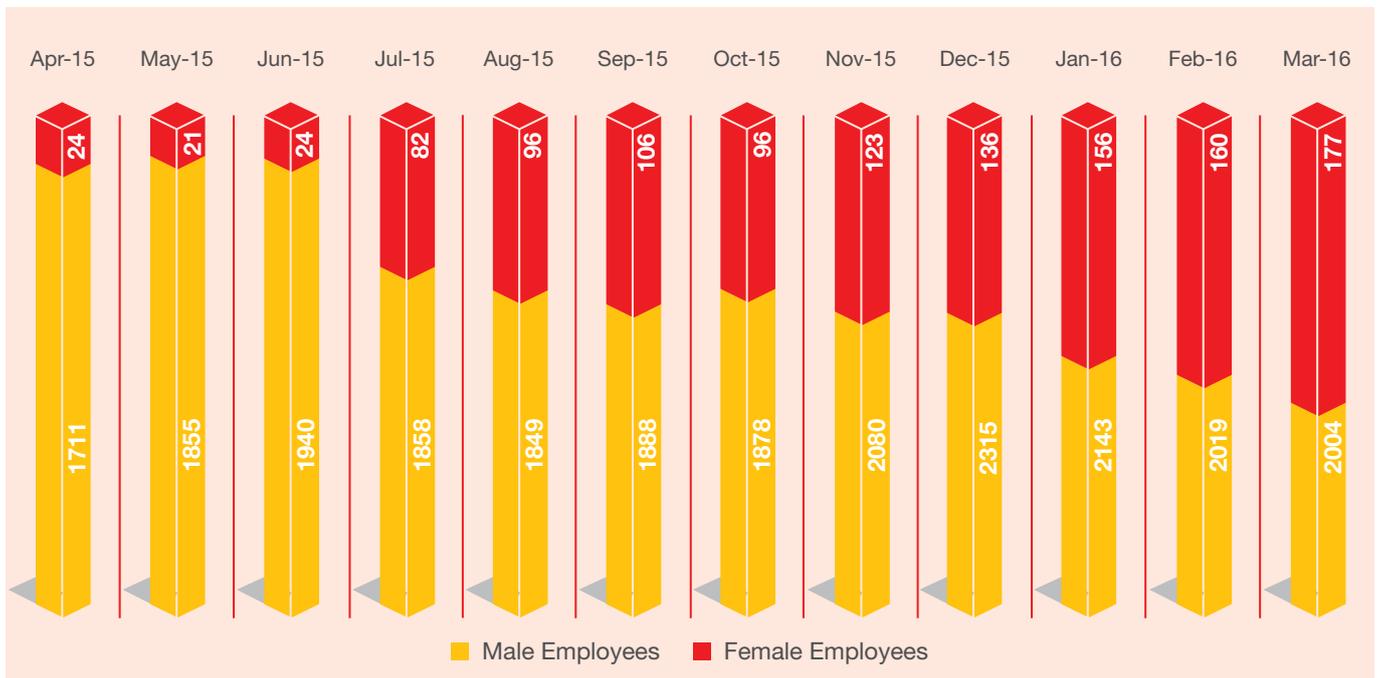
Gender –wise Employee Break-up

Male			Female			Total Working		
2015-16	2014-15	2013-14	2015-16	2014-15	2013-14	2015-16	2014-15	2013-14
1,926	1,901	1,875	158	158	162	2,084	2,059	2,037



Our Neemrana plant has achieved a remarkable increase in women workforce in 2015-16 over the previous year. Women now constitute 8% of the total workforce as on 31st March 2016. The percentage has increased from 1.4% in 2014-15. The plant intends to further increase diversity in the coming years.

Trend of Woman Employees



Recruitment & Turnover

At Havells, we seek to recruit the most suitable candidate with the necessary qualifications and experience as an employee. We have a reputation of being an exciting and enriching workplace and this too attracts talent. We encourage local employment and thus 100% of our workforce is hired from within the country.

During the reporting period, the company recruited a total of 282 employees across management and permanent worker categories.

New Hires in 2015-16

New Hire - Breakup of personnel	Age Group			Total	Gender		Total
	<30 yrs	30-50 yrs	> 50 yrs		Male	Female	
Management	146	98	18	262	233	29	262
Workers	19	1	-	20	18	2	20
Total	165	99	18	282	251	31	282

Employee Turnover in 2015-16

Turnover	Age Group			Total	Gender		Total
	<30 yrs	30-50 yrs	> 50 yrs		Male	Female	
Management							
Resignation	73	71	8	152	140	12	152
Retirement	-	-	1	1	1	-	1
Death	-	-	-	-	-	-	-
Sub-Total	73	71	9	153	141	12	153
Workers							
Resignation	68	28	-	96	87	9	96
Retirement	-	-	-	-	-	-	-
Death	-	-	-	-	-	-	-
Sub-Total	68	28	-	96	87	9	96
Total	141	99	9	249	228	21	249

We define employee turnover as the number of employees who leave the organisation voluntarily or due to dismissal, retirement or death. Our permanent employees are considered for reporting against this indicator. In 2015-16, a total of 249 employees separated from the company from across the management and permanent workers categories. We conduct comprehensive exit interviews with them to assess and improve our HR practices. The highest turnover, more than 55% of the total, was seen for the 'less than 30 years' age group, with the younger workforce leaving the company for other opportunities and higher studies. To address this issue, we are offering attractive programmes to retain talent. We look forward to seeing the results of these programmes in the coming years.

Employee Benefits

Havells acknowledges the contributions of its directors, key managerial personnel and other employees with compensation and benefits that appropriately reward performance and are in line with the regulatory and industry best practices.

Employee benefits are important to the employees and their families. We offer a range of benefits to our employees. The employee's Gratuity Fund Scheme, which is a defined benefit plan, is managed by a Trust maintained with Life Insurance Corporation of India (LIC) and Bajaj Allianz Life Insurance Company Limited. The company recognises the contribution payable to the provident fund scheme as an expenditure,

when an employee renders the related services. Employees (including senior executives) of the company receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

We also engage contractual labour for our plant operations, housing-keeping and security activities. Majority of contractual labour is hired from the vicinity of our plants and this reduces operational constraints arising from seasonal and festivities-driven labour migrations. It also leads to amiable relations with neighbouring communities.

With competitive wages and incentives, we endeavour to provide the best working environment for our contractual employees. Our defined salary structures are either at-par or above the minimum wages specified by the Government of India. We also provide our employees with competitive benefits and incentives. These include proper personal

protective gear, break time and clean water and food facilities. We constantly look for ways to improve the quality of life of our contractual employees. None of our contractual workers are part of any unions and no unions exist across our plant sites.

Personal Growth & Development

We offer programmes and policies that facilitate performance and career management for our workforce. Regular feedback to our employees enables them to grow professionally. Career advancement opportunities, including in-house and external training on soft skill and technical aspects are also provided.

All employees have clearly articulated goals for performance. The annual performance appraisal helps set new goals and identifies competency development needs. Every eligible permanent employee receives a formal performance appraisal and review during the reporting period.



Sustainability Workshops

In our efforts to continuously tackle bottlenecks that impede our sustainable growth, we periodically conduct sustainability workshops that bring together the experience of individual Business Units. Such platforms create awareness about sustainability amongst employees and help the exchange of best practices adopted at our plants. It gives employees

an opportunity to discuss possible solutions to the problems faced by plants. During the reporting period, we conducted 3 such workshops at different locations. These workshops were attended by at least 40 employees, with representation from various departments.

Training

People with different level of experience and education are a part of our group and we believe in investing in their training and growth.

During the reporting period, we offered young employees opportunities for continued education programmes and training programmes that focused on improving their competencies and equipping them with the right skills to function in a competitive market.

Our trainings include programmes on communication, leadership and interpersonal skills. The programmes also cover technical areas relating to machine technology and handling, material sciences, manufacturing processes and safety and security. The trainings are imparted to both permanent employees and the contractual employees. Comprehensive tracking of the training data (employee and category wise) was initiated last year and the following table presents the total recorded average training man-days spent on training at our manufacturing plants in India, in the current and previous reporting period.

Average Training Man-days*

Employee Category: Senior Management	
2015-16 1.88	2014-15 0.65
Employee Category: Middle Management	
2015-16 2.05	2014-15 1.65
Employee Category: Junior Management	
2015-16 1.86	2014-15 1.07
Employee Category: Permanent Workers	
2015-16 1.85	2014-15 0.84
Employee Category: Contract Workers	
2015-16 1.10	2014-15 0.39

Employee Development

Employees are our most valued assets and their training and development has always been a focus area for us. Our Baddi plant has recorded a remarkable improvement of 40% in training hours in 2015-16. The plant had taken on the endeavour to ramp up the training modules for both the staff and the workers. The plant has worked on streamlining the process for training need identification, training delivery, monitoring and maintenance of training records. As a part of the programme, an effective feedback system was implemented in trainings.

Employee engagement has also been strengthened at all levels through regular team building exercises and theme based celebrations of safety week, women’s day and Diwali celebrations. The programmes have helped to keep employees motivated and ensure high productivity.



*Average training man-days mentioned in the table above includes data from manufacturing sites only

Safety Culture of Future

We are committed to creating safe and conducive work environment and continuously work towards implementing safe workplace practices. We believe that all accidents can be prevented and therefore we work towards enhancing a culture of safety excellence by establishing world class safety systems and infrastructure, extensive employee communication and ensure compliance at all levels.

We have set our internal standards for employee protective equipment as per safety and health regulations, as well as OHSAS 18001.

Safety Incidents

As part of our incident management system, we ensure that all incidents are reported, aberrations investigated, statistics maintained and analysed and improvement projects are taken up on a regular basis. We prioritised the need for continuous learning, innovation and creativity by drawing out an annual plan in the area of safety and environmental training for all employee categories, covering all relevant subjects.

We follow a stringent mechanism of investigation of any reportable incident that occurs on our premises. A thorough Root Cause Analysis (RCA) is undertaken, which identifies the reasons for the incident and recommends corrective actions. The learnings from these incidents are shared amongst the employees to prevent any recurrence. Our safety management is a combination of preventive and remedial approaches. Apart from focusing on process related safety procedures, the salient features of our safety management include managing risks against fires, disaster management and effective health management of the employees that reduce the inherent risk and build the capacity of the workforce.

Incident-accident recording systems are maintained as per regulatory requirements. All of our manufacturing facilities monitor and record first aid injury, minor injury and the reportable injury. During the reporting period, in our efforts to achieve zero Loss Time Injury (LTI), we have also established processes to track near misses and aim to disclose such incidents in the next reporting period. The following table presents the details of these injuries from our manufacturing plants in India.

Incidents Trend



We regularly conduct medical camps across our plant sites for our employees and their family members.

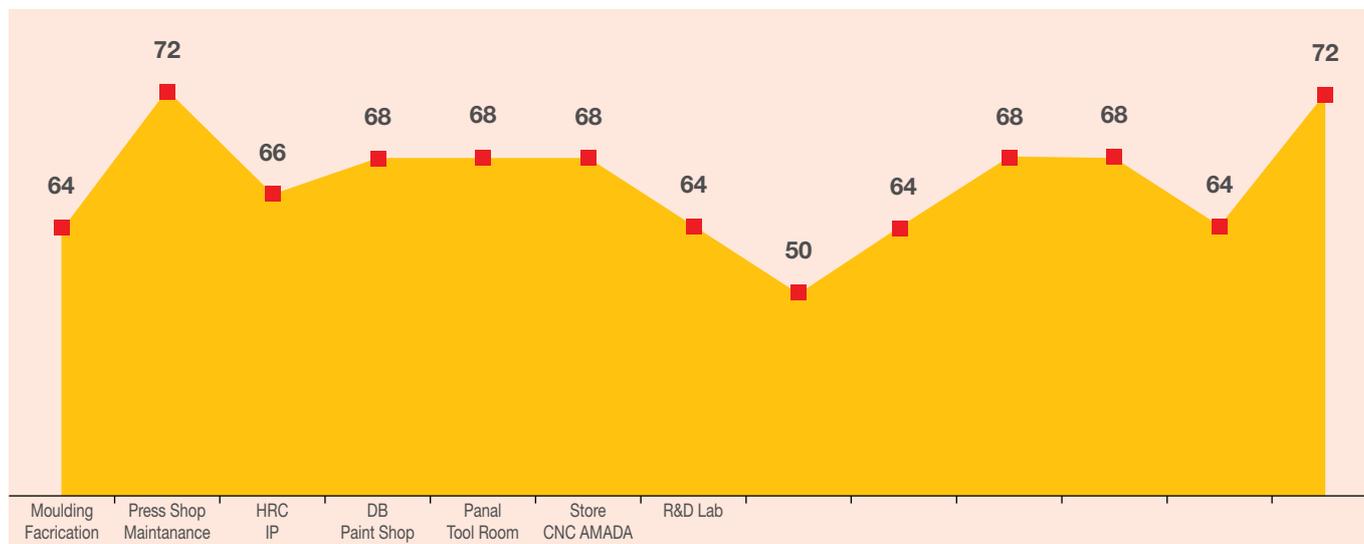
1) The number of cases mentioned here include employees (cases) referred for further evaluation / treatment under the Employee Social Insurance (ESI) scheme.



Safety Scoring System

In line with our commitment to provide a safe working environment to all our employees and also to strengthen the safety monitoring system, our Faridabad plant developed a safety scoring programme. As part of the programme, all the operations of the plant were given a score based on the observations made on unsafe acts and unsafe working conditions in respective operations. The score was finalised by incorporating the data recorded in accident tracking, incident tracking and near miss tracking programmes. The safety score provides an indication of the safety preparedness of each activity within the plant. This further helps plants to design, monitor and enforce a safety culture amongst its employees.

Department Wise safety Score Trend (March 2016)



Grade	Marks
Very Good	10-100
Good	70-80
Average	50-69
Poor	Below 50

Average Score
66.61

Human Rights

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

We endeavour to identify, assess and manage human rights impacts within operations and amongst identified suppliers considered to have significant risks for the following, viz. respect for human rights including non-discrimination, prohibition of child and enforced labour.

We do not engage or support the use of forced labour. The terms and conditions relating to the employment are communicated prior to recruitment. During the reporting period, there have been no cases identified or registered related to forced labour.

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

Connecting with Society

Corporate Social Responsibility (CSR) at Havells portrays the symbiotic relationship that our company enjoys with communities and society.



Our CSR initiative intends to add value to the lives of an important stakeholder group- the society.

We engage with community members on issues relevant to them. Taking a focused approach to expand our CSR programmes, we are working on increasing the repertoire of social issues that we address.



We take into account needs of communities around our plants while designing social projects. Local community investment projects are decided by local managers based on their own community needs, challenges and stakeholder expectations.

Our objective is that the investment we make in the community must be utilised efficiently and lead to real impact in the lives of the people.



CSR Programs

In line with section 135 of the Companies Act, 2013, we have formed a CSR Committee, headed by an Independent Director, to recommend activities to be undertaken.

The Committee decided to expend an amount of ₹ 11.48 crore on CSR activities that include nutrition, health and education of children and environment protection.

We operate in various communities in India. Our contributions to these communities are significant and bring social and economic benefit to regions in which we operate.

Mid-day Meal

Havells' mid-day meal is our flagship CSR activity. The company provides nutritious and hygienically prepared mid-day meal to government school children in Alwar, Rajasthan. Started in 2005, this programme has exponentially increased its reach.

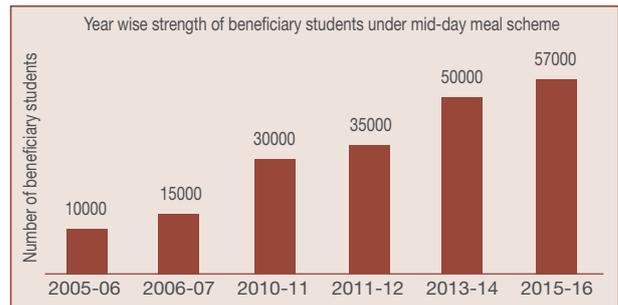
A dedicated staff of about 160 people, including cooks, helpers, drivers, and distributors is employed, to ensure the timeliness, quality and hassle-free provision of these meals every day.

A state-of-the-art, automated kitchen has been set up, that is functional between early morning and noon every day. Automation in food preparation and cooking operations leads to minimum human intervention enabling us to maintain hygiene. Special vans are used to transport the freshly-cooked food to schools as far as 40 kms from the kitchen.



Ownership of the entire mid-day meal operations, from procurement of materials to food preparation, storage and transportation to schools, gives the company control over the quality and hygiene.

Proper government-approved diet charts are used as guides to prepare weekly menus, suiting the tastes and nutritional requirements of children.



Special vans are used to transport the freshly-cooked food to schools as far as

40 kms
from the kitchen

Sanitation Drive

In our interaction with the government school children and staff, we realised the following challenges were faced by them in the absence of proper toilets –

- Drop in school attendance, especially by girl students
- Lack of discipline as children would walk out of the school in search of toilets
- Spread of water-borne diseases like diarrhoea, jaundice, typhoid due to lack of sanitation and hygiene

In 2015-16, we initiated a sanitation drive in government schools in the Alwar district, wherein the company built eco-friendly and hygienic bio-toilets. This is in line with the Government’s Swachh Bharat Mission.

These toilets are pre cast eco-friendly toilets and use bacterial conversion to turn human waste into biogas and water. The water can be used for gardening and cleaning and helps to recharge ground water.

- No. of schools in which bio-toilets already built:102
- No. of bio-toilets already built: 816.



Tree Plantation at Baddi

Our Baddi plant signed an MoU with the local authority, BBNDA, EPIP, Baddi, to plant 1000 trees in the industrial and EPIP areas.

Tree plantation is currently in progress on the Gullarwala - Nalagarh connecting road and about 700 trees have already been planted so far.



Promoting Education

Havells provides scholarships to students to support their education. We facilitate education by providing need/ merit-based scholarships to children at the Ashoka University in Sonipat.

Products for Sustainable Lifestyles

Our Philosophy

Our business philosophy ensures we create products that are healthy and safe for people and have least impact on the planet as well.



We believe that a sustainable lifecycle begins with the design of a product and therefore we incorporate environmental and safety related aspects in our product design. One such example is that we only manufacture energy efficient products. Over 90% of our product portfolio is energy efficient. Our energy efficient solutions enable people to save money and lower their energy usage.

We also aim to continuously increase transparency regarding declarable substances, particularly in purchased parts.

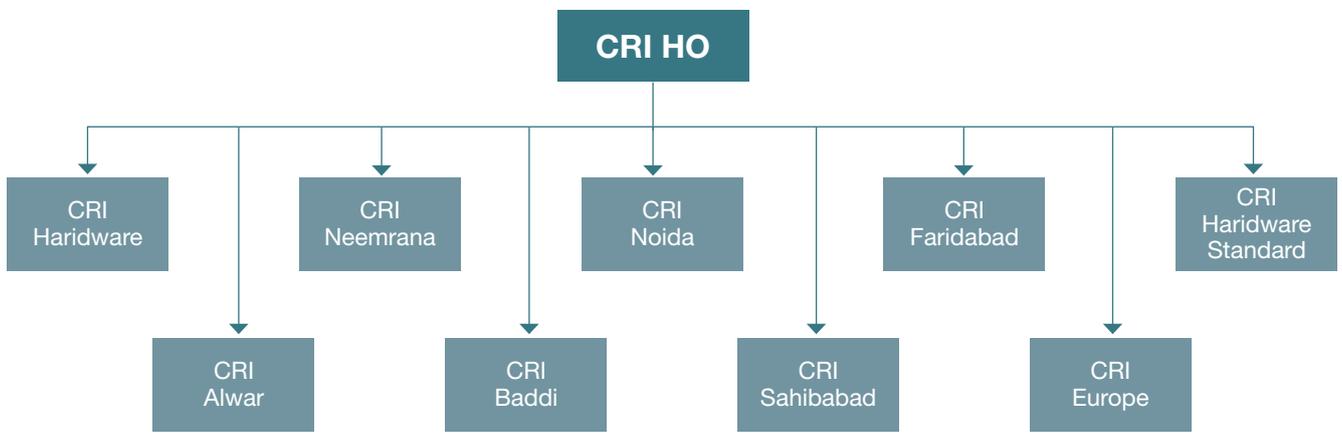


Fuelling Growth Engines

CRI – Centre for Research & Innovation at Havells

Havells rapid growth has resulted from the development of technological capabilities, adhering to the philosophy of its founder and top management. In 2005, the company established a corporate R&D centre to develop technological capabilities, for value creation in diverse business areas and provide the next growth engines. This R&D centre has pursued adaptation of latest technologies for product development and to overcome manufacturing challenges in the business divisions.

The objective of CRI is to provide theoretical and experimental foundations for all segments of electrical engineering. The centre closely co-operates with the various departments, so as to provide the best and latest in terms of technology and design. CRI is an ISO 9001:2000 certified body and is recognised by the Department of Scientific and Industrial Research (DSIR), Ministry of Science and Technology. In line with our vision and mission, the CRI has developed and internalized its own working philosophies to ensure the achievement of the company’s goal.



Research Facilities

We have enhanced our technological strengths through extensive in-house R&D. Technological capability is recognised as a key driver of both business performance and sustainability. We are aware of the importance of innovative product development and advanced manufacturing setup that helps tackle fierce market competition. In the current reporting year, efforts have been made to increase our products portfolio by introducing innovative and appealing technological concepts.

At Havells, each business vertical has an in-house R&D centre with design and development capabilities and state-of-the-art testing facilities. These centres help develop new products, extensions and upgradation of existing products, productivity improvement and cost optimization.

All centres are approved by the Department of Scientific & Industrial Research (DSIR), Ministry of Science & Technology. The research facilities are augmented with the latest workstations, software, PLM and data management facilities.



Industrial Design Studio

CRI has established an Industrial Design Studio by integrating all the designers working for different product categories. The aim is to create a design pool and to set a common design language for our product range. The key role of this team is to create new innovative ideas and concepts for products, taking into consideration safety and ergonomics.



Efficient & Safe Products

Havells offers a wide range of products that ensure safety, environmental preservation and energy efficiency and cater to customer preferences.

We have developed and continue to implement energy-saving technology from the product design stage to reduce the energy consumption of our products.

To ensure that customers are provided with safe products, we evaluate factors that might make products unsafe, such as electric shocks, fire, injury due to any abnormal operating status, etc., considering the real user environment. Our products go through rigorous in-house testing protocols before making their way to the market.



ES 40 is the energy efficiency quotient as the fan consumes only

40 watts

Switchgear

In this financial year, we introduced the Havells Euro-II series range of switchgear, keeping in mind the safety requirements of new age customers, who use multiple appliances that often overload the wiring system. Apart from meeting international standards, the Euro-II series offers safety terminals to eliminate human errors by electricians and new outer designs for better air circulation.



Electrical Consumer Durables

In line with our continuous focus on innovation and energy efficiency, we have launched many consumer products under our electrical consumer durable business. To further strengthen our capabilities in this direction, we have set up manufacturing units for water heater at Neemrana and for juicer-mixer-grinder in Haridwar. During the year we launched our first ever range of innovative air coolers, introduced new models of fans, mixer-grinder, toasters and worked on developing newer consumer products like air purifier that would be launched in the first quarter of FY16-17.

ES40: Sustainable Design Solution

ES40 ceiling fan has been designed to combine engineering and aesthetics, which complement each other. The blade is crafted perfectly to reduce the load of the motor and maximize the air delivery. The motor required a change in its metallurgy to achieve the same functionality as a normal fan (which consumes 75-80 watts of electricity) while using merely 40 watts. The aesthetics of the fan have been kept simple to avoid any additional load on the motor. As a result, every ceiling fan used by our consumers will save electricity and GHG emissions.



Product Labelling

Our product packaging is properly labelled and bar coded as applicable. We strictly adhere to the transport labels, which are governed by the guidelines of IATA (for shipments by air), IMDG (for shipments by sea) and ADR (for road transport). We follow BIS standard for labelling of products marketed in India, and adhere to country-specific requirements in and as applicable across geographies, including CE, FIA, TAC and DNV KEMA standard disclosures. Our products also carry BEE-star, S3, HIR, RoHS, Halogen-free and other certification labels, as applicable to respective products. Additional information is provided to help our customers in using the products in an environmentally efficient way. We also make appropriate information available to our customers and give recommendations for handling our products at the end of their use phase.



Communications

Havells has created a legacy of socially and environmentally conscious communication that highlight the features of our products, while also spreading socially relevant messages. We have set very high standards for our communication and abide by a code of conduct, whereby we don't indulge in creating any message that may have even a remote negative effect on people's psyche. We uphold the guidelines and standards set by ASCI (Advertising Standards Council of India). During the reporting period, there was 1 complaint lodged by ASCI against any Havells which is sub judice.

Campaigns

Havells is known for its creative advertising and highlight some basic yet critical topical issues in the country. Our campaigns reflect the undercurrents of change in thinking within the Indian society.

In 2015-16, we extended our brand campaign and introduced the theme 'respect for women'. Using an unconventional mode of communication, we sought to enhance the nation's perspective of women and celebrated the spirit of modern womanhood. In addition, we highlighted also had campaigns highlighting the need for energy saving. We also leveraged digitization to enhance our brand equity through regional brand initiatives and print.

Customer Satisfaction

Havells is amongst the top recalled brands of India and enjoys a high degree of consumer trust. We were the first FMEG Company in India to have launched a fully integrated call-centre to support our customer service. The feedback received is thoroughly analysed and helps us to better understand the customer's expectations and develop future strategies.

During 2015-16, we used the Net Promoter Score (NPS), an internationally recognized and commonly applied managerial performance indicator, to gauge customer satisfaction.

Approximately 40,000 customers were contacted for the survey and customer satisfaction index was reported as 93% satisfied customers [71% extremely satisfied + 22% satisfied] and the remaining 7% are either not satisfied with the product or the services provided to them.

We use the results to strengthen our customer orientation and develop concrete measures for improvement together with our customers using their feedback as a basis. We see this as an important feedback towards better positioning ourselves in the competition, enhancing the efforts of our sales team and as part of our social engagement in training people.



GRI Disclosure

GRI Coverage	GRI Brief Description	Sub-section	Page Number
Standard Disclosure			
G4-1	Statement from the most senior decision-maker of the organisation	Foreword	8
G4-3	Name of the organisation	Havells: Our Expanding World	10
G4-4	Primary brands, products, and services	Our Brands and Products	16
G4-5	Location of the organisation's headquarters.	Our journey so far	11
G4-6	Number of countries where the organisation operates	Our Business Ecosystem	13
G4-7	Nature of ownership and legal form	Our journey so far	11
G4-8	Markets served	Our Business Ecosystem	13
G4-9	Scale of the organisation in terms of employees, operations, net sales, capitalization, quantity of products provided	Performance Snapshot	2
G4-10	Workforce diversity	Employees Strength	45
G4-11	Total employees covered by collective bargaining agreements	Employee Benefits	47
G4-12	Organisation's supply chain	Our Business Ecosystem	13
G4-13	Any significant changes during the reporting period regarding the organisation's size, structure, ownership, or its supply chain	None	-
G4-14	How the precautionary approach or principle is addressed	Future Proofing Environmental Externalities	30
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organisation subscribes or which it endorses.	Awards & Memberships	17
G4-16	List memberships of associations	Awards & Memberships	17
G4-17	List all entities included in the organisation's consolidated financial statements or equivalent documents.	Report Boundary	5
G4-18	Process for defining the report content and the Aspect Boundaries.	Reporting Principles, Materiality Assessment	6-7
G4-19	Material aspects listing	Materiality Assessment	6
G4-20	Boundary for material aspect within the organisation	Materiality Assessment	6
G4-21	Boundary for material aspect outside the organisation	Materiality Assessment	6
G4-22	Effect of any restatements of information provided in previous reports	None	-
G4-23	Significant changes from previous reporting periods	None	-
G4-24	List of stakeholder groups engaged	Fostering Stakeholder Engagement	24
G4-25	Basis for identification and selection of stakeholders	Fostering Stakeholder Engagement	24
G4-26	Organisation's approach to stakeholder engagement, including frequency of engagement	Fostering Stakeholder Engagement	24
G4-27	Key topics and concerns that have been raised through stakeholder engagement	Fostering Stakeholder Engagement	24
G4-28	Reporting period (such as fiscal or calendar year) for information provided.	Report Overview	4
G4-29	Date of most recent previous report (if any).	Report Overview	4
G4-30	Reporting cycle (such as annual, biennial).	Report Overview	4
G4-31	Provide the contact point for questions regarding the report or its contents.	Report Overview	4
G4-32	'in accordance' option	Report Overview	4
G4-33	Organisation's policy and current practice with regard to seeking external assurance for the report	External Assurance	7
G4-34	Governance structure of the organisation	Our Board	19
G4-56	Organisation's values, principles, standards and norms of behaviour such as codes of conduct and codes of ethics	Ethical Business Conduct	24
G4-58	Internal and external mechanisms for reporting concerns about unethical or unlawful behaviour	Policies	24
Specific Disclosure			
G4-DMA	Generic Disclosures on Management Approach	Towards Sustainable Growth	26
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GRI Coverage	GRI Brief Description	Sub-section	Page Number
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G4-EN23	Total weight of waste by type and disposal method	Minimizing Waste	35
G4-EN24	Total number and volume of significant spills	Minimizing Waste	35
G4-EN27	Quantitatively report the extent of impact mitigation of environmental impacts of products and services	Efficient & Safe Products	58
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	Beyond Compliance	24
G4-EN31	Total environmental protection expenditures and investments by type	Responsible Investments	29
G4-DMA	Generic Disclosures on Management Approach	Embracing Mutual Growth	44
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	Recruitment & Turnover	47
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	Employee Benefits	47
G4-LA3	Return to work and retention rates after parental leave, by gender	Employee Strength	45
G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	21 days as per Industrial Dispute Act	-
G4-LA7	Workers with high incidence or high risk of diseases related to their occupation	Safety Culture	50
G4-LA9	Average hours of training per year per employee by gender, and by employee category	Training	49
G4-DMA	Generic Disclosures on Management Approach	Embracing Mutual Growth	44
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G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	Beyond Compliance	24
G4-DMA	Generic Disclosures on Management Approach	Products for sustainable lifestyles	56
G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	Efficient & Safe Products	58
G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	Beyond Compliance	24
G4-PR3	Type of product and service information required by the organisation's procedures for product and service information and labelling, and percentage of significant product and service categories subject to such information requirements	Product Labelling	59
G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes	Beyond Compliance	24
G4-PR5	Results of surveys measuring customer satisfaction	Customer Satisfaction	60
G4-PR6	Sale of banned or disputed products	None	-
G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	Beyond Compliance	24
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	Beyond Compliance	24

Assurance Statement



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Independent Assurance Statement

Ernst & Young LLP (EY) has been engaged by Havells India Limited (the 'Company') to provide independent assurance on its Sustainability Report 2015-16 (the 'Report') covering the Company's sustainability performance during the period 1st April 2015 to 31st March 2016.

The development of the Report, based on G4 Sustainability Reporting Guidelines (GRI-G4) of the Global Reporting Initiative, its content, and presentation is the sole responsibility of the management of the Company. EY's responsibility, as agreed with the management of the Company, is to provide independent assurance on the report content as described in the scope of assurance. Our responsibility in performing our assurance activities is to the management of the Company only and in accordance with the terms of reference agreed with the Company. We do not therefore accept or assume any responsibility for any other purpose or to any other person or organization. Any dependence that any such third party may place on the Report is entirely at its own risk. The assurance report should not be taken as a basis for interpreting the Company's overall performance, except for the aspects mentioned in the scope below.

Assurance standard

Our assurance is in accordance with International Federation of Accountants' International Standard for Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000), and our conclusions are for 'limited' assurance as set out in ISAE 3000.

Scope of assurance and methodology

The scope of our work for this engagement was limited to review of data and information pertaining to environmental and social performance for the period 1st April 2015 to 31st March 2016. We conducted review and verification of data collection/ measurement methodology and general review of the logic of inclusion/ omission of necessary relevant information / data and this was limited to:

- Review of consistency of data / information within the report as well as between the report and source;
- Verification of the sample data and information reported at the following units/locations:
 1. Baddi, Himachal Pradesh
 2. Haridwar - Fans, Uttarakhand
 3. Neemrana, Rajasthan
 4. Noida E1, Uttar Pradesh
 5. Corporate Office, Noida, Uttar Pradesh
- Execution of audit trail of selected claims and data streams, by testing a sample data set, to determine the level of accuracy in collection, transcription and aggregation;



- Review of Company's plans, policies and practices, so as to be able to make comments on the completeness of the reporting and degree to which EY believes the report provides a fair and honest representation of the Company's activities.

Limitations of our engagement

The assurance scope excludes:

- Data and information outside the defined reporting period (1st April 2015 to 31st March 2016);
- Review of the 'economic performance indicators' included in the Report which, we have been informed by the Company, are derived from the Company's audited financial records;
- The Company's statements that describe expression of opinion, belief, inference, aspiration, expectation, aim or future intention.

Our assurance team and independence

Our assurance team, comprising of multidisciplinary professionals, has been drawn from our Climate Change and Sustainability network, and undertakes similar engagements with various Indian and international companies. As an assurance provider, EY is required to comply with the independence requirements set out in International Federation of Accountants (IFAC) Code of Ethics for Professional Accountants. EY's independence policies and procedures ensure compliance with the Code.

Observations and opportunities for improvement

During the review process, we observed that:

- The company has developed the report as per the 'in accordance' core criteria of GRI G4 Sustainability Reporting Guidelines. The Report presents a fair description of the Company's materiality assessment and includes performance disclosures under aspects identified as material.
- Company has demonstrated a structured approach towards data management for sustainability performance reporting in line with GRI Guidelines. However, it may further improve on the compilation and accuracy of reporting on certain indicators viz. direct energy consumption and employee training.

Conclusion

On the basis of our procedures for this limited assurance, nothing has come to our attention that causes us not to believe that the Company has reported on sustainability issues materially significant to its business and its stakeholders.

Ernst & Young LLP

Sudipta Das
Partner

Dated: 11 / 07 / 2016

Place : Kolkata, India



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