Business Responsibility Report

for the financial year 2018-19

[Pursuant to Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Introduction

Greenlam Industries Limited has been beautifying spaces for years by infusing creativity into every piece of work and turning it into sheer pieces of beauty and brilliance. A name to be reckoned with in surfacing products in more than 100 countries, Greenlam Industries Limited is standing tall with its guiding philosophies - innovative technologies and creative solutions.

With over twenty five years of experience in the surface décor space, Greenlam has been the pioneer in introducing the international décor trend, in India and to the international markets.

General Information about the Company:

1. **Corporate Identity Number (CIN) of the Company:** L21016AS2013PLC011624
2. **Name of the Company:** Greenlam Industries Limited
3. **Registered Office Address:** Makum Road, Tinsukia, Assam-786 125
4. **Website:** www.greenlamindustries.com
5. **E-mail id: investor.relations@greenlam.com**
6. **Financial year reported:** 1st April, 2018 to 31st March, 2019
7. **Sectors that the Company is engaged in (as per the NIC code):**

Products	NIC Code (2008) of the product/service
Manufacturer of Laminates & Allied Products	16219
Manufacturer of Decorative Veneer & Allied	16211

8. **Three key products that the Company manufactures:**
   a. Laminates & Allied Products
   b. Decorative Veneers
   c. Engineered Wooden Floors & Door sets
9. **Number of national locations where business activity is undertaken by the Company.**

   The Company's manufacturing units are situated at Behror, Rajasthan and Nalagarh, Himachal Pradesh.

   The Company has 11 Company operated large regional distribution centers, 22 Branch offices, 5 warehouses situated across India and 14000+ distributors and retailers, which is largest in the industry. The Company's Registered Office is situated at Makum Road, Tinsukia, Assam - 786125 and Corporate Office is situated at 2nd Floor, West Wing, Worldmark 1, Aerocity, IGI Airport Hospitality District, New Delhi - 110037.

10. **Number of international locations where business activity is undertaken by the Company**

    Please refer the following table:

Sl. No.	Name of the Joint Venture (JV) / Wholly Owned Subsidiary (WOS)	Business activities
1.	Greenlam Asia Pacific Pte. Ltd., Singapore	This subsidiary is engaged in the business of trading of high-pressure decorative laminates and allied products.
2.	Greenlam America, Inc., USA	This subsidiary is engaged in the marketing and distribution of high-pressure laminates in North America and South America.
3.	Greenlam Europe (UK) Ltd., UK	This subsidiary is engaged in the business of marketing and distribution of high-pressure laminates and allied products, engineered wooden flooring and engineered wooden door sets in United Kingdom.
4.	Greenlam Asia Pacific (Thailand) Co., Ltd., Thailand	This subsidiary is engaged in the business of marketing and distribution of high-pressure laminates in Thailand.
5.	Greenlam Holding Co., Ltd., Thailand	This subsidiary is engaged in the business of marketing and distribution of high-pressure laminates in Thailand.
6.	PT Greenlam Asia Pacific, Indonesia	This subsidiary is engaged in the manufacture of promotional material i.e. catalogues, sample folders, chain sets, wall hooks and A4 size samples.

10. Markets served by the Company

    a. Domestic Sales:

    PAN-India Branches - 22
    Regional Distribution Centre - 11
    Warehouses - 5
    Distributors, Dealers and Retailers - 14000+

    b. Exports:

    The Company exports to nearly 100 countries worldwide either directly or through its overseas subsidiaries including Singapore, Thailand, Malaysia, Indonesia, South Korea, Philippines, Hong Kong, UAE, Saudi Arabia, Qatar, USA, Canada, Columbia, Mexico, UK, Spain, Sweden, Germany, Switzerland, Italy, Russia, Ukraine, Sri Lanka, Bangladesh, Nepal, Bhutan, Myanmar, Vietnam, South Africa, Egypt, Ghana, Kenya, New Zealand and Australia.

Financial Details of the Company:

1. **Paid-up capital (₹ in lacs):** 1206.82
2. **Total Turnover (₹ in lacs):** 1,19,598.97
3. **Total profit after taxes (₹ in lacs):** 6,508.25
4. **Total spending on CSR activities undertaken by the Company as percentage of profit after tax (%):** 2.32%
5. **List of activities in which CSR Expenditure done:** Please refer the Report on the CSR activities forming part of the Annual Report for the financial year 2018-19.

Other Details:

1. **Structure of the Company - Group / Joint ventures / Associates / Holding / Subsidiaries**

   There is no group. As regards JV and subsidiaries, please refer the above table mentioned in the general information about the Company.

2. **Details of business of the subsidiaries/JV**

   Please refer the above table mentioned in the general information about the Company.

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

   No participation from Subsidiary Companies.

4. **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%]**

   No participation from other entity.

BR Information:

1. **Details of Director/Directors responsible for BR:**

   a. Details of Director responsible for implementation of the BR policy:

      i) DIN: 00273917
      ii) Name: Mr. Saurabh Mittal
      iii) Designation: Managing Director & CEO

   b. Details of the BR Head:

      i) DIN: Not Applicable
      ii) Name: Ashok Kumar Sharma
      iii) Designation: Chief Financial Officer
      iv) Telephone number: +91-11-42791399
      v) E-mail id: ashok.sharma@greenlam.com

2. **Principle-wise (as per National Voluntary Guidelines) BR Policy/ policies:**

   - Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability [P1]
   - Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle [P2]
   - Principle 3: Businesses should promote the wellbeing of all employees [P3]
   - Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized. [P4]
   - Principle 5: Businesses should respect and promote human rights [P5]
   - Principle 6: Business should respect, protect, and make efforts to restore the environment [P6]
   - Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner [P7]
   - Principle 8: Businesses should support inclusive growth and equitable development [P8]
   - Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner [P9]

(a) Details of Compliance (reply in Y/N)

Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/ policies for the various principles?	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	All the policies have been formulated in consultation with the Management of the Company and is approved by the Board of Directors. The policies have been framed considering the best interest of the stakeholders.								
3.	Does the policy conform to any national/ international standards? If yes, specify?	Yes, the policies are based on 'National Voluntary Guidelines on Social, Environmental and Economic Responsibility of Business'								
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/owner/ CEO/ appropriate Board Director?	Yes, the Policies have been approved by the Board of Directors and signed by the Managing Director & CEO on behalf of the Board of Directors of the Company.								
5.	Does the Company have a specified committee of the Board/Director/ Official to oversee the implementation of the policy?	Yes, the Company's Official(s) are authorised to oversee the implementation of the Policy.								
6.	Indicate the link for the policy to be viewed online?	https://www.greenlamindustries.com/pdf-file/business-responsibility-policy.pdf								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes, the policies have been posted on the Company's website and communicated to all internal stakeholders.								
8.	Does the company have in-house structure to implement 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 Company intends to do the same in due course.								

3. **Governance related to BR:**

   a. **Frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company:**

   The Management of the Company assesses the BR performance during last quarter of the financial year.

   b. **Does the Company publish a BR Report? What is the hyperlink for viewing this report? How frequently it is published?**

   The Company will publish its first Business Responsibility Report which shall form part of the Company's Annual Report for the financial year 2018-19. The same can be accessed at: https://www.greenlamindustries.com/investor/financials/annual-report.html

   It will be published as and when the same is disclosed to the stock exchanges pursuant to the requirement under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Principle-Wise Performance:

PRINCIPLE-1: Ethics, Transparency and Accountability

1. **Does the policy relating to ethics, bribery and corruption cover only the company?**

   The Company has a policy on the Code of Business Conduct and Ethics (COBEC), which applies to all the employees of the Company and its subsidiaries. It also extends to contractual and part-time employees, interns and apprentices.

   Further, employees who are directly dealing with third parties, vendors, suppliers and distributors on behalf

of Greenlam, have the obligation to provide relevant information to these third parties to ensure that they comply with the applicable policies and sections of the COBEC.

2. **Does the policy stated above extends to the Joint Ventures/Suppliers/Contractors/NGOs/ Others?**

   No. However, the Company encourages its stakeholders to follow the code.

3. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the Management:**

   There was neither any complaint pending as on April 01, 2018 nor any such complaint was received during the financial year 2018-19.

PRINCIPLE-2: Safety and Sustainability of Goods

1. **Are there any products or services of the Company whose design has incorporated social or environmental concerns, risks and/ or opportunities?**

   a) **High Pressure Decorative Laminates -** This Product is made available in different sizes and meets the Greenguard Gold Emission norms as it has low Volatile Organic Compounds that ensures maintaining the indoor air quality and is safe for consumers.

   b) **Engineered Wooden Door sets -** This product design aims at minimal use of wood while matching the look, feel and durability of real wooden doors and frames.

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

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

   a) **High Pressure Decorative Laminates -** Reduction in utilization of resources required in the manufacturing process due to economy of scale are mentioned below:

      i) Reduction in water consumption is 3000 KL per annum since last year.

      ii) Reduction in consumption cost of Electric Power is ₹106 lacs per annum.

   b) **Engineered Wooden Door sets -** This product was designed aiming minimal use of wood since inception. Hence, reduction in resources used in comparison to previous year is not relevant in this context.

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

   a) **High Pressure Decorative Laminates -** Not Applicable

   b) **Engineered Wooden Door sets -** Not Applicable

3. **Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, then what percentage of your inputs was sourced sustainably?**

   The Company has well established system of sustainable sourcing of inputs including transportation. The Company has been able to maintain a very good relationship with its suppliers and most of them have been associated with the Company since long. The Company always places orders with its suppliers well in advance to ensure timely receipt of raw materials. Further, the Company has a long-term arrangement with all the transporters directly engaged by it. The Company always strive to focus on alternative and environment friendly sourcing of its inputs. Fuel requirements at plants for the manufacturing process are partially met by bio fuels thus resulting low carbon emissions and cost reduction. Further the company has also installed solar panels in the Behror Plant which has reduced our dependence on thermal energy and will save 54,878 trees per year and contribute to a greener future.

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

   The Company is procuring goods and services from more than 80 (Eighty) Micro, Small and Medium Enterprises (MSME) suppliers on regular basis.

5. **What steps does the Company take to educate the local/small vendors to develop their skills?**

   The Company periodically checks the capabilities of suppliers and suggests them ways to increase their productivity as well as efficiency which ultimately helps in increasing their competitiveness, scale of business and profitability.

6. **Does the company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste?**

The trimming waste from the manufacturing of High Pressure Laminates and Melamine Faced Chip Board is used as fuel in hot water generators. Rejected papers are sent back to paper mills for recycling. Even the used films are disposed-off to plastic prilling units for recycling. Further, trims of wood extracted while manufacturing veneer, door and floors are used for making new lower sized innovative products.

7. **What is the quantity / percentage of such recycling?**

   4% - 4.5%

PRINCIPLE-3: Well Being of all employees

1. **Human Resource**

Kind of Human Resource	Total number in the Company
Permanent Employees	1801
Hired Employee: • Temporary • Contractual • Casual	 - 2434 -
Permanent women employees	69
Permanent employees with disabilities	-
Child Labour	-

2. **Do you have an employee association that is recognized by management?**

   There is no employee association that is recognized by the management.

3. **What percentage of permanent employees are members of such employee association?**

   Not Applicable.

4. **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:**

   a. Child Labour: Nil

   b. Forced Labour: Nil

   c. Involuntary Labour: Nil

   d. Discriminatory Employment: Nil

   e. Sexual Harassment complaints pending: Nil

   The Company has Policy on Prevention of Sexual Harassment.

5. **What percentage of your under mentioned employees were given safety & skill upgradation training in the last year?**

   a. Permanent Employees: 18% (skill upgradation)

   b. Permanent Women Employees: 10% (skill upgradation)

   c. Casual/Temporary/Contractual Employees: 100% (safety, fire fighting and other basic operational training)

   d. Employees with Disabilities: Not applicable

PRINCIPLE-4: Protection of Stakeholders' Interest

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

   Yes.

2. **Has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?**

   The Company has identified the disadvantaged, vulnerable and marginalized stakeholders around its manufacturing units and identifying their needs and priorities so as to serve these needs accordingly.

3. **What are the steps taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders?**

   The Company is engagement for promoting education, health care and gender equality and empowering women near its units at Behror, Rajasthan and at Nalagarh, Himachal Pradesh and also support for education and overall development of young, orphan and neglected girls at Greenlam Udayan Ghar in Ghaziabad.

PRINCIPLE-5: Respecting and Promoting Human Rights

1. **Does the Company have any policy on human rights?**

   Yes. The Company understands and continuously strives to promote human rights as mentioned in the Constitution of India in the provisions of Fundamental Rights and Directive Principles of State Policy and also the guidelines of the International Bill of Human Rights.

2. **Does this policy on human rights cover only the Company or extend to the JV/ Suppliers / Contractors / NGOs / Others?**

   Greenlam's Human Rights policy applies to all Greenlam Employees worldwide, anyone conducting business for or with Greenlam and others acting on behalf of Greenlam. This applies to all location where Greenlam conducts business and to all company-sponsored events.

   No complaint was pending in the past and further, no

complaint was received pertaining to human rights violation during the financial year 2018-19.

PRINCIPLE-6: Respecting, Protecting and Restoring the Environment

1. Does the policy related to principle 6 cover only the Company or extends to the Group/ Joint Ventures/ Suppliers/Contractors/NGOs/ others?

   The Company follows its policy on Environment Protection which is applicable to all its business places. The subsidiaries follow the environmental norms as applicable to them in line with the local requirements prevailing in the country of operation.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.?

   In order to address global environmental issues the company focuses on using bio fuels for heat requirements, planting trees and using non-halogenated fire retardant additives in products helps in reduction of heat trapping gases, greenhouse gas and ozone layer depletion. Further, the company has also installed solar panels in Behror Plant which has reduced our dependence on thermal energy and will save 54,878 trees per year and contribute to a greener future.

3. Does the Company identify and assess potential environmental risks?

   The Company has a mechanism to identify and assess potential environmental risks at the plant level.

4. Does the Company has any project related to Clean Development Mechanism?

   There is no Clean Development Mechanism (CDM) program taken up by Greenlam.

5. Has the Company undertaken any other initiatives on - clean technology energy efficiency, renewable energy, etc.? If yes, details thereof.

   The efforts of the Company are aimed to minimize the energy consumption. The following practices are focused at reducing global warming:

   a) **Energy efficiency:** Energy audit by recognized body has been taken up and the implementation of findings of audit have been completed.

   b) **Bio Fuels:** Biofuels like mustard husk, ground nut shells etc. are used in heating equipment. They reduce the Carbon emissions.

   c) **Solar Energy:** Approximately one Mega Watt/ annum solar panel has been installed in our manufacturing facility and we are working for increasing the same.

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 2018-19 are within permissible limits given by CPCB/SPCB(s) of the respective units.

   The manufacturing locations of the Company have obtained the respective state government consents to operate. The emissions of air, water and solids are covered in this consent. Necessary authorizations have also been obtained for storage, transportation and disposal of hazardous wastes at recognized landfills of Pollution Control Boards. The Company also carries out third party evaluation of the environmental parameters on periodic intervals. The company takes necessary steps to mitigate environment related aspects by a structured program.

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, 2019, there is no show cause notice or legal notice received from CPCB/SPCB are pending.

PRINCIPLE-7: Responsibility Towards Public and Regulatory Policy

1. Whether the Company is a member of any trade/ chamber association?

   The Company is the member of Indian Laminate Manufacturers Association (ILMA) and The Plastics Export Promotion Council (PLEXCONCIL).

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)?

   No. However, the Company intends to utilize the opportunities available in future for the advancement or improvement of public good.

PRINCIPLE-8: Inclusive Growth and Equitable Development

1. **Does the Company have specified programmes / initiatives / projects in pursuit of the inclusive growth and equitable development? If yes details thereof.**

   The Company undertakes the initiatives through the Corporate Social Responsibility (CSR) Committee of the Board as per the CSR Policy of the Company. For details of initiatives taken up the Company during the financial year 2018-19, please refer the Report on the CSR activities forming part of the Annual Report for the financial year 2018-19.

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

   The CSR projects have been carried out by the Company through various implementing agencies. For the details of all the implementing agencies engaged by the Company for its CSR initiatives, please refer the Report on the CSR activities forming part of the Annual Report for the financial year 2018-19.

3. **Have you done any impact assessment of the initiative indicated above?**

   The Company has engaged a third party to advise on the CSR activities carried out by the Company as well as to monitor and evaluate their social impact. The CSR Committee also reviews the impact of the initiatives periodically.

4. **What is your Company's direct contribution to Community Development Projects (CDP)? - Amount in and the details of the projects undertaken.**

   Please refer the Report on the CSR activities forming part of the Annual Report for the financial year 2018-19 containing the details on CSR spending.

5. **Have you taken steps to ensure that this CDP is successfully adopted by the community? Please explain.**

   CSR initiatives are designed and delivered in transparent manner in line with inputs from various stakeholders.

PRINCIPLE-9: Engaging and Enriching Customer Value

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

   The Company has provided a Customer Support and Redressal Portal where its customer can lodge complaints. As on March 31, 2019, 8.3% of the customer complaints (relating to product quality) were pending for action.

   No consumer cases was filed against the Company with the Consumer forum during financial year 2018-19. However, 2 consumer cases are pending with various consumer forum at the end of financial year 2018-19.

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)**

   Yes, in respect of sale of products through packaging only. We are also providing relevant information about the products on the face of it as per the local laws. Further, each product also carries an additional information on handling and fabrication apart from mandatory label and traceability is also ensured through bar code.

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.

On behalf of the Board of Directors
For Greenlam Industries Limited

Saurabh Mittal	**Parul Mittal**
Managing Director & CEO	*Whole-time Director*
[DIN: 00273917]	*[DIN: 00348783]*

Place: New Delhi
Date: May 30, 2019