

## SUSTAINABILITY REPORT

### CONSUMER FOCUSED INITIATIVES

#### 1) Nihar Shanti Amla – CRY

##### “Chotte Kadam Pragati ke Aur” campaign

In 2012, Nihar Shanti Amla launched a programme called “Chotte Kadam Pragati Ke Aur” to support the education of underprivileged children under the age group of 6 – 18 years in India. Under this programme Nihar partnered with CRY to support its projects with a prime focus of mobilisation and retention of children in the schools.



Last year, the brand funded a total of 16 education projects impacting 74,672 children.

#### 2) Saffola World Heart Day

Saffola's vision is to create a Heart Healthy India by educating & inspiring people on the importance of taking care of their heart. Saffola's thought leadership and genuine efforts in the sphere of public welfare has led it to become differentiated from the competition and is highly trusted by the consumers as well.

This vision has been built through a number of Saffolalife Initiatives over the years on the occasion of World Heart Day (September 29). In 2014, Saffola championed the cause of 'Women Heart Health'. The Saffolalife 'Protect Her Heart Campaign' educated people on the fact that 3 out of 5 women in India over the age of 35 develop a cholesterol problem. The brand partnered

with SRL Diagnostics to carry out 1.35 lac free cholesterol tests across 700 centres in India.



### MEMBER FOCUSED INITIATIVES

Marico believes that its people are a key source of competitive advantage and hence the Company strives towards holistic wellbeing of its employees who are called Members. Member-focused initiatives are underpinned with the Marico philosophies of Care & Concern and Empowerment, which are integral to the way of life at Marico.

This also translates into our Talent Value Proposition which is “To continuously challenge, enrich and fulfill the aspirations of Mariconians so that they can maximise their true potential to Make a Difference”.

## Code of Conduct

The underlying philosophy of Marico's Code is to conduct the business in an ethical manner as well as create a work environment that is conducive for members and associates alike, based on the Company's values and beliefs.

Marico launched its updated Code of Conduct (CoC) worldwide in March 2014. Members have been provided many options to speak up fearlessly to report any violations of the Code, or share their concerns confidentially through various forums such as toll-free phone, email, website helpline, complaint drop box and access to Committee members as per the various Committees under the Code of Conduct.

Below is the snapshot of the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in FY15:

Category	No. of complaints filed during FY15	No. of complaints (pending as on March 2015)
Child labour, forced labour, involuntary labour	Nil	Nil
Sexual Harassment	2	0
Discriminatory employment	Nil	Nil

## Member Well-being

At Marico, Member Benefit & Wellness programs are designed to extend care and support holistic wellbeing of the Members. The employee profile of Marico Limited in India is as below:

<b>Total number of Employees (Including Global)</b>	<b>2402</b>
Temporary/Contractual/Casual Human Resources	892
Permanent Women Employees	151
Permanent Employees with disabilities	4

\* On an average in FY15

The Company's member benefits include support in case of health cover, life cover and accident cover. Marico also conducts programs on Health, Emotional and Financial wellness to support members through their various life stages.

## Health & Safety Well-being

During the year, health camps were conducted across different locations in India. A **Health Newsletter** on topics of everyday health such as lifestyle diseases

and first aid is shared on a monthly basis. Health talks were conducted for women on the importance of skin care by a renowned skin specialist on the occasion of International Women's Day. Additionally, Saffolalife - an initiative by the brand Saffola, our health care brand, provided free cholesterol tests to the members and one dependent as part of the World Heart Day celebrations this year.

Marico participated in **Stepathlon**, for the third year in a row. This year the participation increased by 265%, with 305 members joining the event from across the world.

Safety and skill up-gradation training is provided every year to members. The member coverage for such trainings in FY15 is given below:

Type of Employee	% Trained
Permanent Employees	66%
Permanent Women Employees	58%
Casual/Temporary/Contractual Human Resources	72%
Employees with disability	100%

## Financial Well-being

Certified financial advisors conducted financial wellness workshops and webinars on Tax Planning to equip members to manage their personal finances. A total of 175 employees across 10 locations benefited from the sessions.

## Emotional Well-being

Marico's Member Assistance Program (MAP) is aimed at extending emotional support and assistance to members and their immediate families when in need. Trained Counsellors from Marico's MAP partner conducted sessions to equip supervisors to identify signs of stress & understand member concerns better and familiarised members on how to use the MAP services to provide, extend or use emotional support when required.

## Well-being Initiatives For Mothers

Women constitute an important part of Marico's workforce and with the philosophy to empower working mothers to effectively integrate their careers and family life, Marico introduced the Mothers policy in May 2013. This included extended paid maternity

leave, flexible working options and handbooks for Expectant and New Mothers, and Supervisors to help them navigate through this life stage of the woman employee. The revised policy has helped us retain almost all new mothers at Marico.

### Community Well-being

Joy of Giving Week is an institutionalised initiative at Marico. The Joy of Giving Week, aims at creating greater awareness of the various social issues in India, sensitising and educating members on how they can contribute to the society by providing an avenue to employees to actively give to society in ways that would be simple and yet impactful.

In addition to celebrating the Joy of Giving Week, members in different locations at Marico come together to support big and small causes. Some of the initiatives taken by members are shared below:

- Members from the Kanjikode factory, in association with the Rajiv Gandhi Youth foundation, cleaned and repainted the nursery school in a nearby village that was declared as one having the most unhygienic conditions in the Palakkad District by the Government. Through their efforts, members were able to make a difference to the lives of 30 Nursery children by providing a conducive learning environment by considerably improving the hygiene and sanitation of the school.
- The Jalgaon team organised a Blood Check-up camp for women in the nearby Khedi village. They also conducted environment awareness programs through sponsorships and competitions.
- At the Dehradun & Paonta Sahib factory locations, "Sakshar Beti Sudradh Samaj", a career counselling program for girls in the nearby villages was conducted. Marico members shared perspective on various career options for women to empower young girls and women to make prudent career choices.
- Community development initiative at Pondicherry included installation of a water purifier at the Local Commune office & convex mirrors at the critical road junctions, and providing breakfast

to underprivileged students preparing for public exams attending special classes in the morning, for the fourth year in a row which has benefited 80 students so far.

- Health initiatives taken by the Pondicherry team include providing training on first aid and snake bite prevention to nearly 50 local students and installing sanitary napkin destroyer at a local school where 250 girls are studying.
- The Pondicherry team has also taken up the environment conservation cause for the local community and towards this they have planted 90 Flower shrub saplings and posted 90 Slogans related to water, energy and safety at the prominent places at the PIPDIC estate.

### PLANTS AND ASSOCIATES FOCUSED INITIATIVES

Marico has done a lot of sustainability projects like improving the cleaning & sanitisation process for water-based product manufacturing, boiler fuel conversion from Bagasse to Briquette, providing Steam Actuator in Sump Valve, coconut farm productivity improvement, water management, power and fuel consumption reduction. Few of these are elaborated below:

#### 1) Improvement in income realisation of Safflower farmers:

Marico is the largest buyer of safflower in India. Safflower is a sturdy crop grown mainly in the rain-fed regions of western and central India. Safflower is a low input crop and hence preferred mainly by large number of small and marginal farmers across these regions. Marico has continuously engaged with various stakeholders across the value chain with the vision to achieve socially responsible growth by keeping farmers in the centre of all interventions. The Company's programs have been targeted to improve income realisation of Safflower farmers through breakthrough in seed technology and effective extension of these technologies through its extensive farmer network.

Marico entered into a Public Private Partnership

arrangement with Govt. of Maharashtra wherein the Company has covered 1,250 acres of Safflower area and 600 small and marginal farmers. In this arrangement, Marico provided high yielding seeds free of cost to small and marginal farmers. In addition, Marico also provided a buying guarantee at MSP for their produce. On their part, Govt. of Maharashtra provided other inputs like fertilisers and pesticides free of cost to the farmers.

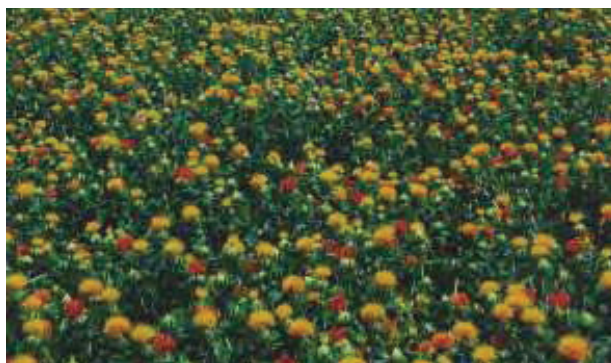
Marico also worked with Convergence of Agricultural Interventions in Maharashtra (CAIM) and Maharashtra Agricultural Competitiveness Project (MACP) for reaching out to over 500 small and marginal farmers in agriculturally distressed districts of Maharashtra. Marico provided a buying guarantee for the produce while the government agencies provided inputs to the distressed farmers, thereby providing an end-to-end solution to the farmer.

We also partnered with Parbhani University to conduct farm trials on Safflower for rain-fed and irrigated varieties targeted at small and marginal farmers in drought-prone regions of Maharashtra.

Marico also regularly works with prominent seed companies to ensure the availability of high-yielding seed varieties to farmers – at competitive costs. The Company's constant efforts in improving sowing seed quality led to the availability of 1000 quintals of certified seed which were sown over 24,000 acres of land. It resulted in yield improvement by up to 15% thereby adding directly to the incomes of thousands of farmers.

Marico has also intensely worked towards developing newer safflower seed varieties with various research agencies and have propagated the same through its farmer network. In FY15, around 13% of total seeds sold were high oil yielding seeds. In continuation with its philosophy of providing end-to-end solutions to farmers, Marico also provided buying guarantees to all these farmers at premium prices to help improve their realisation from Safflower crop.

Marico has engaged with 3800 farmers for contract farming of safflower seeds over 19640 acres. Marico provided knowhow of correct package of practices and troubleshooting support throughout crop cycle to assist farmers get better yield apart from providing risk-free assurance on prices and quantity.



## 2) Coconut Farm Productivity Improvement

Coconut production fell sharply in FY 2014 and 2015 pushing up the copra prices to record high and even endangering the copra availability at some points of time. This sharp decline was driven by poor North East Monsoon in the preceding years - 2012 and 2013. Farmer interactions revealed that it was driven by lack of awareness of good farm management practices and poor understanding of the impact of scientific practices on yield. A 4 pronged strategy was adopted to address the issue:

- a) **Awareness on Hybrid Seedlings:** The coconut hybrids start yielding in 3.5 years as against 7 years taken by traditional varieties and produces 250 nuts per tree per annum which is more than double the number produced by a traditional variety. The coconut produced by the hybrid variety is heavier and yields more copra which fetches the farmer a higher price in the market. To make sure that farmers adopt these hybrids and to create awareness for better revenues, Marico has distributed 1800 hybrid coconut seedlings free of cost to 1300 farmers across 4 South Indian states – Kerala, Tamil Nadu, Karnataka and Andhra Pradesh.
- b) **Farmer Training:** Coconut yield at the farms is quite low due to poor farm management practices driven by lack of knowledge. Marico endeavours to address the gap by training

farmers on best farming practices. Last year, Marico conducted 13 farmer meetings across Kerala, Tamil Nadu and Karnataka which was attended by 675 farmers. Marico has also tied up with the Kerala government and is coordinating the Keragramam project wherein training will be conducted for farmers in Kavannur panchayat in Malapuram and subsidised fertilizer will be provided by Kerala government to promote good farm management practices. A productivity improvement project is being implemented in Thanjore where a dedicated team will conduct farmer meetings across villages in Thanjore to educate farmers on farm management practices.

- c) **Model Farm Development:** Model farms will act as demonstration farms for displaying hybrid varieties and best farm management practices. Marico is developing a Model Farm at Perundurai in its factory premises. It houses 6 different coconut varieties - 3 traditional and 3 hybrid varieties. The samples are further subjected to different farm management practices. Once it enters the production phase, the model farm will act as convincing evidence to the farmers about the benefit of hybrid trees and impact of good farm management practices. Model farms have also been initiated at Thanjore, Thrissur, and Malapuram.
- d) **Farm Management Practice Booklet:** A ready reference booklet capturing the coconut farm management practices and prevalent pests and diseases have been prepared in local languages. 1500 copies of the booklet were distributed in Kerala and Tamil Nadu.



Hybrid Seedling planting in progress



Hybrids Yielding in 4 years

The adoption of hybrids by the farmers would result in a 3 fold increase in his income which would promote coconut farming. Awareness of productivity improvement can give incremental returns of 20%.

### 3) Water Management

Marico's water consumption in Pondicherry plant is around 66 KL per day for production processes, general administration and gardening activities. The Company undertook a project to bring down water consumption. The first phase of the project aimed at reducing the water consumption to 40 KL per day. The methodology that was adopted was:

#### Reduce:

Garden has the biggest consumption of water. Automatic irrigation system with micro sprinklers, mistifiers and drip irrigation system, were installed to manage the duration of irrigation judiciously and effectively. Sprinkler system and drip irrigation system helped bring down the quantity of water used for irrigation.

#### Reuse:

The Company made arrangements to collect the water from the regeneration plant and installed rainwater harvesting system for gardening purpose. Also, last year, the Company extended the SFB (Solid Fuel Boiler) Shed which has helped in collection of rain water.

#### Recycle:

The Company installed two STPs (Sewage Treatment Plant) with latest German technology namely, a closed underground integrated system.

The underground STP doesn't use any chemicals, is automated and easy to maintain. This helps gather biologically purified water into a separate sump and is used for the functional garden. This water management has helped save 26 KLD of water per day.

This initiative was implemented with a cost of INR 10.3 Lacs.



Underground STP



STP Compressor Panel & Water Treatment Plant

#### 4) Power and Fuel Consumption reduction

Given the nature of operations, Baddi is the most resource intensive plant within Marico.

Overall consumption of resources annually is:

- ✓ more than 11000 MT of Husk
- ✓ 380 KL of Furnace Oil
- ✓ 110 KL of High Speed Diesel
- ✓ Approx. 65 lacs Units of Power

This translates to Total Power and Fuel Bill of approximately INR 12 crore per annum. Hence Baddi team took reduction of Power and Fuel as one of its strategic themes. The team adopted structured approach for reducing power and fuel consumption by leveraging Energy Experts, Trainings on Energy Management to key team members, Internal Brainstorming and Interplant as well as Industry benchmarking.

The approach was based on Energy Management philosophy which involved following steps:

##### 1. Energy Management Plan:

- a. This laid clear statement of intent/vision for Energy Management
- b. Guideline to the structure and governance of Energy Management in the plant

##### 2. Right Energy Sourcing:

Right sourcing of fuels is critical while managing the cost. Also from Environmental perspective it is critical to have as low fossil fuel usage as possible.

The Company implemented usage of:

- a. High Calorific value Fuel like Briquettes
- b. Using Agri-waste: Paddy straw
- c. Turbine: The plant is in the process of installing a turbine which will convert unutilized steam into electricity

##### 3. Continuous Energy Usage Reduction: Various ideas for energy reduction were generated using:

- a. Data Monitoring Process - involves tracking and monitoring of energy usage section wise and area wise, identification of positive and negative deviations w.r.t. baseline and reasons for the same
- b. Benchmarking – Utility wise energy usage, e.g. Steam Fuel Ratio for Boiler, Diesel Generator Yield etc.
- c. Expert Opinions – Partnered with experts for outside-in perspective and key members of team were trained for best practices in energy management

##### 4. Key innovations/best practice adoption

- a. ISO 50001 E&MS methodology
- b. Energy audit benchmarking
- c. Improved Preventive and planned maintenance
- d. Modification of fuel conveying system
- e. TF heater breakdown SOPs improvement

#### Other Projects:

Plant	Project	Benefits
Dehradun	Cleaning & Sanitisation process for water-based product manufacturing	<ul style="list-style-type: none"> <li>- Reduction in water usage by 2.7 KL per CIP</li> <li>- Water savings of 259 KL/year for one tank</li> <li>- Total tanks currently used are 7</li> <li>- Water saving potential of 1.83 ML/year</li> <li>- Annual savings of INR 77 lacs per year</li> </ul>
Jalgaon	Boiler Fuel Conversion from Bagasse to Briquette	Total saving of INR 120 lacs

The above initiative led to the following impact:

1. **Environmental/Social impact**
  - Reduction of 8% in Furnace oil usage
  - 16% Lesser Fuel Consumption
  - 5% increase in DG yield
  - 11.6% reduction DG usage
  - Carbon Foot-print reduction by 2997 MT
2. **Economic impact**
  - 1400 MT of Fuel savings
  - 311 KL furnace oil saved

## **SOCIETY FOCUSED INITIATIVES**

Marico Innovation Foundation (MIF), the CSR arm of Marico, is a not-for-profit institution, established in 2003, to foster innovation within the Business and Social ecosystem.

The focus of the Foundation is to work with organisations that have innovative social ideas which have the potential to create 'direct impact' and thus better the lives of the underserved communities in India.

The Foundation strived to create this impact through its 2 key platforms:

- a) Impact platform – Social Innovation Acceleration Program (SIAP)
- b) Recognition platform – the biennial Innovation for India Awards (IIA)

Social Innovation Acceleration Project (SIAP), launched in 2011 with the objective of providing customised capacity building, is a catalytic, direct impact platform that helps solve scale up challenges of identified social organisations via business interventions and by leveraging the social ecosystem connects of the Foundation.

The program is sector agnostic and focuses on the innovative idea and the impact the organisation wishes to achieve. The Program also focuses on the shift in the mindset of the organisation from a view point of pure 'impact' to 'scalable and sustainable impact'. This allows the organisation to scale up rapidly. The SIAP program follows a 3-5 years hands-on engagement assisting organisations focus on the growth phase of the idea that they have.

The SIAP process is also aided through multiple interventions:

- A. The Foundation leverages Marico members as Mentors to utilise their knowledge and skills. This is done through measured and structured interventions which have been designed by the Foundation to leverage their knowledge capital.
- B. Student teams from leading B-Schools in India are brought in annually to help social organisation with research (primary and secondary) and with critical inputs on their businesses. These engagements are project based with a clear structure of engagement and reporting along with an actionable end goal. This helps the Foundation to bring to the table, fresh minds and perspectives for the social organisations.
- C. The Foundations' ecosystem also enables SIAP to draw synergies with like-minded partners who assist the foundation on specific interventions under SIAP to streamline their operations through infusion of information technology.

The Foundation is presently working closely with 8 organisations to scale up their impact.

These organisations are:

- A. Tara Livelihood Academy
- B. Eram Scientific Solutions
- C. Akshaya Patra Foundation
- D. Fractal Microspin
- E. Sankara Eye Care Institution
- F. Agastya International Foundation
- G. Under The Mango Tree
- H. RangDe