GHCL Limited

June 2, 2018

ज्येष्ठ (अधिक) - कृष्णपक्ष - चतुर्थी
विक्रम सम्वत २०७५

National Stock Exchange of India Limited
"Exchange Plaza"
Bandra – Kurla Complex,
Bandra (E), Mumbai – 400 051
NSE Code: GHCL

BSE Limited
Corporate Relationship Department,
1st Floor, New Trading Ring, Rotunda Building, P.J. Towers,
Dalal Street, Fort, Mumbai – 400 001
BSE Code: 500171

Dear Sir/Madam,

Sub: Filing of Business Responsibility Report of the Company for the financial year 2017-18

Pursuant to requirement of Regulation 34 (2) (f) of the Listing Regulations, 2015 every top 500 listed companies shall submit, as part of their Annual Reports, Business Responsibility Reports, describing the initiatives taken by them from an environmental, social and governance perspective, in the prescribed format.

We would like to inform that at present this provision is applicable to top 500 listed companies, based on market capitalisation as on March 31, 2018. As on March 31, 2017, GHCL Limited was on 456th position under NSE list and on 462nd position under BSE list. Hence, this clause was first time applicable to GHCL Limited in the last year. But, based on market capitalisation as on March 31, 2018, GHCL Limited is not part of the list of top 500 listed companies of NSE & BSE. However, company has published Business Responsibility Report (BRR), for the purpose of establishing and strengthening the norms of Corporate Governance and setting the highest principle envisaged by SEBI under BRR reporting.

Please find enclosed herewith the Business Responsibility Report (BRR) for the financial year 2017-18 for your record and necessary action.

You are requested to kindly take note of the same.

Thanking you

Yours faithfully

For GHCL Limited

Bhuwneshwar Mishra
Sr. General Manager & Company Secretary

Business Responsibility Report – 2017-18

[Regulation 34 (2) (f) of SEBI Listing Regulations, 2015]

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. **Corporate Identity Number (CIN) of the Company**: *L24100GJ1983PLC006513*
2. **Name of the Company**: *GHCL Limited*
3. **Registered address**:*"GHCL House" Opp. Punjabi Hall, Navrangpura, Ahmedabad – 380 009 (Gujarat)*
4. **Website**: *www.ghcl.co.in*
   E-mail id: ghclinfo@ghcl.co.in, secretarial@ghcl.co.in
5. **Financial Year reported**: 2017-18
6. **Sector(s) that the Company is engaged in (industrial activity code-wise):**

Industrial Group	Description
201	Manufacture of Chemicals and Chemicals Products
139	Manufacture of other textiles - Cotton Fabrics and Furnishings
131	Spinning, weaving and finishing of textiles
089	Salt Production by evaporation of sea water.
107	Manufacture of Food Products
463	Wholesale of food, beverages and tobacco
081	Quarrying / Mining of Limestone
052	Mining of Lignite
As per National Industrial Classification – Ministry of Statistics and Programme Implementation	

7. **List three key products/services that the Company manufactures/provides (as in balance sheet)**

1. In-organic Chemicals: Soda Ash – (Dense grade and Light grade), Sodium Bicarbonate, Industrial and Edible Salt;
2. Textiles: Home Textile products like Bed Sheets, Bed Covers, Top of Bed Products, Valance and Yarn Manufacturing.

8. **Total number of locations where business activity is undertaken by the Company**
   (a) **Number of International Locations (Provide details of major 5):** USA
   (b) **Number of National Locations**: All India
9. **Markets served by the Company – Local/State/National/ International**: All

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. **Paid up Capital** (INR) : 97,42,32,860
2. **Total Turnover** (INR in Crore) : 2,992.27
3. **Total profit after taxes** (INR in Crore) : 364.51
4. **Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax** (%): Total spend on CSR during financial year 2017-18 is Rs. 8.76 Cr which is in compliance of Section 135 read with Schedule VII of the Companies Act, 2013. The 2% of the average profit for the last three years Rs. 6.89 Cr.

Achievements and Recognition:

- During the financial year 2017-18, GHCL Limited has been selected for Special Commendation for **Golden Peacock Award for Excellence in Corporate Governance 2017.**
- GHCL Limited own the **Golden Peacock Award for Corporate Social Responsibility – 2017** for the year 2017. This has established the credential of GHCL in the area of CSR.
- **GHCL Limited** has been declared as the **Winner of 'Golden Peacock National Quality Award'** for the year 2018.
- GHCL Limited recognised as one of India's best work place in manufacturing 2018.
- The President of Association Other ways Management & Consultancy France, certify that GHCL Limited has been selected to receive the ***Green Era Award for Sustainability***.

5. **List of activities in which expenditure in 4 above has been incurred**: -
   i. Roof Rain Water Harvesting and Village Water Distribution System under Coastal Area Development Project;
   ii. Agriculture livelihood enhancement programme which is being done by drip Irrigations, Sprinkler Irrigation, promotion of organic product, bio pesticide, agricultural nutrition product, training-exposure and other various activities;
   iii. Vocational Training Centre;
   iv. Animal Treatment Camp and Artificial Insemination center;
   v. Mobile Dispensary, Health camps, Vaccination and Eye camps, Cancer early detection camp
   vi. Toilet Blocks and Awareness Programme as part of Swachh Bharat Abhiyaan;
   vii. Site School near Mining area, Uniform, Scholarship and financial support for higher studies, Anganwadi Quality improvement programme and offer a bridge course to enhance education level;
   viii. Formation of Self Help Group (SHG) and Training Programme
   ix. Office Salary, miscellaneous expenses, general expenses.
   x. Contribution to a hospital for purchase of medical equipment in Firozabad, Uttar Pradesh.

SECTION C: OTHER DETAILS

1. **Does the Company have any Subsidiary Company/ Companies?**

   Yes. Company has a subsidiary in the name of *"Grace Home Fashion LLC"* based in USA.

2. **Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)**

   This is the second year for GHCL Limited to publish Business Responsibility Report. GHCL would encourage its subsidiary to participate in the business responsibility initiatives and conduct their business in an ethical, transparent and accountable manner.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

GHCL Limited does not mandate its suppliers and distributors to participate in the business responsibility initiatives. However, they are encouraged to do so.

Less than 30%.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

(a) **Details of the Director/Director responsible for implementation of the BR policy/policies:**

Particular	**Details of Directors**	
1. DIN Number	00121260	00954190
2. Name of Director	R. S Jalan	Raman Chopra
3. Designation	Managing Director	CFO & Executive Director (Finance)

(b) **Details of the BR head:**

Sl. No.	**Particulars**	**Details**
1	DIN Number (if applicable)	00121260
2	Name	R. S Jalan
3	Designation	Managing Director
4	Telephone number	0120 3358000
5	Email ID	rsjalan@ghcl.co.in

2. Principle-wise (as per NVGs) BR Policy/policies:

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These are as follows:

P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
P3	Businesses should promote the wellbeing of all employees.
P4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
P5	Businesses should respect and promote human rights.
P6	Business should respect, protect, and make efforts to restore the environment.
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
P8	Businesses should support inclusive growth and equitable development.
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

(a) Details of compliance (Reply in Y/N)

No.	**Questions**	**P1**	**P2**	**P3**	**P4**	**P5**	**P6**	**P7**	**P8**	**P9**
1.	Do you have a policy/ policies for....	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**
2.	Has the policy being formulated in consultation with the relevant stakeholders?	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**
3.	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Yes. The policies are based on the "National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business" released by the Ministry of Corporate Affairs.								
4.	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Yes. All the Nine Policies are approved by the Board in their meeting held on January 31, 2017 and signed by the Managing Director.								
5.	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Yes. The Managing Director through the functional heads of the departments / unit heads of the company are empowered to ensure the implementation of the policy. The Company Secretary is authorised to monitor and evaluate the compliance of the policy and submit his report to the Board / committee periodically.								

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
6.	Indicate the link for the policy to be viewed online?	**http://ghcl.co.in/investors/brr-policies**								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policies have been communicated to key internal stakeholders of GHCL. The BR policies are communicated through this report. Company will also explore other formal channels to communicate with other relevant stakeholders.								
8.	Does the company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The BR Policies shall be evaluated internally. Policies pertaining to Health, Safety and Environment have also been audited by external agencies.								

(b) If answer to the question at serial number 1 against any principle, is "No", please explain why: (Tick up to 2 options)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The company has not understood the Principles.	Not applicable								
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles.									
3.	The company does not have financial or manpower resources available for the task.									
4.	It is planned to be done within next 6 months.									
5.	It is planned to be done within the next 1 year.									
6.	Any other reason (please specify)									

3. Governance related to BR:

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

The BR performance of the company shall be assessed annually.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Business Responsibility Report for the financial year 2017-18 which forms part of the Company's annual report for the financial year 2017-18. The Business Responsibility Report can be accessed at: **http://ghcl.co.in/investors/brr-report**

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

GHCL Limited believe that a company without ethics is like a body without a soul. At GHCL, it is firmly believed that for a successful and sustainable business, a strong foundation of ethical corporate citizenship and establishment of good corporate culture is essential. GHCL is committed to operate its business ethically in a manner such that all stakeholders i.e. investors, creditors, distributors, customers, employees, and even competitors, the governments and society at large, dealt within a fair manner. GHCL has always believed in adhering to the best governance practices to ensure protection of interests of all stakeholders of the Company in tandem with healthy growth of the Company.

The core value of GHCL's ethical policy and practices are trustworthiness, respect, responsibility, fairness and caring. GHCL take a 'zero tolerance' approach to bribery and corruption and are committed to act professionally, fairly and with integrity in all the business dealings and relationships, wherever it operates.

GHCL believe that the ethical behaviour of the company is predicted by the ethical behaviour of its owners, directors, managers and employees towards its stakeholders i.e. investors, creditors, distributors, customers, employees, the governments and society at large.

The measurement of ethical behaviour revolves around

a. Fairness to all stakeholders;

b. Transparency in all business dealings;

c. Raising that trust and confidence of stakeholders in the way the company operates;

d. Understanding and discharging societal responsibility;

e. Long term thinking;

f. Overcoming from greed, insecurity, and lack of confidence;

g. Following every law of the land even when the law enforcers may not be able to detect the violation.

Besides above, it is also expected from every member of the Board and Sr. management including the functional heads;

i. To participate in a company meeting, depending upon their eligibility and/ or requirement, and do not involve in related party transactions.

ii. Do not take directorship in competitor's company.

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs /Others?

GHCL's code of conduct and policy on Ethics, Transparency and Accountability covers the policy on bribery and anti-corruption and is applicable to its business associates, subsidiary, suppliers, contracts, NGOs and other entities which are directly dealing with the company either in business operations or in its CSR activities.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

Stakeholder	Complaints Received during F Y 2017-18	Complaints Resolved during F Y 2017-18	Complaints Resolved (%)
Investors Complaints	35@	35	100
Consumers' Complaints			
Soda Ash Division	12	12	100
Home Textiles Division	11	11	100
Yarn	25	25	100
Consumer Products	8	8	100
Total	**91**	**91**	**100**

@ One complaint was pertaining to FY 2016-17 resolved during the year.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

GHCL, as an organisation is committed towards ensuring sustainable practices across its divisions as enunciated in the GHCL vision. We have initiated our journey towards sustainability in a concerted manner with implementation of the principles into our core of decision making. The key focus of sustainability is to promote safe & healthy working environment for our direct & in-direct employees, resource optimisation, conservation of natural resources, socio-economic up-liftment of neighbouring communities and effective management of stakeholder relations throughout our products and services value chain.

We continuously endeavour to work closely with our supply chain to encourage best practices and minimise impacts right from sourcing raw materials to delivering our products to customers. Our efforts are to continuously engage with customers & suppliers to gain regular feedback and improvise our products and services in tandem with the market trends, demands and sustainable practices.

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

At GHCL, we are aware that the manufacturing process will involve environmental impacts in terms of extraction of natural resources, emissions, effluent and waste. We are conscious of our activities and endeavour to minimise these impacts both environmental & social by reducing footprints of our activities in alignment with the social fabric within which we deal with our relevant stakeholders. We continuously put efforts to improvise our products and services to have minimal impacts. Some of our products which highlights our step forward in the direction of sustainability are:

S. No	Product/ Services	Division	Sustainability aspect
1	REKOOP Bedding	Home Textile	Made of cotton with polyester fibres obtained from recycling of PET bottles aided with Traceability (Launched in March 2018)
2	Self-Fabric Bags	Home Textile	Biodegradable Fabric bags used in place of PVC bags
3	Bricks made on waste from SA division	Soda Ash Division	Recycling fly ash generated from Boilers
4	Briquettes Use in place of metallurgical coke	Soda Ash Division	Reducing natural resource consumption – Metallurgical coke
5	Transportation services for loose Soda Ash via Bulkers	Soda Ash Division	Reducing the usage of plastic bags

In addition, the Home Textile division manufactures products like Bed Sheets, Bed Covers, Top of Bed Products, Valance and Yarn Manufacturing is Fair Trade Standards (FLO) certified which ensures sustainable farming practices and fair trade in the value chain. In addition, HT Division also follows DETOX guidelines ensuring that the chemicals and dyes sourced are environment friendly. The facility is OEKO-TEX® certified that restrict the use of harmful substances in our manufacturing processes.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):

At GHCL, we constantly adopt measures to reduce the overall resource consumption. We strive to enhance efficiency and reduce resource consumption in the entire value chain wherever possible. We have taken various initiatives to promote conservation of energy and water across our operations:

Energy conservation initiatives:

- Periodic energy audits at sites
- Proactive maintenance of equipment
- Installation of VFDs (Variable Frequency Drives)
- LED fixtures, etc.

Water Conservation initiatives:

- Using treated sewage water for green belt development in Soda Ash division
- Using treated sewage water for humidification in Yarn division

Specific Energy Consumption (KWH/MT)			
	2017-18	**2016-17**	**2015-16**
Divisions	**(KWH/MT)**		
Soda Ash	263.8	266.1	260.6
Home Textile	3465.73	2681.97	2557.58
Yarn	4520	4220	4070
CPD	30	22.72	23.23

Specific Water Consumption (KL/MT)			
Divisions	**2017-18**	**2016-17**	**2015-16**
Soda Ash	8.33	8.40	8.31
Home Textile	113.11	73.65	72.12
Yarn	2.93	3.11	2.48
CPD	3.0	3.0	3.5

Increase in specific consumption of energy and water in case of Home Textile is related to lower volume of production.

Material Consumption:

The material consumption across businesses has been given below:

Material Consumption (in MT)				
Division	**Major Raw Material**	**2017-18**	**2016-17**	**2015-16**
Soda Ash (till Feb)	Salt	1635714	1391467	1324913
	Limestone	1805215	1543898	1406488
	Coal	287413	279261	279935
	Lignite	161421	99884	136895
Home Textile	Yarn	9865.99	13269.58	11881.38
Yarn	Cotton & Manmade fibre	27287	26276	26515
CPD	Raw salt	45227	54697	67502

(a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

At GHCL, we continuously take measure to evolve and improve the process throughout the value chain. Some of the efforts undertaken across various divisions are given below:

Soda Ash division:

- Belt filters have been installed for reducing the moisture content from 19.7% to 18.5% in bicarbonate cake which in turn has reduced overall steam consumption.
- Installation of VFD (Variable Frequency Drive) in Dense plant cooling blower has reduced its energy consumption by 60%.
- Transportation of loose soda ash via bulkers to reduce the usage of plastic bags

Home Textile division:

- One unit of 1000 cubic feet per minute (CFM) Screw Compressor with VFD has been installed which leads to a lesser energy consumption.
- DETOX guidelines are followed ensuring the chemicals and dyes sources are environment friendly.

Yarn Division:

Around 1% of cotton is sourced under Better Cotton Initiative and going forwards we intend to expand the BCI/ organic cotton sourcing.

Consumer Products division:

The higher Horse Power blowers has been installed with VFD which consumes lower energy.

(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

GHCL has a limited control in the full life cycle of the products. We ensure from our ends the products and services provided have taken into account the environmental and social concerns.

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

Yes.

(a) **If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so**.

Yes. We do have systems in place for integrating sustainability in sourcing decision. At GHCL, the suppliers and vendors are one of the key stakeholders and have strong bearing on overall performance outcome of the company. We have GHCL code of conduct for suppliers & vendors, and have established process for vendor selection. We regularly engage with our suppliers and vendors and encourage them to adopt policies & practices that are more sustainable.

We have also developed Green Procurement policy for Soda Ash Division to ensure that the products and services has minimal environmental impacts and embeds green sourcing considerations in the decision making.

For transportation inbound (raw material) and outbound (finished product) we ensure that the trucks are covered with tarpaulin to ensure no spillage or dust generation during the movement. Sprinklers or dry fog systems have been installed to reduce dust emissions at material handling areas within the plant in Soda Ash Division. As a preference wherever possible Bulkers are used for transportation which helps in pollution prevention, minimization of waste, eliminating the efforts of packaging, loading and unloading.

For our textile segment, cotton and synthetic fibre are the basic raw material. We are a member of Better Cotton Initiative (BCI), and therefore ensure the cotton we use in our production comes from responsible sources that enables reduction of environmental & social impact from its production. In case of home textile, we are procuring the yarn/fabric, which is Oeko-Tex 100 / GOTS (Global Organic Textile Standard) certified. We are the 2nd Home Textile Company in India, which is certified by STeP (sustainable

textile production). We are also first company in India to produce MIG (Made in Green) label in product which is a traceable consumer label for sustainable textiles.

4. **Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?**

Yes.

(a) **If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

GHCL prefers and promotes to procure goods and services locally or from small scale providers. In all the businesses more than 72% vendors are local which represents suppliers from the same state as that of our operations. The percentage share of the local vendors for procuring goods or services has increased over the past few years for Home Textile division.

For our Soda Ash Division key raw material such as limestone and salt are locally sourced including transportation services for the material movement. Further we intend to increase the product basket of local suppliers by implementing purchase concepts such as Vendor Managed Inventory (VMI) at supplier's end, frequent vendor meets and interactions. For transportation contractors, GHCL is trying to introduce higher capacity vehicles for efficient deliveries and cost competitiveness.

In our Consumer Product Business, we prefer to source raw materials locally like honey and spices. We engage with suppliers who are committed towards social upliftment like buying directly from tribal community, discarding the middlemen between farmers and buyers, etc.

Through our skill development initiative under the aegis of CSR strategy, we enhance skill sets of the local community making them employable both within GHCL and outside. Two vocational training centres are running in Bhilad and Kaprada providing trainings in industrial stitching, quality check & packing through which around 70% trained people have been placed in nearby industries.

5. **Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

At GHCL, our objective is not just limited to waste reduction but also on intelligent recycling of waste. We reuse the waste as an alternate source of raw material. We regularly monitor the waste generated and focus on identifying areas for its reduction, reuse and recycle. Mentioned below are the examples of various divisions' efforts on recycling & reusing of waste streams:

Soda Ash:

- All of coke fines generated during process is recycled to manufacture briquette from in house developed briquette plant which has replaced usage of metallurgical coke.
- <5 % of fly ash waste is utilised for manufacturing fly ash brick, paver block & used for construction.
- <5% Usable item is recovered from scrap in salvage yard.

Home Textile:

Installed Caustic Recovery plant, recovering caustic around 92-95% by volume.

Yarn:

- Around 50% of the waste cotton is recycled.
- Sewage water treatment and use treated water for humidification of plant

Consumer Product:

- All raw salt and refined circuits at Vedaranyam are closely designed to avoid water spillage & leak.
- Water used for cleaning raw salt is reused by sending the exhausted water back to salt pans which acts as brine for regenerating the salt.
- Utilising 100% of the sludge generated to make bunds in the effluent treatment yard at Chennai Refinery.

Principle 3: Businesses should promote the wellbeing of all employees.

GHCL Limited endeavours to ensure the well-being of all its employees. At GHCL, the safety, health and work life balance of employees are extremely important. The company believes in giving its employees ample opportunities so that they shall be motivated, result oriented and committed to achieve excellence in their domain. GHCL endeavours to provide work environment in which all individuals are treated with mutual respect and dignity.

GHCL respect the right to freedom of association, participation, collective bargaining, and provide access to appropriate grievance Redressal mechanisms. It provides and maintain equal opportunities at the time of recruitment as well as during the course of employment irrespective of caste, creed, gender, race, religion, disability or sexual orientation. At GHCL, use of child labour, forced labour or any form of involuntary labour, paid or unpaid is prohibited.

At GHCL, every woman employee is treated with dignity, respect and equality. There is a zero tolerance towards sexual harassment and any act of sexual harassment is liable to be a serious disciplinary action. The company has a policy against Sexual Harassment for its employees and they are encouraged to flag the issues related to harassment, even it is too small in nature, to the appropriate forum.

GHCL is committed for strengthening its performance driven orientation through competence mapping, gap identification, training and development. During the year, HR department has organised various training programme across all locations/ business division of the company. Further, GHCL regularly organises recreational events for its employees which includes family picnics, cultural events, quiz contests, indoor and outdoor games and has also introduced flexi working hours with an objective to promote work life balance culture. Woman employees are given maternity leave as per the applicable legislation.

Besides above, GHCL is committee for safety of its employees at workplace and in order to show its commitment, mock fire drills and fire safety training classes are regularly organised at all plants locations. GHCL has been certified as a great place to work.

1. Please indicate the Total number of employees - ***3992***

2. Please indicate the Total number of employees hired on temporary/contractual/casual basis - ***4423***

3. Please indicate the Number of permanent women employees - ***253***

4. Please indicate the Number of permanent employees with disabilities - ***25***

5. Do you have an employee association that is recognized by management – ***7***

6. What percentage of your permanent employees is members of this recognized employee association? – ***91%***

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year –

No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1.	Child labour/forced labour/involuntary labour.	Nil	Nil
2.	Sexual harassment.	Nil	Nil
3.	Discriminatory employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

Particulars	Executives	Factory Workers
(a) Permanent Employees	95%	100%
(b) Permanent Women Employees	85%	100%
(c) Casual/Temporary/ Contractual Employees	90%	85%
(d) Employees with Disabilities	100%	80%

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

GHCL Limited believe in the principle that the interest of all stakeholders must be protected and at the same time, company must be responsive towards them, especially those who are disadvantaged, vulnerable and marginalised. GHCL Limited believe that stakeholder engagement leads to increased transparency, responsiveness, compliance, organisational learning, quality management, accountability and sustainability.

GHCL recognises the importance of its stakeholders such as employees, customers, local communities, investors, suppliers, government and regulatory authorities, NGOs and trade unions. GHCL continues its engagement with them through various mechanism such as consultations with local communities, suppliers / vendors meets, and customers / employees satisfaction surveys and through investors' conferences. Investors are open to approach to the company at designated email id secretarial@ghcl.co.in

In order to be fair and transparent with the stakeholders, company promptly intimates the Stock Exchanges i.e. BSE and NSE about all price sensitive information and such other matters which in its opinion are material and of relevance to the stakeholders of the company.

The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and Code of Conduct to Regulate, Monitor and Report Trading by Insiders, as approved by the Board in line with the requirement of SEBI (Prohibition of Insider Trading) Regulations, 2015 are uploaded on website of the company.

1. **Has the company mapped its internal and external stakeholders?**

   Yes.

2. **Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?**

   Yes. GHCL identifies underprivileged communities around its plants locations as disadvantaged, vulnerable & marginalized stakeholders and thereafter, continuously engages with all such stakeholders identifying their needs and priorities so as to serve their needs accordingly.

   GHCL has taken initiative for the capacity building of underprivileged communities which is the most critical of all the activities planned and executed. This is done with both men and women to improve their latent knowledge so that they play their role effectively and efficiently. Support extended from GHCL as planned has also tapered down as the program scaled up by farmers. Attention was also paid to ensure that farming households also diversify and strengthen their existing livelihood portfolios.

   Supporting farmers by way of augmenting dairy through breed improvement program, Animal health initiatives, feeding practices etc. and holding camps at regular intervals were planned and executed. Higher production of dung has helped farmers try out going for vermicomposting and manure preparations to reduce their dependence on outside fertilizers. The animal-Agriculture linkage is the critical one and is integrated as part of the sustainable initiatives of GHCL Foundation .

3. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.**

   Yes. Company through its GHCL Foundation has taken various initiatives under its CSR programme for disadvantaged, vulnerable and marginalized stakeholders. The initiative includes health care mobile van, eye check-up camp, general health check-up camp, cancer detection and awareness camp besides education for the children of the workers at mines site, sanitation, drinking water facility, irrigation, agro livelihood, vocational training and women empowerment.

Principle 5: Businesses should respect and promote human rights.

GHCL Limited respects and promotes human rights for all individuals. It is committed to identify, prevent, and mitigate adverse human rights impacts resulting from or caused by business activities before or if they occur through human rights due diligence and mitigation processes.

GHCL Limited recognizes its impact on the communities in which it operates. GHCL Limited is committed to engaging with stakeholders in those communities to ensure that we are listening to, learning from and taking into account their views as we conduct our business. Where appropriate, we are committed to engaging in dialogue with stakeholders on human rights issues related to our business. We believe that local issues are most appropriately addressed at the local level. We are also committed to creating economic opportunity and fostering goodwill in the communities in which we operate through locally relevant initiatives.

1. **Does the policy of the company on human rights cover only the company or extend to the Group/Joint ventures/Suppliers/Contractors/NGOs/Others?**

   GHCL's Human Rights Policy is applicable to all employees in the company working in any business division of the company and its subsidiary. GHCL motivates its business partners such as suppliers, contractors, NGO and others to follow the policy related to Human Rights in true spirit. GHCL discourages dealing with any business partners who are not serious in protection of Human Rights and have non-compliance at their end. At GHCL employability of Child labour or forced labour is strictly prohibited .

2. **How many stakeholder complaints with respect to Human Rights have been received in the past financial year and what percent was satisfactorily resolved by the management?**

   GHCL has not received any complaints related to human rights during financial year 2017-18.

Principle 6: Business should respect, protect, and make efforts to restore the environment.

GHCL Limited is committed to adopt business practices that creates long term stakeholders value by implementing opportunities and managing risks arising from economic, environmental and social developments. GHCL Limited places highest corporate priority in ensuring and adhering to best procedures relating to environment protection. It is committed to respect, protect, and make efforts to restore the environment.

GHCL Limited is focussed for performance that does not merely comply with regulations but reduces environmental impacts. GHCL Limited believes that it has a responsibility to take care of the planet and preserve its beauty, resources and strength for future generations.

1. **Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures / Suppliers / Contractors / NGOs / others.**

   This policy is applicable to all the business divisions of the GHCL Limited and its business associates, subsidiaries, suppliers, contractors, NGO and other entities which are directly dealing with the company either in the business operations or in its CSR activities.

   The EHS Policy, Deforestation Policy, Climate change & Green Procurement policy of GHCL Ltd covers manufacturing and mining sites, own employees and contractors of the Company. The policy document is available at following hyperlink. ***http://ghcl.co.in/sustainability/safety/*** & in Annexures

2. **Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc**.

   At GHCL, we are aware of the fast depleting natural resources and are making efforts to judiciously and efficiently use the available resources in our operations. We are striving continuously to minimise our energy and resource consumption and hence reducing our environmental footprint. As a continuous effort we are venturing initiatives that will not only help us achieve higher production but also reduced energy /resource consumption.

   We are enhancing the green belt surrounding our operations by planting trees. Moreover, 45% of the power consumption of yarn division is met through the renewable energy source i.e. wind power. Overall, yarn division owns 20 wind turbines totaling to 25.2 MW.

   Relevant hyperlinks are given below: ***http://ghcl.co.in/sustainability/safety/***

3. **Does the company identify and assess potential environmental risks? Y/N**

   Yes. Potential environmental risks are identified at business level through SWOT analysis. The identified risks are assessed. Relevant action plans are prepared for the mitigation of risks and it is periodically reviewed. The organization has also adopted ISO 14001 which guides the organization as and when required. Aspect-Impact analysis with rating system is in place for assessing operational environmental impacts at site. The Impact register is periodically reviewed for keeping it updated and for improving environmental performance. Environmental Management Plan (EMP) are in place for mitigating the environmental impacts thus reducing operational environmental risks.

4. **Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

   GHCL Limited has taken various initiatives to promote renewable energy and installed Windmill with the capacity of 25.2 MW in yarn division. Out of 20 wind turbines, 3 wind energy generator of capacity of 6.3MW are installed under REC scheme. In 2017-2018 152.15 lac units are generated under REC scheme and all the units are consumed by our yarn division. In 2016-2017 142.68 lac units have been generated.

5. **Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

   At GHCL, we undertake initiatives across divisions to improve energy efficiency, increase renewable energy portfolio, etc. We have also laid huge emphasis on clean energy and have installed 25.2 MW Wind Mill capacity thereby meeting more than 40% of energy requirements in the Yarn Division. Further, 2.10 MW Wind Mill capacity is also installed at Home Textile, Vapi showing our commitment towards adoption of green energy measures in overall operations.

We have employed Reverse Osmosis technology in Soda Ash Division as tertiary treatment to generate good quality permeate in order to replace fresh water requirement. Some of our environmental friendly initiatives include:

Soda Ash:

- Replacement of conventional lightings with the LED lights.
- Insulation of heated equipment & steam pipes to avoid heat losses to atmosphere
- New procurement policy which ensures the energy efficient motor procurement.

Home Textile:

- We have consolidated compressed air generation by installing one bigger capacity compressor by replacing 4 Nos. smaller capacity compressors.
- Usage of natural sunlight in textile process warehouse eliminating/reducing use of artificial lights during daytime.

Consumer Products:

- Use of treated sewage for green belt development

Relevant hyperlink is http://ghcl.co.in/sustainability/environment/ . Environment protection initiatives as part of Corporate Social Responsibility are outlined in http://ghcl.co.in/sustainability/corporate-social-responsibility/

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes. The emissions/waste generated by the Company for Financial Year 2017-18 are within permissible limits given by CPCB/SPCB(s).

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

As on 31 March, 2018, there is no pending show cause or legal notice received from CPCB or SPCB, to the best of the Company's knowledge and understanding.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

GHCL Limited understand that it operates in various diversified sectors which requires consistent, balance and transparent interactions with various regulatory authorities and social organisations. GHCL Limited believe that the engagement with the relevant authorities is guided by the values of commitment, integrity, transparency and the need to balance interest of diverse stakeholders.

GHCL Limited engages with industry bodies and associations to influence public and regulatory policy in a responsible manner.

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

Yes. GHCL is a member of Alkali Manufacturers Association of India and the Southern India Mills' Association besides other business association like CII, PHD Chambers, CII and FICCI.

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

Yes. During the financial year 2017-18, GHCL has participated in various discussion / initiatives taken by trade associations and chambers on the issues pertaining to Governance and Administration, Economic Reforms and sustainable business principles.

Principle 8: Businesses should support inclusive growth and equitable development.

GHCL Limited believe that the sustainable development calls for concerted efforts towards building an inclusive, sustainable and resilient future for people and planet. In order to achieve inclusive growth and equitable development, GHCL Limited believe that economic growth, social inclusion and environment protection must be harmonised.

GHCL Limited is committed to ensure protection of interest of all stakeholders. In order to achieve inclusive growth and equitable development, GHCL Limited through its GHCL Foundation do various CSR projects in accordance with Schedule VII of the Companies Act, 2013.

GHCL Foundation was established to impart social & welfare activities in and around the plant locations and after becoming the CSR mandatory for the corporate, the scope of GHCL Foundation was aligned with the expectation of Schedule VII of the Companies Act, 2013. GHCL's commitment to the development of weaker sections of society is continuing since more than two decades.

GHCL has initiated various programmes such as healthcare facilities, animal husbandry, forming of self-help group, drinking water facilities, primary education, vocational training, sanitation, roof rain water harvesting etc.

1. Does the company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

GHCL Ltd focuses on responsible business practices with community-centric interventions. The thrust areas for GHCL Limited are agro based sustainable livelihood, Animal husbandry, safe drinking water, skill development and employability training, education and health care, all of which constitute the Human Development Index – a quality of life indicator.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

The aforesaid projects / programmes are carried out through GHCL Foundation Trust along with various NGOs partner.

3. Have you done any impact assessment of your initiative?

Yes. During current financial year PWC has conducted impact assessment and covered following locations.

Sutrapada block: Gir Somnath district	Soda Ash plant
Bhavnagar block: Bhavnagar district	Lignite mines
Pot Albert Victor: Amreli district	Textile manufacturing unit

The objective of the impact assessment was commissioned to carry out a comprehensive evaluation of CSR programmes implemented by GHCL through GHCL Foundation Trust, across their project locations in the State of Gujarat, in order to understand the direct and indirect impacts of the CSR interventions on its beneficiaries.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

The direct contribution of GHCL Limited to the community development is Rs. 4.03 crore during year 2017-18. This amount was spent under the broad categories of:

- **Water Resource:** Drinking water scheme, Roof Rain Water Harvesting Scheme, ATM based RO (Reverse Osmosis Plant;
- **Sanitation**: GHCL Foundation Trust has been making efforts for promoting toilet construction at household level toward supporting "Swachchh Bharat Mission". More than 6000 House Hold level toilets have been supported in 67 villages. Major impact of household level sanitation system has been on reduction in drudgery and time saving. This project improved hygiene condition and privacy especially for women.
- **Health & Hygiene:** Mobile Medicare, Eye camps, Cancer awareness through our dedicated Mobile Medical Vans along with qualified Doctors.
- **Agro based livelihood:** Drip and sprinkler irrigation, Horticulture, Better Cotton Initiative, Organic Manure, Agri. Inputs, Farmer training and exposure
- **Animal Husbandry**: Artificial insemination, Animal treatment camp, Fodder management, Cattle Nutrition support
- **Education:** Mine Site schools, Learning Enhancement Classes , Pre-primary education support at Anganwadis, Primary school support, Extra coaching /mock test for 10+2, Support for Boarding schools
- **Women Empowerment:** Self Help Groups (SHGs), Saving, bank linkage and IGA training
- **Skill development:** Vocational training centres providing training for skill development in areas of stitching, weaving, processing, and like and their placement for gainful employment.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so?.

GHCL's CSR activities are focussed at village level. During the process of project identification and implementation, we engaged Gram Panchayat for their input and also encouraged them to support the initiatives of the company for betterment of the local community at large.

In most operations at the village level from among the villagers, the Panchayat is the body with which GHCL interacts and initiates the first round of dialogue and discussion. It also works with the existing ATMA groups in the villages and also creates its own farmer's groups under certain projects. This group called the Learning Groups manages the project and provides opportunities to its members to take part in the initiatives. On occasions, the learning groups also provide inputs to shape the project and make the same more effective. The community certainly plays an important advisory role in deciding and shaping the direction of the project.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.

GHCL Limited believe that for a successful business, a consistent effort is essential to engage with and provide value to their customers and consumers in a responsible manner.

GHCL Limited is committed to engage with and provide value to their customers and consumers in a responsible manner.

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year?

Nil

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes /No / N.A. / Remarks (additional information)

NA

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.

No.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

Yes.