



DATA BOOK
2021-22



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- This Databook aims to provide a concise and balanced presentation of our initiatives and performance on environmental, social and economic aspects and their impacts. It offers insights into our holistic approach towards long-term sustainability, along with key strategies, operating environment, risks and opportunities, and governance structure.
- The reporting boundary for our ESG information, unless otherwise stated, covers all the operations of Havells India Limited, which include seven manufacturing locations and one corporate office (Noida, UP).
- This information is for the period between April 1, 2021, and March 31, 2022.
- Assurance on non-financial statements has been carried out by independent auditor's M/S KPMG. The certificate issued by KPMG is available on our website at the link



[Assurance Certificate](#)



DJSI
7th Rank Globally
 Sustainability Yearbook
 Member 2022

S&P Global

CRISIL Rating
Strong

CRISIL

An S&P Global Company

**FTSE4GOOD Index
 Member**

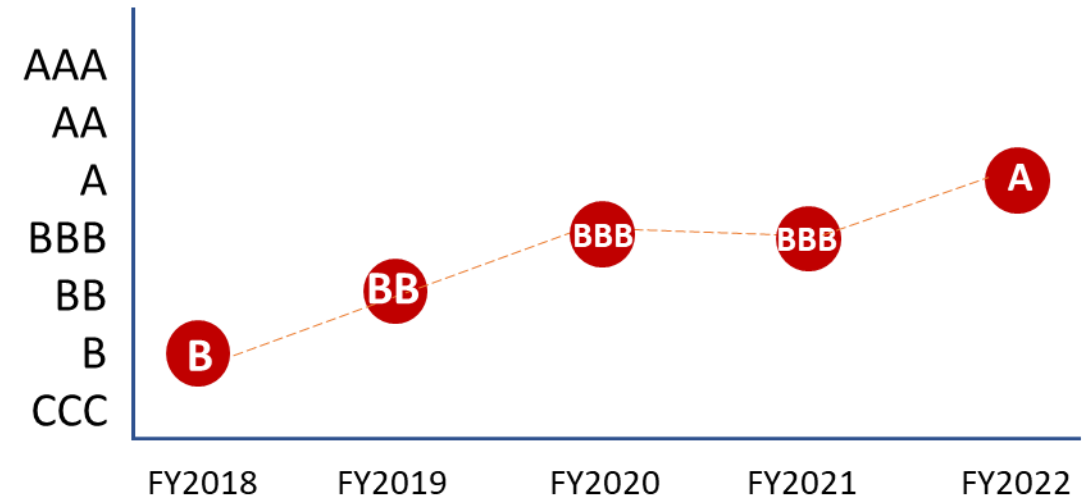


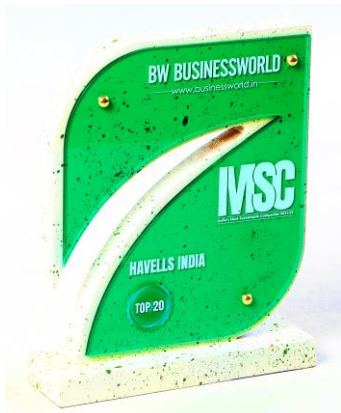
MSCI
 ESG RATINGS



CCC	B	BB	BBB	A	AA	AAA
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ESG Rating History





MSC Top 20 Sustainable Companies



ICSI CSR Awards



CII Innovation Awards



dun & bradstreet
Top ESG Company in Electrical Sector



- At Havells, Board of Directors committees are charged with monitoring and reviewing the company's Sustainability strategy and Climate Action Plan.
- Our Chairman & Managing Director, Mr. Anil Rai Gupta, has the overall responsibility of the implementation and execution of company's Sustainability priorities , including initiatives and actions specifically addressing climate change. With the intention of aligning long-term thinking and goal orientation - Environmental, Social, Governance (ESG) related KPIs have been identified for the process of inclusion of ESG metrics in performance linked compensation measurement of senior management.
- The organization's governance around the material ESG aspects including climate-related risks and opportunities is disbursed through two Board level committees that evaluate and provide oversight on ESG related matters and risk exposures including climate-related aspects.
 1. CSR & ESG Committee
 2. Risk Management Committee



CSR & ESG COMMITTEE

Havells India has reconstituted its CSR committee to address the broader agenda of ESG along with its CSR responsibility. The CSR & ESG Committee will support Havells India Ltd.'s commitment to sustainable, inclusive progress that enhances HIL's core value proposition by mainstreaming ESG considerations into decision making of the Company . It will also address the evolving scenario of climate change which requires committed global action for achieving 2°C rise target.

The committee will review and identify the changing dynamics of the business of the company w.r.t material ESG aspects identified such as climate change, changing economic scenario, emergence of new technology, diversity & Inclusion, Health and well-being of our employees.

RISK MANAGEMENT COMMITTEE

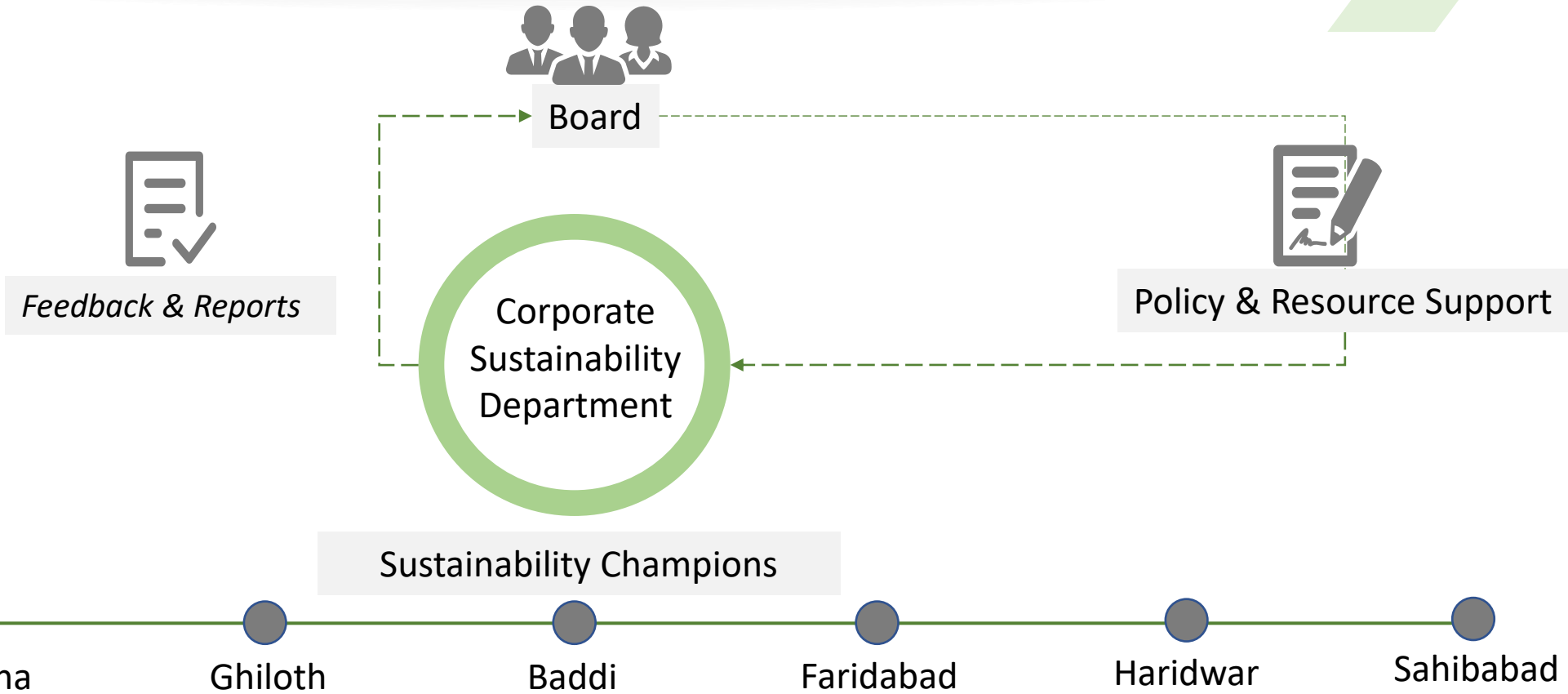
The role of the Enterprises Risk Management Committee is to identify the risks impacting the Company's business and formulate and administer policies/ strategies aimed at risk minimization and risk mitigation as part of risk management.

In lieu of the increased ESG volatility and vulnerability , its imperative that ESG and Climate change risks are also integrated and mainstreamed with enterprise risk management. Havells India has always integrated sustainability into its core business value delivery to ensure integrated thinking and to create progress that is wholistic in nature.



Our sustainability model focuses on stakeholder value creation through identification of the Havells' material topics, developed in consultation with the stakeholders.

The strong foundation of governance with ethics, integrity, transparency help us steer our way forward



Internal Sustainability Audit: Biannual
External Sustainability Audit: Annual

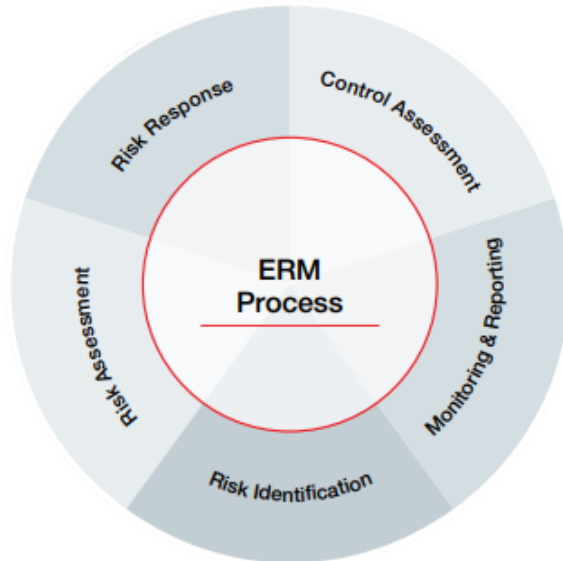


Havells India refrains from political party or campaign contribution or any lobbying activities in the form of cash or kind. We are active members of Industry bodies such as CII , FICCI and other noted trade associations as we believe these trade bodies are a critical platform for knowledge sharing and improvement of practices at overall industry and sector level. For the list of our memberships, please refer to our Integrated Annual Report FY2022, Business Responsibility and Sustainability Report

In INR lakhs	FY 2018	FY 2019	FY 2020	FY 2021
Lobbying, interest representation or similar	0	0	0	0
Local, regional or national political campaigns / organizations / candidates	0	0	0	0
Trade associations or tax-exempt groups (e.g., think tanks)	20.76	34.03	28.04	50.32
Other (e.g., spending related to ballot measures or referendums)	0	0	0	0
Total contributions and other spending	20.72	34.03	28.04	50.32



Enterprise Risk Management Framework



Towards an open & effective risk culture , with involvement of employee from all aspects of business in FY 2022

105+ Meetings conducted

- ✓ 32+ meetings with (SBU & BU)
- ✓ 58+ meetings with Functions
- ✓ 15+ meetings with Plants & Branches
- ✓ Meetings with ERM Council
- ✓ Total man hours spent ~ 8400 approx.

Risks are an integral part of any enterprise, therefore, managing and mitigating them plays a crucial role in achieving sustainability. Our risk management policy details identification and evaluation of various risks including climate change and ESG risks, along with devising strategies to mitigate them. At Havells, we focus on leveraging our risks and turning them into opportunities for growth.

We follow both top-down and bottom-up approach, we discuss all our risks and opportunities at the management level in view of setting a dynamic and robust risk management and mitigation framework. Balancing our obligations towards the interests of our various stakeholders forms the core of our framework. We have integrated climate change issues into the enterprise risk assessment. We have also closely monitored the emerging risks and have developed reliable risk management tools to address them.



Risk	Description	Impact	Mitigating actions
Climate Change	<p>Building resilience in our manufacturing footprint and value chain against climate change impacts as well as to build inherent agility to adapt to a scenario of climate action failure</p>	<ul style="list-style-type: none"> Regulatory risk with increased focus on carbon (e.g., carbon tax, lack of Renewable energy supply , emissions trading system, etc.) Disruption in Supply chain leading to rise in raw material and commodity prices as well as unplanned delays and reduced reliability of supplies Rapid transition to low carbon technology may led to additional capex investment, cost of training and safety procedures Deployment of high investment in R&D to ensure product stewardship & competitiveness of products & appliances. 	<ul style="list-style-type: none"> Improve our carbon footprint in our manufacturing and value chain delivery and transition to low carbon technology in a systematic manner Switching to Renewable energy, working with government bodies to facilitate Net zero transition Increased R&D spend on improving energy efficiency, durability and recyclability of our products. Increase Green cover of India through CSR initiatives leading to land use benefits and forest covers to strengthen Climate Combat Action
Product Reclaim	<p>With rapid man-made degradation , reuse of materials rather than use virgin raw materials is essential. Appliances have multitude of elements that are valuable as well as toxic that need be disposed in proper manner. However, the value chain of reclaiming products is highly unorganized and still in a very nascent stage. This presents a huge risk as well as opportunity.</p>	<p>At present Havells India fully reclaims the e-waste and plastic packaging waste that it generates through its value chain. However, As regulatory changes widens the gambit of products to reclaim , due to characteristics of the value chain, Havells could be exposed to</p> <ul style="list-style-type: none"> Regulatory Non- compliance risk Reputational Risk Adverse impact on environment through Havells products due to lack of big players as well as awareness levels of disposal methodology in existing players. 	<ul style="list-style-type: none"> Include principles of circularity in design phase to increase end of life reprocessing index Increased investment in R&D to enhance use of non-virgin, sustainable , non- hazardous materials in our products while ensuring high standards of durability, safety and performance of products. Work with reprocessing agents and firms in value chain through tie-ups and awareness drive to explore avenues of reclaiming our products. Phase out and seek alternatives for materials that do not have recycling solutions from our products and processes

Havells de-carbonization strategy presents us with a set of risks and opportunities that our action plan works to mitigate and convert to opportunity. Drastic changes in the global climate or extreme weather conditions could adversely affect our operations or impact our business. The scope of our risk assessment is restricted to our operations.

PHYSICAL & TRANSITION RISKS

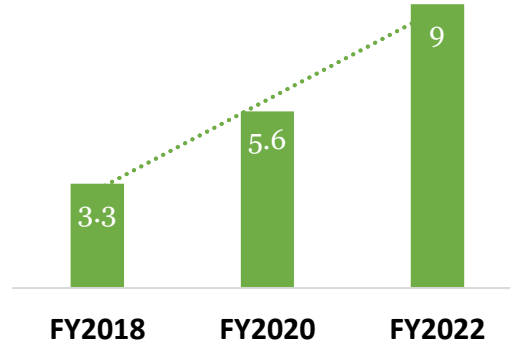
- **High temperature at plant location:** Unpredictable weather patterns and rapidly rising temperatures can negatively impact operations as the workforce would be subject to hot working climate as well as equipment heat dissipation or equipment heating may cause disruption in workflow, especially in locations of Rajasthan and NCR plants. Also increase in energy cost due to use of cooling equipment. To adapt to this risk , we have installed high efficiency fan ,designed keeping natural draft air and high temperatures in mind. Thus, providing superior cooling to ensure worker well being.
- **Water unavailability:** With water being an important resource required during manufacturing process, water shortages, especially increased regulatory restriction on ground water extraction will impact manufacturing process. To mitigate this risk , we periodically monitor our water cycle and water balance at each site and implement water conservation initiatives.
- **Location of plants :** All our plants at present at located far away from coastlines , however risks of flooding & other force majeure due to failure of climate change is an emerging possibility . In order to mitigate this risk, we have carried out dependency assessment on each plant site and exploring alternate production plan for each product to reduce risk due to single location dependency.
- **Transition Risk :** With India taking up Net Zero target, rapid transition to low carbon trajectory make require increased capital investment in short time frame, introduction of carbon taxes may impact commodity prices and hit profit margins in the short term. However , in the long run , our low carbon product offering and non-energy intensive manufacturing process.

OPPORTUNITIES

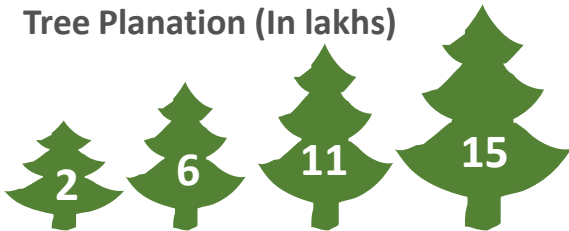
- **Solar Portfolio :** Our Solar products and roof top solar solution is our clean tech offering for renewable energy markets . We believe, with increased commitment to renewable energy in India, the share of revenue from solar in our revenue mix would see increased growth
- **Energy efficient and water efficiency product portfolio :** We are increasing our R&D investment towards improving the energy & water consumption in usage , along with trying to design products with circularity principles to reduce waste to landfill.

Climate Metrics – We mitigated 8134 tCO2 in FY2022 through our de-carbonization program

Doubling our Solar capacity (MWp)



Increasing green Cover – Tree Planation (In lakhs)



National Energy Conservation Award, Fan & Water Heater



Multi-prong approach for combating Climate Change

- ✓ Increasing the percentage of Renewable energy in our energy mix
- ✓ 41 energy conservation initiatives in FY2022 across operations
- ✓ Manufacturing energy efficient products to reduce energy consumption in usage
- ✓ ISO 50001 certification for our plants

Water & Waste Metrics

47 %

% of Fresh Water Recycled

15.7%

Total water intensity is constant for 2 years despite a 33% increase in revenue

> 95 %

% of Non- Hazardous waste Reused & Recycled

< 3%

% of waste to landfill



Information security/Cybersecurity

Our risk management committee oversees the management and strategy of the Information Technology function to protect the confidentiality, integrity, and availability of computer systems, networks and data, against cyber-attacks or unauthorized access.

The designated Chief Information Officer (CIO) of Havells is responsible for operational and tactical implementation of our digital strategy

Roles & responsibility of CIO are as follows:

1. Planning, deploying and maintaining IT systems and operations
2. Managing the organization's software development needs
3. Developing and enforcing IT best practices across the organization
4. Ensuring IT strategies and processes support company-wide goals
5. Overseeing relationships with vendors, contractors and service providers



We have Information Security Management System (ISMS) that is ISO 27001 certified which demonstrates our commitment to continual improvement, development, and protection of information assets/sensitive data. We have implementing appropriate risk assessments, appropriate policies and controls.

We conduct Information security/cybersecurity awareness training at regular intervals across various topics. We have a clear escalation process for employees to follow in the event an employee notices something suspicious is in place. Our business continuity / contingency plans and incident response procedures which is tested periodically , helps us further strengthen our digital infrastructure .

Identification of Critical suppliers

We have an automated vendor rating system to categorize suppliers into various grades based on performance parameters such as quality, cost, delivery and service. Monthly performance rating is shared with suppliers through Global Vendor Portal. To meet future business needs, we tightened the supplier performance criteria for continuous improvement. We ensure high quality by identifying critical parts and critical suppliers and supporting them at the development stage through Production Part Approval Process and Quality Risk Assessment activities. We categorize critical suppliers through Volume of business & criticality of component/raw material.

Assessment of Supplier on ESG parameters

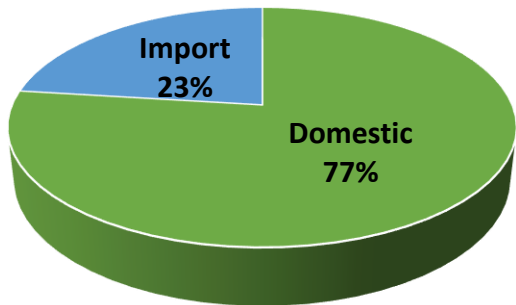
Havells India has established an exhaustive process to inculcate and encourage sustainable practices in our supply chain and our suppliers. All our new suppliers are screened on ESG parameters such as environment, health and safety, decent working conditions, compliance to regulatory norms and waste. We have also established ESG audit systems for our existing and critical suppliers.

In our current vendor engagement program, our key ESG focus is on

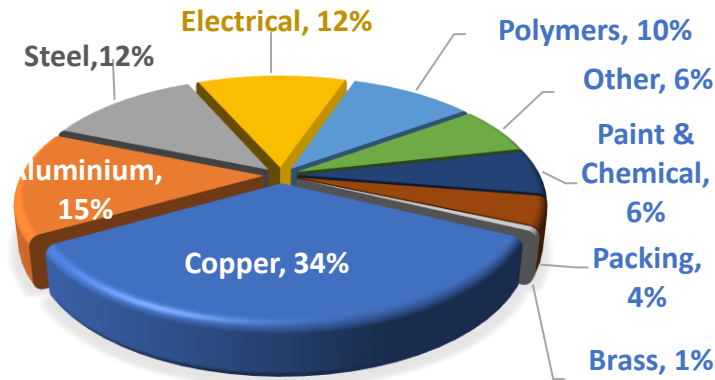
- Energy and Emission Management
- Localization drive for supplier base, we are eager to increase our domestic spend and explore import substitution avenues in line with 'Made in India' government agenda.

Supplier Spend Analysis

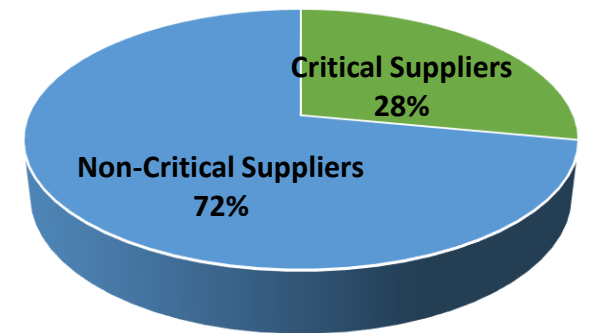
Domestic spend Vs Import spend



Commodity Spend Break-up.



Tier I Supplier Break Up



TALENT MANAGEMENT

We absorb new recruits into our culture and values through a structured induction programs that also builds awareness on our policies, various systems and processes.

We differentiate ourselves through our employee-centric approach and embed a culture of transparency, inclusion, collaboration and excellence, making Havells a 'Great Place to Work' certified organization. Our practices are aimed at providing an empowering work environment to meet the aspirations of our people. In FY 2022, 8 roles were filled through Internal job posting.



Driving diversity

At Havells, we are working towards increasing workplace diversity as we remain committed to equality and develop a culture that recognizes and values people from different backgrounds and experiences. Our Human Resource (HR) policies have been designed ensuring that all our people get equal growth opportunities irrespective of gender, religion, age, color or disability.

Gender diversity ratio at various levels of the organisation (as % of total workforce) are as follows:

1. Share of women in total workforce - 4.33 %
2. Share of women in all management positions - 1.94 %
3. Share of women in entry-level management positions - 6.39 %

Our Human Resource (HR) policies have been designed ensuring that all our people get equal growth opportunities and reduce pay parity irrespective of gender, religion, age, colour or disability.

Employee Level	Male	Female
Executive level	1	1
Management level	1.1	1
Non-management level	1	1.2

As on 31st March	% of FTE (permanent)
<30 years old	10%
30-50 years old	82%
>50 years old	8%

Employee Engagement



Employee Connect

- We have been certified by Great Place to work for 3 years in a row now
- We provide additional benefits to our employees such as Group Term Insurance, Accident cover, Mediclaim and Parental leave – Paternity & Maternity
- We provide diverse skill development and need based training on technical content and soft skill development

Employee Survey

YEAR	2018-19	2019-20	2020-21	2021-22
Employee Satisfaction Index (out of 5)	4.1	3.9	4.25	4.29

The Survey results are analyzed based on gender and age as well to understand the engagement topics for different employee demographic.

Human Rights

At Havells, we are committed to developing an organizational culture that upholds universally recognized human rights. Our company directive on human rights is diligently followed and relevant awareness sessions are conducted at regular frequency.

All our manufacturing sites undergo human rights assessment at regular frequency with different function heads held responsible for different aspects of human rights. Depending on the area of improvement identified, site specific mitigation & remediation plans are developed. Progress status of the action plans are monitored by HR committee. A major portion of our remedial actions revolves around raising awareness on the human rights to encourage an effective human rights culture in our value chain. We also enforce social well being & human rights culture through contractual obligations and supplier code of conduct.



THANK YOU

HAVELLS



Havells India Limited

QRG Towers, 2D, Sec- 126, Express way,
Noida - 201304 UP (India)



sustainability@havells.com



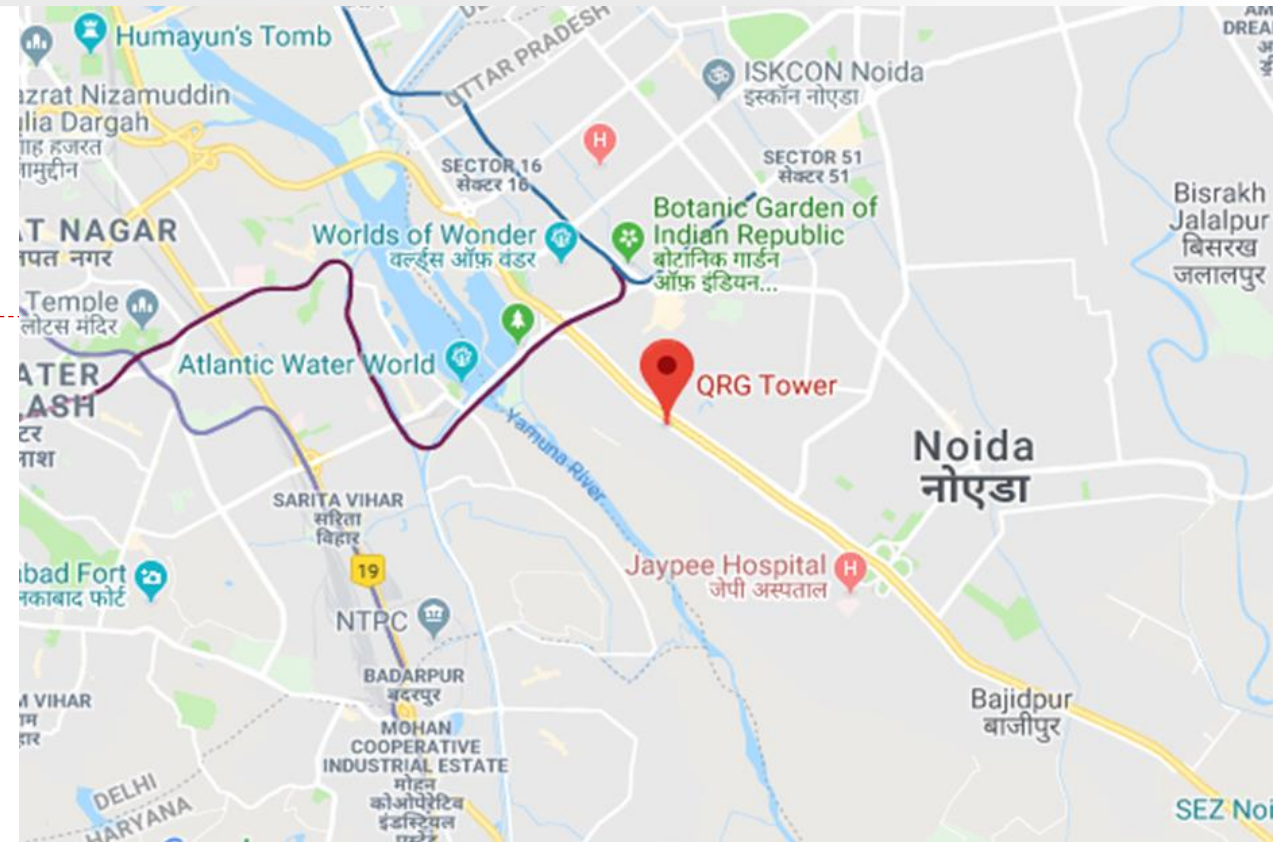
www.havells.com



+91- 120 - 3331000



+91- 120 - 3332000



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