



**HAVELLS**

# ESG

Environment. Social. Governance  
**DATA BOOK**  
2023-24



NET  
ZERO

# Preamble



We are proud to present the ESG (Environmental, Social, and Governance) Data book for Havells India Limited for FY 2023-24. This comprehensive document encapsulates our dedication to transparency, accuracy, and accountability in all aspects of our business operations. The data provided herein has been diligently compiled and meticulously verified, reflecting our commitment to providing stakeholders with reliable and precise information.

At Havells, sustainability is more than a commitment—it is an integral part of our corporate philosophy and operational strategy. We believe in fostering a sustainable future through responsible sourcing of raw materials, minimizing our environmental footprint, and creating positive social impact. Our initiatives span across various dimensions, including energy efficiency, waste management, water conservation, community engagement, and employee well-being.

The data and insights contained in this ESG Data book are a testament to our ongoing efforts and progress in sustainability. We are committed to continuous improvement and innovation, driving impactful change and contributing to a better world.

A handwritten signature in blue ink, appearing to read 'Nitin Singh'.

Mr. Nitin Singh  
Head – ERM & ESG  
Havells India Limited



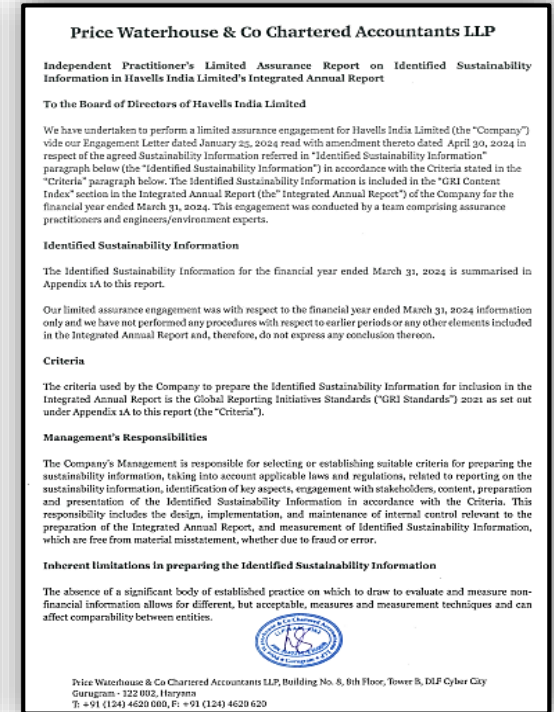
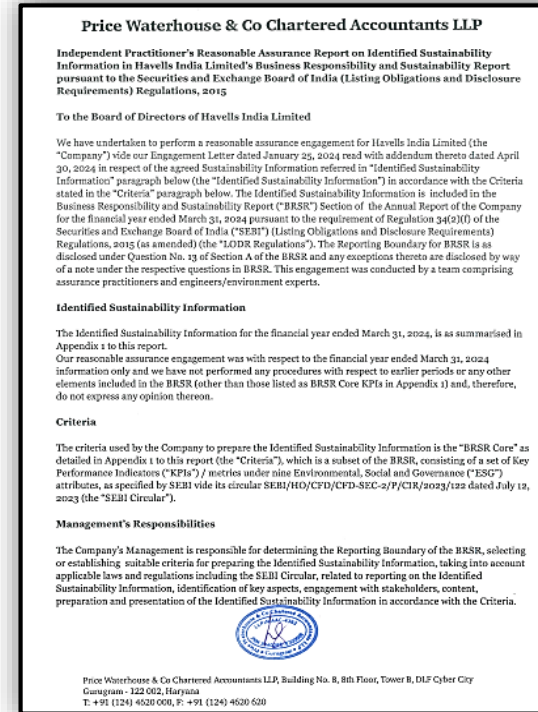
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# Approach to Reporting



- This Data Book aims to provide a concise and balanced overview of our initiatives and performance across environmental, social, and economic dimensions, highlighting their impacts. It offers insights into our holistic approach to long-term sustainability, detailing 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.
- This information is for the period between April 1, 2023, and March 31, 2024.
- Assurance on non-financial disclosures has been carried out by independent auditor's Price Waterhouse & Co Chartered Accountants LLP, India



**Business Responsibility and Sustainability Reporting Reasonable Assurance Certificate**

**Integrated Reporting Limited Assurance Certificate**

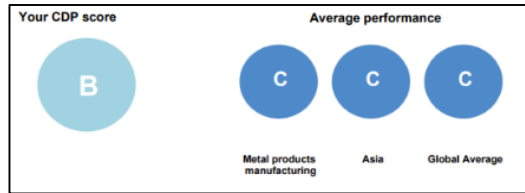


Our structured ESG efforts have been consistently recognized by reputed ESG rating agencies

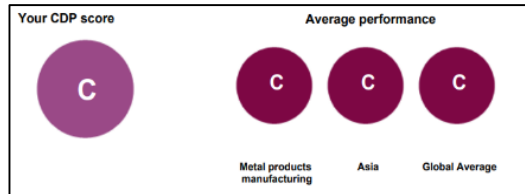
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## CDP (Global) Rating

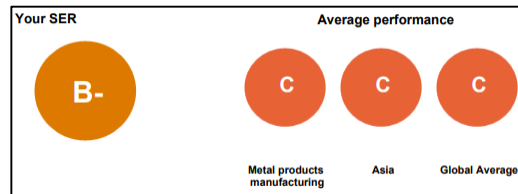
Received **“B” Rating** in Water Security



Received **“C” Rating** in Climate Change

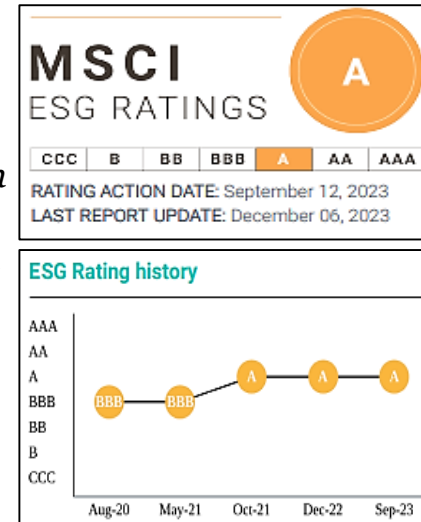


Received **“B-” Rating** in CDP Supplier Engagement Rating Report 2023



## MSCI (Global) ESG Rating

We have been consistently rated **“A”** in MSCI ESG rating



## Zero Waste to Landfill Certification



## S&P (Global) ESG ranking

We have been consistently ranked in the **“top 10 global companies”** in the electrical equipment sector



Dow Jones Sustainability Indexes

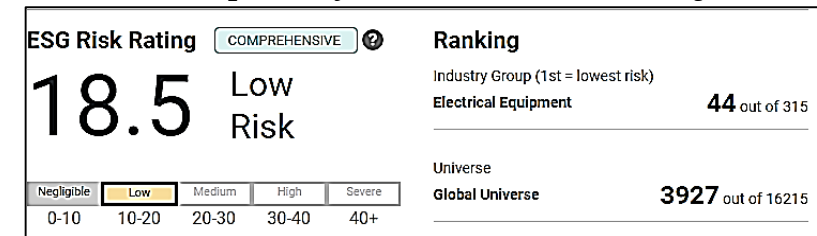


CRISIL has rated “Havells” highest in its sector in the recently published Yearbook

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## Sustainalytics (Global)

Our score improved from 20.95 to 18.5 in May'24



Lower is better








# Environmental Performance F.Y. 2023-24

Category	Target Undertaken	FY 2012-13 Base Year	Target for FY 2023-24	FY 2023-24 Performance
<b>Emission management</b>	Scope 3 Emissions Inventorisation	Not measured	100% measurement	Completed*
	Diesel Consumption Reduction (Ltr)	2.23 Million	1.12 Million (50%)	1.02 Million (45.7%)
<b>Waste Management</b>	Zero Waste to Landfill	70 % waste going to landfill	<0.99%	<0.99%
	End user disposal authentication in all type of organic waste	Not obtained	100%	100%
<b>Sustainable Sourcing</b>	Assessment of ESG Risks of all critical suppliers	Not measured	100%	100%
<b>Product</b>	Zero Ozone Depleting Substance (ODS) for R22 gas (Kg)	600 kg	0	0
<b>LCA</b>	Lifecycle Assessment (LCA)	Not carried out	LCA for high revenue products	Initiated**

\* Scope 3 emissions inventorisation for base year 2022-23 has been completed with 100% measurement

\*\*LCA training and awareness sessions carried out along with LCA study of two major SQUs

# Our ESG Goals Roadmap




Category	Target Undertaken	Financial Year Performance		Target F.Y.	Target Year Performance
		2012-13	2023-24		
<b>Energy Management</b> 	Capacity enhancement up to “ <b>Permissible Solar Limit</b> ” Power generation Capacity ( <i>In %</i> )	0	38%	2026	100%^
	Energy Intensity(GJ/Cr) Reduction from base year	85.7	35.1(59%)	2025	21.4(75%)
	All manufacturing operation related vehicles to be changed to EV /Battery Operated	0	>50%	2025	100%
<b>Emission management</b> 	Reduction of our annual net GHG Emission(MT) compared to the Base year	59,542	1,46,079*	2030	44,656(25%) **
<b>Waste Management</b> 	Sustainable food waste management	0	20 %	2025	100%
<b>Water Management</b> 	Reduction of Fresh Water Consumption (domestic)	-	283.05ML	2024	25%
	Total water recycled to be increased	-	33%	2024	25%
<b>Biodiversity</b> 	Nature positive - Zero Harm to biodiversity due to Havells operations	Not evaluated		2025	Positive
<b>Sustainable Packaging</b> 	Non-Recyclable plastic(KG) in product packaging	Not measured	50%	2026	0
<b>OHS</b> 	Zero Fatality	-	1	2025	0

\* With effect from FY 2023-24, we have also included our branch offices (25), warehouses (23) and one CRI office (Noida, Uttar Pradesh), in addition to our manufacturing locations and Corporate office as part of our reporting boundary.

\*\* Target for FY 2030 under revision

^ We have planned to invest INR 177 Cr. on solar power generation from 2023-2025





# Our ESG Goals Roadmap

Department	Target	Target F.Y
<b>Sales Operation</b> 	20% Diversified Manpower (Special Ability, Gender etc) deployed at Brand Stores	<b>2025-26</b>
<b>Packaging</b> 	25% use of recycled content in Flexible packaging (Cat II) *	<b>2025-26</b>
	90% removal of Multilayer Packaging	<b>2025-26</b>
	50% alternatives of laminates by Paper based packaging	<b>2025-26</b>
	20% wooden based packaging reduction	<b>2025-26</b>
	90% recyclable Plastic Packaging	<b>2025-26</b>
	30% replacement of EPS packaging with paper based sustainable substrate	<b>2025-26</b>
<b>Procurement</b>	Supplier ESG Program – Supplier selection through ESG assessment for all new vendors	<b>2024-25</b>
<b>CRI</b> 	Integration of Lifecycle Assessment process at the design stage (NPD)	<b>2024-25</b>
	50% Carbon footprint reduction against baseline Fy 25	<b>2028-29</b>
	BEE certification (for all applicable products by mandatory and voluntary guideline)	<b>2025-26</b>

*\* Note - To comply with EPR, recycled content should start at 10% and go up to 20% in FY28. We shall be well ahead of the timeline and threshold quantity.*



# Our ESG Goals Roadmap

Department	Target	Target F.Y
<b>Human Resource</b> 	100% Paperless HR processes	<b>2024-25</b>
	Increase in share of women in the workforce to 17.6%	<b>2025-26</b>
	500% (40 Man-hours/employee) increase in Employee Development Programs	<b>2024-25</b>
<b>Admin</b> 	Green building certification for all new buildings (offices and manufacturing facilities )	<b>2024-25</b>
<b>Supply Chain</b> 	5% of Delivery through Green Fuel (CNG/LNG/EV)	<b>2025-26</b>
	100% Implementation of Solar Energy at all new Warehouses*	<b>2024-25</b>
<b>Service</b> 	80% Female employees at call centers	<b>2025-26</b>
	<i>Sahyog Program -</i> Accidental Insurance – all Franchisee owners & technicians	<b>2023-24</b>
	QRG Growth fund - Applicable to all Service Franchise	<b>2023-24</b>
	100 % Paperless service/customer experience	<b>2023-24</b>

\* Note - As per feasibility

- At Havells, the Board of Directors' committees are tasked with monitoring and reviewing the company's Sustainability Strategy and Climate Action Plan. Our Chairman & Managing Director, Mr. Anil Rai Gupta, holds overall responsibility for the implementation and execution of the company's sustainability priorities, including initiatives and actions specifically addressing climate change.
- To align long-term thinking and goal orientation, Environmental, Social, and Governance (ESG) related KPIs have been established for incorporating ESG metrics into the performance-linked compensation of senior management. Governance around material ESG aspects, including climate-related risks and opportunities, is managed by two Board-level committees. These committees evaluate and provide oversight on ESG matters and risk exposures, including climate-related aspects.

1. CSR & ESG Committee
2. Risk Management Committee



*Mr. Anil Rai Gupta*  
*Chairman & Managing Director*

## CSR & ESG COMMITTEE

Havells India has expanded its CSR committee to address a broader agenda, encompassing both ESG and CSR responsibilities. The CSR & ESG Committee supports Havells India Ltd.'s commitment to sustainable, inclusive progress by integrating ESG considerations into the company's decision-making processes.

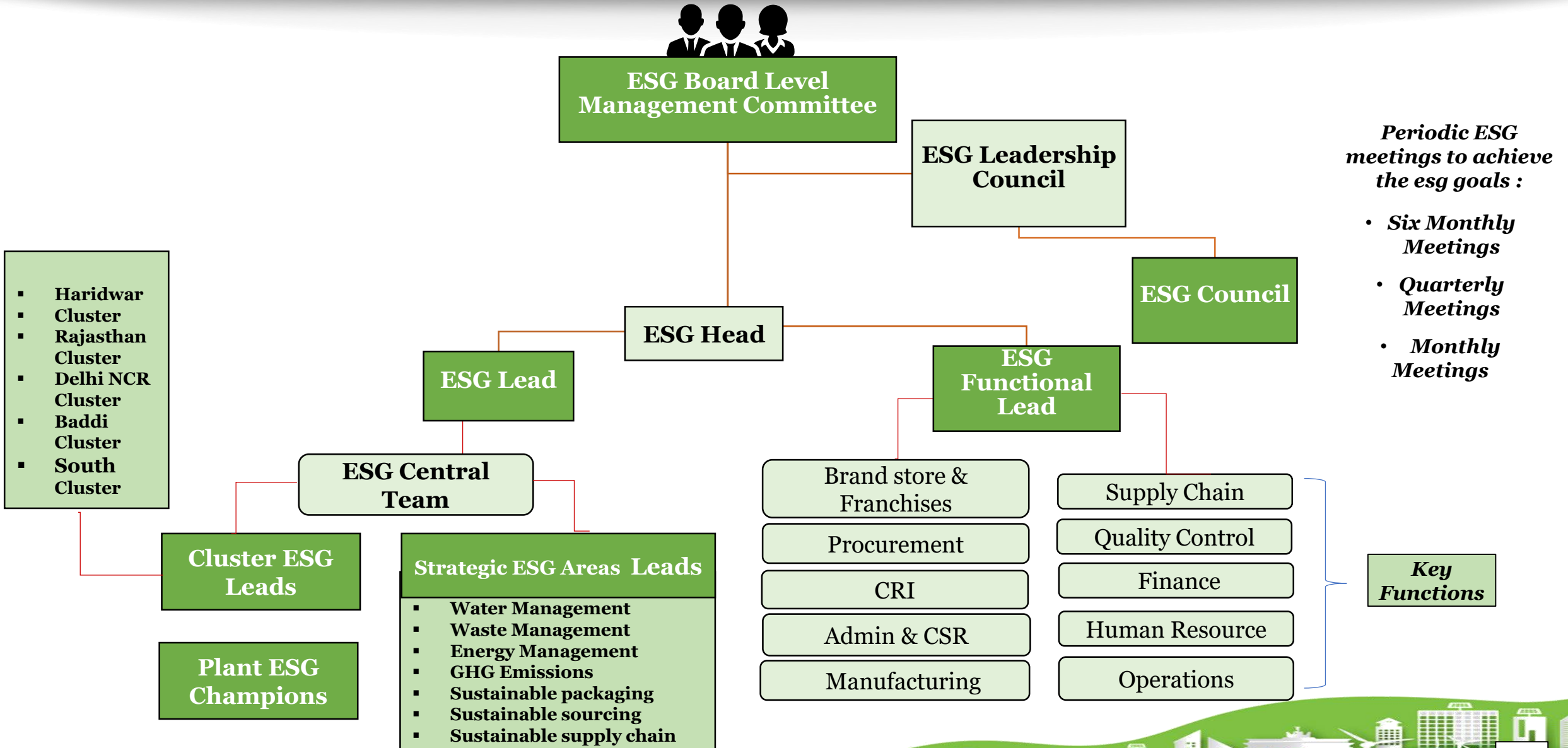
The committee addresses the evolving challenges of climate change, contributing to global efforts to achieve the 2°C rise target. It reviews and identifies the changing dynamics of the company's business concerning material ESG aspects, including climate change, the evolving economic landscape, the emergence of new technologies, diversity and inclusion, and the health and well-being of our employees.

## RISK MANAGEMENT COMMITTEE

The Enterprise Risk Management Committee is tasked with identifying risks impacting the Company's business and developing policies and strategies for risk minimization and mitigation.

Given the increased volatility and vulnerability associated with ESG (Environmental, Social, and Governance) factors, it is imperative to integrate and mainstream ESG and climate change risks within enterprise risk management. Havells India has consistently embedded sustainability into its core business values, fostering integrated thinking and promoting holistic progress.

# ESG Governance Structure



*Periodic ESG meetings to achieve the esg goals :*

- *Six Monthly Meetings*
- *Quarterly Meetings*
- *Monthly Meetings*



# ESG Roles and Responsibilities

Department / Committee	Role and Responsibilities
<p><b>Functional ESG Leads</b></p>	<ul style="list-style-type: none"> <li>a) Periodic identification of ESG Risks &amp; Opportunities in consultation with the key stakeholders</li> <li>b) Planning and roadmap preparation towards ESG Goals</li> <li>c) Implementation of ESG Strategy across verticals</li> <li>d) Capacity building</li> <li>e) Performance tracking and coordination with central ESG Team</li> </ul>
<p><b>ESG Working Groups</b></p>	<ul style="list-style-type: none"> <li>a) Coordination with stakeholder and provide technical assistance</li> <li>b) Compilation of Monthly data and analysis of results</li> <li>c) Project identification</li> <li>d) ESG Project implementation</li> </ul>
<p><b>Central ESG Team</b></p>	<ul style="list-style-type: none"> <li>a) Quarterly review with the Leadership Council</li> <li>b) Monthly review with ESG Vertical &amp; Functional leads</li> <li>c) ESG Reporting</li> <li>d) Preparation of ESG Roadmap</li> <li>e) ESG Capacity Building &amp; technical support to ESG Functions for achieve the commitment</li> </ul>
<p><b>Leadership Council</b></p>	<ul style="list-style-type: none"> <li>a) Ensure that ESG management system is implemented and maintained</li> <li>b) ESG Target and goals achievement</li> </ul>
<p><b>ESG council</b></p>	<ul style="list-style-type: none"> <li>a) Approval of ESG Projects</li> <li>b) Business Strategy accordance with ESG</li> <li>c) Review of ESG Progress</li> </ul>

## Contributions and Other Spending

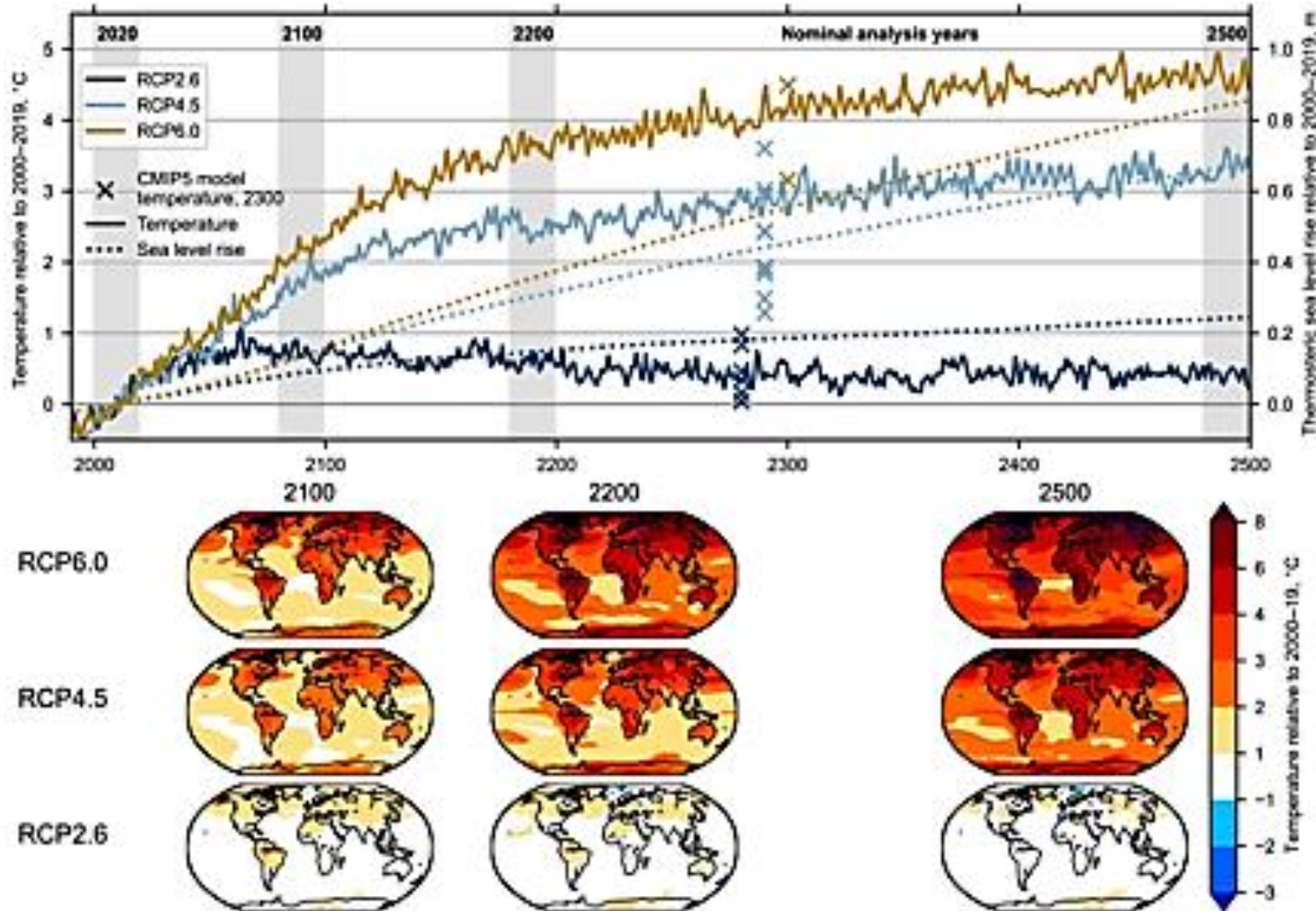
Havells India Ltd. adheres to a transparent and ethical approach in its external engagements. While the company does not make monetary contributions to lobbying groups, interest representations, political parties, candidates, organizations, or tax-exempt groups, it does participate in industry-specific trade associations. This participation aligns with its business interests in the consumer electronics and electricals sector. In the financial year 2023-24, the company's contributions to these trade associations totaled INR 53.64 lakh. This involvement enables Havells to stay informed about industry developments and advocate for policies beneficial to the sector.

The largest contributions and expenditures were made to the following trade associations-

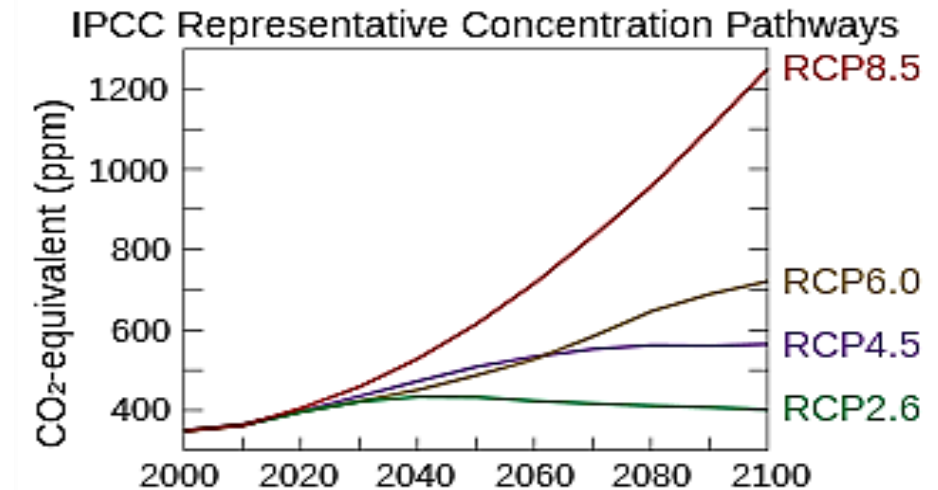
S.No.	Name of the Organization	Type of Organization	Total Amount paid in FY 2023-24 (Lakh)
1	Confederation of Indian Industry (CII)	Trade Association	INR 9.63
2	Electric Lamp and Component Manufacturers Association of India (ELCMA)	Trade Association	INR 7.10
3	Consumer Electronics and Appliances Manufacturers Association (CEAMA)	Trade Association	INR 5.00

# Climate Risk Assessment Methodology

We are following the Representative Concentration Pathway adopted by the IPCC for climate risk assessment



RCP	Change in temperature (°C) by 2081-2100
RCP2.6	1.6 (0.9-2.3)
RCP4.5	2.4 (1.7-3.2)
RCP6.0	2.8 (2.0-3.7)
RCP8.5	4.3 (3.2-5.4)





# Climate Strategy – Risks and Opportunities

*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 mitigate this risk, we have installed high efficiency fans, 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 are 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 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.



# Emerging Material Risks

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"> <li>Regulatory risk with increased focus on carbon (e.g., carbon tax, lack of Renewable energy supply , emissions trading system, etc.).</li> <li>Disruption in Supply chain leading to rise in raw material and commodity prices as well as unplanned delays and reduced reliability of supplies.</li> <li>Rapid transition to low carbon technology may led to additional capex investment, cost of training and safety procedures.</li> <li>Deployment of high investment in R&amp;D to ensure product stewardship &amp; competitiveness of products &amp; appliances.</li> </ul>	<ul style="list-style-type: none"> <li>Improve our carbon footprint in our manufacturing and value chain delivery and transition to low carbon technology in a systematic manner.</li> <li>Switching to Renewable energy, working with government bodies to facilitate Net zero transition</li> <li>Increased R&amp;D spend on improving energy efficiency, durability and recyclability of our products.</li> <li>Increase Green cover of India through CSR initiatives leading to land use benefits and forest covers to strengthen Climate Combat Action.</li> </ul>
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"> <li>Regulatory Non- compliance risk</li> <li>Reputational Risk</li> <li>Adverse impact on environment through Havells products due to lack of big players as well as awareness levels of disposal methodology in existing players</li> </ul>	<ul style="list-style-type: none"> <li>Include principles of circularity in design phase to increase end of life reprocessing index.</li> <li>Increased investment in R&amp;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.</li> <li>Work with reprocessing agents and firms in value chain through tie-ups and awareness drive to explore avenues of reclaiming our products.</li> <li>Phase out and seek alternatives for materials that do not have recycling solutions from our products and processes.</li> </ul>

# Emerging Material Risks

Risk	Description	Impact	Mitigating actions
Sustainable sourcing and vendor management	<p>The highest emissions in our business come from scope 3. Maximum emissions come from the value chain therefore sustainable sourcing and vendor agreements becomes an important aspect for our business. Material sourcing and vendor management risks can lead to supply chain disruptions, material quality issues, and reputational damage.</p>	<p>Havells faces risks related to material sourcing and vendor management, including:</p> <ul style="list-style-type: none"> <li>• Supply chain disruptions</li> <li>• Material quality and availability issues</li> <li>• Compliance with regulatory requirements</li> <li>• Reputation and brand image</li> </ul>	<ul style="list-style-type: none"> <li>• Assessing vendor's ESG performance and risk profile</li> <li>• Implementing sustainable procurement practices</li> <li>• Diversifying supplier base</li> <li>• Monitoring material quality and availability</li> <li>• Ensuring compliance with regulations</li> </ul>
Water stewardship	<p>Water is vital to us as it is used for cleaning, cooling or heating. Most of our plants are in water-stress regions. Coupled with the effects of climate change, the strain intensifies. We are already experiencing financial-material impacts related to competition for water resources and its associated degradation of ecosystems.</p>	<p>Havells faces water stewardship risks, including:</p> <ul style="list-style-type: none"> <li>• Water scarcity and availability</li> <li>• Water quality and pollution</li> <li>• Regulatory compliance</li> <li>• Reputation and brand image</li> </ul>	<ul style="list-style-type: none"> <li>• Conducting water footprint assessment</li> <li>• Implementing water-efficient practices</li> <li>• Engaging with stakeholders on water conservation</li> <li>• Monitoring water quality and pollution</li> <li>• Ensuring compliance with water-related regulations</li> </ul>

# Water Impact Assessment

Parameters	Head Office	Faridabad	Sahibabad	Alwar	Neemrana	Ghiloth	Haridwar-Fan	Haridwar-SDA	Baddi Plant
Country	India	India	India	India	India	India	India	India	India
State	Uttar Pradesh	Haryana	Uttar Pradesh	Rajasthan	Rajasthan	Rajasthan	Uttarakhand	Uttarakhand	Himachal Pradesh
City	Noida	Faridabad	Ghaziabad	Alwar	Alwar	Alwar	Haridwar	Haridwar	Solan
Impact level(0-5)	Extremely High (>5)	Extremely High (>5)	Extremely High (>5)	Extremely High (>5)	Extremely High (>5)	Extremely High (>5)	Extremely High (>5)	Extremely High (>5)	Extremely High (>5)

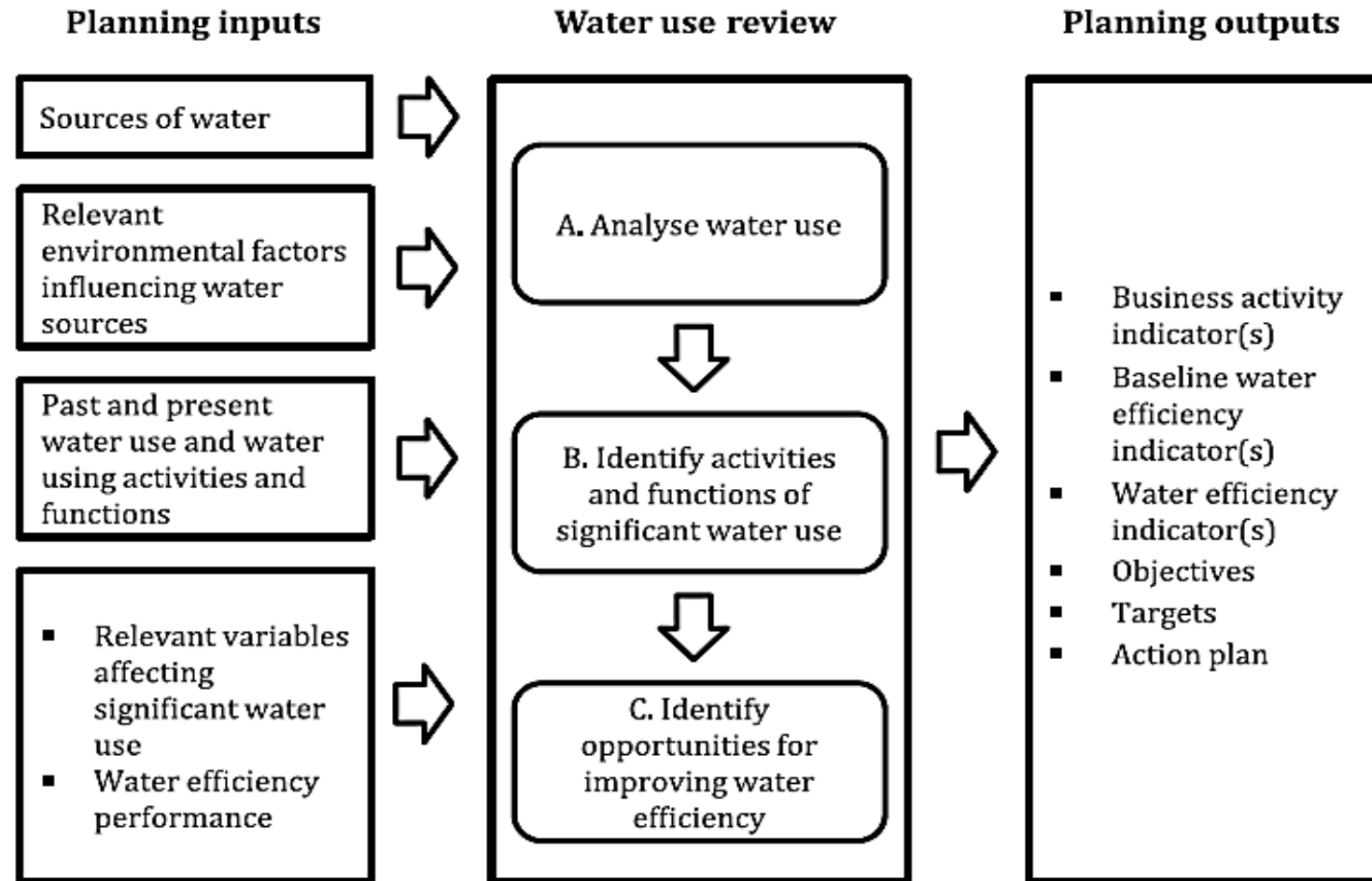
## Risk Mitigation Plans

- Our manufacturing process is not water-intensive, with 70% of our fresh water consumption used for domestic purposes and the remaining used for cooling and other utilities. We are continuously working to increase the recycling of treated water to reduce overall fresh water consumption.
- We monitor water availability and growth in the basin, implementing processes to respond to changes that may increase facility risk. This monitoring includes a combination of private and public efforts, such as analyzing trends in water demand by category (agricultural, domestic, and industrial), real-time satellite data on water availability, regional water use intensity, economic development changes, and basin-wide water conservation initiatives.
- We remain committed to ongoing water efficiency efforts, tracking performance over time to lessen our reliance on fresh water. Additionally, we utilize the Water Action Assessment to receive tailored guidance on implementing improvements in water management, use, target-setting, and stewardship practices.

# Water Efficiency Management Program

Havells India Ltd. recognizes the importance of water efficiency management to reduce its environmental impact and promote sustainability. With growing concerns about water scarcity and climate change, the company has developed a water efficiency management program referring ISO 46001 standards. This program enables Havells to assess and account for its water usage, identify opportunities for water savings, and implement measures to achieve efficiency goals. Top management commitment and a systematic approach are crucial to the program's success. By prioritizing water efficiency, Havells aims to minimize its water footprint, reduce costs, and contribute to a sustainable environment. The program's objectives include:

- ✓ Assessing water usage and identifying areas for improvement
- ✓ Setting water efficiency targets and performance indicators
- ✓ Implementing water-saving measures and technologies
- ✓ Monitoring and reporting water usage and savings
- ✓ Continuously reviewing and improving the water efficiency management system





## Water Use Assessment to Identify Opportunities for Water Efficiency Improvements

We conduct a thorough water use assessment to understand current water consumption patterns and identify opportunities for efficiency improvements. This is done through-

- 1. Formation of Water Use Assessment Team**
- 2. Assessment of water use for Domestic and operational purpose throughout the facility through water flow diagram**
- 3. Collection of Data through**
  - Daily Water Meter Readings
  - Monthly Review of Water Bills
- 4. Identification of patterns and key areas of water use –**
  - (a) Process
  - (b) Cooling tower
  - (c) Boiler
  - (e) Cooking area or kitchen
  - (f) Toilet or Cleaning
- 5. Identification of Inefficiencies**
- 6. Comprehensive water use assessment report highlighting key areas for improvement.**

## Actionable plans to reduce water consumption

Actions to reduce water consumption and increase water efficiency-

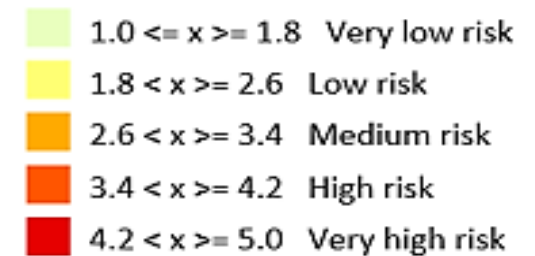
- 1. Focus on areas with the highest potential for water savings.**
- 2. Identification of Water-Saving Measures**
- 3. Developing Action Plans:**
  - Setting Base line and targets with realistic timelines
  - Identifying required resources
  - Assigning responsibilities to team members.
- 4. To Implement Water-Saving Measures:**
  - Efficient Wastewater treatment
  - Zero Liquid Discharge
  - Reduce fresh water consumption
  - Recycle and Reuse of treated water in Process, washrooms and gardening
  - Setting up of Dry paint workshops
  - Rain water harvesting system in all plants
  - Making Operations efficient to reduce process water consumption
  - Installing motion sensed taps in all the washrooms
  - Awareness and Training for employees

# Biodiversity Risk Assessment



Risk Type	Risk Category	Indicator name	Risk Classification
PHYSICAL	1. Provisioning Services	Water Scarcity	Very High Risk
		Forest Productivity and Distance to Markets	No Dependency
		Limited Wild Flora & Fauna Availability	No Dependency
		Limited Marine Fish Availability	No Dependency
	2. Regulating & Supporting Services - Enabling	Soil Condition	No Dependency
		Water Condition	Medium Risk
		Air Condition	High Risk
		Ecosystem Condition	No Dependency
	3. Regulating Services - Mitigating	Pollination	No Dependency
		Landslides	Low Risk
		Fire Hazard	High Risk
		Plant/Forest/Aquatic Pests and Diseases	No Dependency
		Herbicide Resistance	No Dependency
	4. Cultural Services	Extreme Heat	High Risk
		Tropical Cyclones	Medium Risk
		Tourism Attractiveness	No Dependency
	5. Pressures on Biodiversity	Land, Freshwater and Sea Use Change	Low Risk
		Tree Cover Loss	Very Low Risk
		Invasives	No Dependency
		Pollution	Very High Risk

Biodiversity risk assessment is essential for evaluating the impacts of an organization's operations on local ecosystems and biodiversity. This process identifies and quantifies risks such as habitat destruction, species loss, and ecosystem degradation from industrial activities, land use changes, and resource extraction. Understanding these risks enables organizations to develop strategies to mitigate negative impacts, promote conservation, and ensure sustainable resource use. Effective biodiversity risk assessment protects the environment, enhances the organization's reputation, and ensures compliance with regulatory standards.



Risk Type	Risk Category	Indicator name	Risk Classification
REPUTATIONAL	6. Environmental Factors	Protected/Conserved Areas	Low Risk
		Key Biodiversity Areas	Low Risk
		Other Important Delineated Areas	Very Low Risk
		Ecosystem Condition	Very Low Risk
		Range Rarity	Very Low Risk
	7. Socioeconomic Factors	Indigenous Peoples (IPs); Local Communities (LCs) Lands and Territories	No Dependency
		Resource Scarcity: Food - Water - Air	Medium Risk
		Labour/Human Rights	High Risk
		Financial Inequality	Low Risk
	8. Additional Reputational Factors	Media Scrutiny	Medium Risk
		Political Situation	Low Risk
Sites of International Interest		Very Low Risk	

In 2023, Havells conducted a biodiversity risk assessment of all manufacturing locations and our corporate office using the WWF Biodiversity Risk Filter. The results show no dependency on flora and fauna in our locations. We are actively addressing prominent risks related to water and pollution. We conduct environmental impact assessments before commissioning plants, identifying potential risks and implementing mitigation plans to minimize harm. Our efforts have yielded no reports of damage to natural habitats, and we avoid operating in areas adjacent to protected or high-biodiversity zones

Our commitment to biodiversity conservation and environmental sustainability drives us to continually improve our practices, aiming to become nature positive. We are dedicated to preserving ecosystems and reducing biodiversity loss through ongoing programs and initiatives. For more information, please refer to our [Biodiversity Policy](#). We are proud of our progress and will continue to strive for excellence in environmental stewardship and biodiversity conservation.





## Target undertaken for F.Y. 2025 - 26



To be nature positive – Zero harm to biodiversity due to Havells operations



Cumulative over 18 lakh saplings planted in last five years.

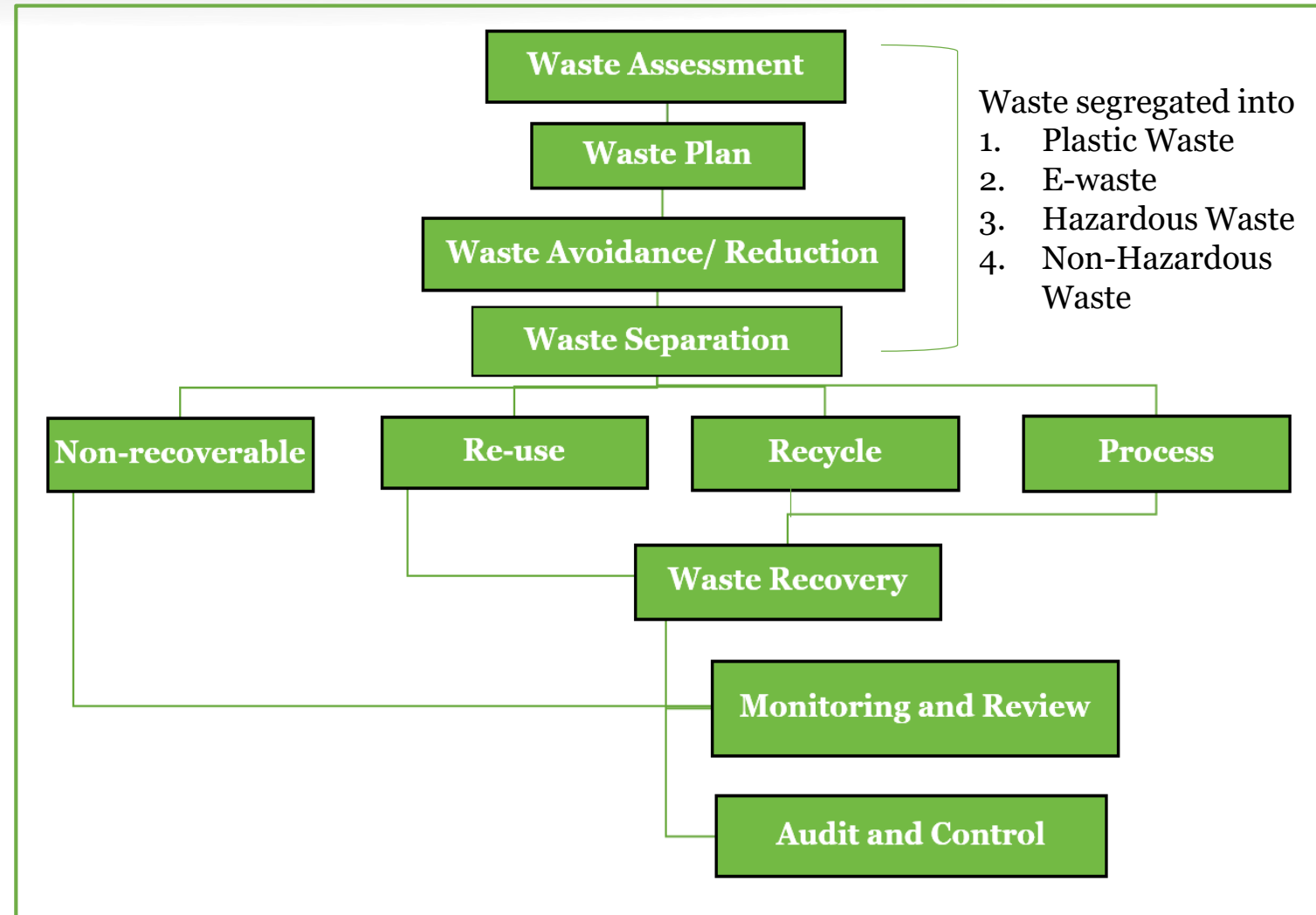
At Havells, we prioritize environmental stewardship and biodiversity conservation. We recognize the importance of preserving the natural habitat, flora, and fauna surrounding our operations. Through our tree planting initiatives, we have increased the green cover in our premises and surrounding areas, providing a habitat for various birds and animals. We maintain green areas in all our manufacturing locations and have collectively planted approximately 21 lakh trees across our business operations, potentially offsetting significant amounts of carbon dioxide annually.

We are committed to zero deforestation and ensuring no harm to biodiversity. To achieve this, we are dedicated to reducing our wooden-based packaging by 20% and be nature positive by FY 2025-26. We are also planning a comprehensive biodiversity study across all our operations and locations to identify areas for improvement and develop a roadmap towards becoming nature positive.

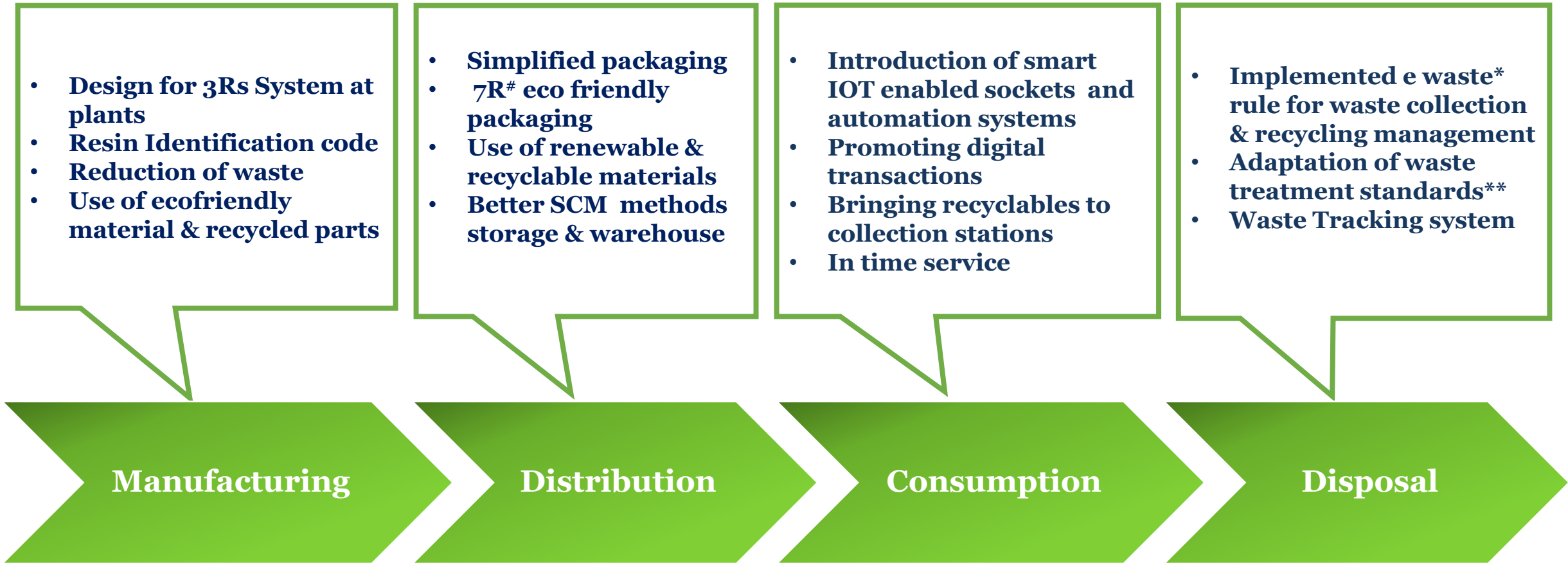


# Waste Management Program

Effective waste management has become crucial globally. Improper waste disposal can lead to environmental pollution and health hazards. For Havells India Ltd., a leading player in the Fast-Moving Electrical Goods industry, managing waste responsibly is not only a regulatory requirement but also a key component of our corporate responsibility. Havells takes waste management seriously by implementing rigorous waste reduction strategies and targets to achieving zero waste to landfill certification, efficient food waste management, and end-user disposal authentication for organic waste. Our commitment is reflected in our comprehensive waste management program, which includes third party waste audits, targeted action plans, innovative R&D, employee training, and robust recycling initiatives. By integrating these practices, Havells aims to minimize environmental impact, enhance operational efficiency, and set a benchmark for sustainability in the industry.



# Approach towards Green Life Cycle Stages



*\*E waste regulation Ministry of Environment & Forest and Climate Change, Govt of India*

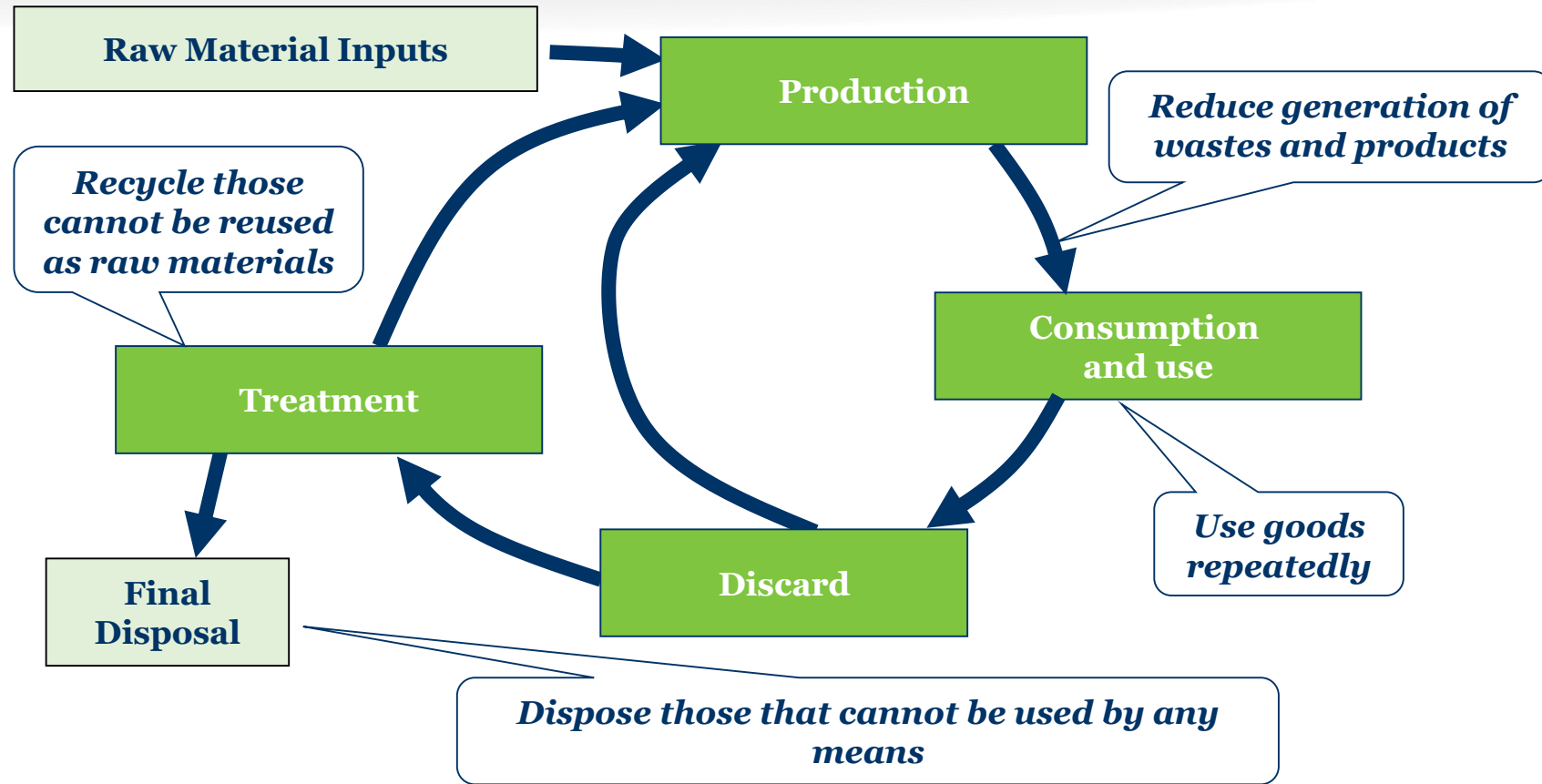
*\*\* waste disposal through authorized agency of central pollution control Board Govt of India e.g. – Paint sludge disposal*

*# 7 R : Renewable, reuse, recycle, reduce, remove, revenue & read*

# Product Stewardship Criteria

## Sustainability criteria implemented

- 3R concept
- Use Recycling Symbol & resin identification codes on tools
- % Use of recycle content
- 80% Products uses halogen free Flame retardants
- 60% products are RoHS compliant
- Alternative technology use for chrome plating
- Changing or introducing new design for reduction of material usage
- Eliminating the use of varnishes in products such as BLDC Ceiling fan
- Compact & screw less design
- 15% use of recycled content in non aesthetic components
- 65% products are designed for energy efficiency
- Enhanced energy efficiency of all Semi-Automatic Washing Machine, and water consumption reduction by 5.81%
- Energy efficient BLDC motor technology



- LLOYD TV: HD & Full HD LED TV are BEE certified with 100% enhanced energy efficiency
- Low VOC emission via 'paint process change 3C -2B -> 2C-1B -> 1C1B

**7 Stage Gate Process is followed from Concept to Production stage**



# Our Energy Efficient, Eco-friendly Products



Cyclopentane blowing agent used in PUF insulation of water Heater with ODP & GWP value zero



R 600a refrigerant for refrigerator zero ODP & GWP and Air Condition has R32 refrigerant with zero ODP & 675 GWP value



BEE Labels used in 90% refrigerators models & 5star models developed with 30 % energy efficiency.



- 100% refrigerators, storage water heaters, air condition are energy efficient
- 65% fan & consumer lighting products are energy star rated BEE certified
- Washing machine is voluntarily 5 star rated as per BEE standard protocol.



Amaya



- Efficiencia Neo is lowest energy consuming Fan in India
- In Celia fan motor(production 1002). Introduced BLDC motor implemented in place of Induction motor, ensuring reduction in 40% energy consumption.
- Amaya is an innovative Rivet-less, silent (reduced Noise) & energy efficient 5 Star rated fan (Certified from Bureau of Energy efficiency (BEE) which consumes 40W power only with 255 cu m/min air delivery



Mineral fortified alkaline pH ensuring nature's drinkable water



Ensuring clean & pathogen free air Quality thru Photo catalytic action





# Environmental Labeling

Packaging contributes more than 60% of global solid waste. Packaging material severely impacts both land and water bodies. This clearly indicates the significance of renewable, decomposable and recyclable. Packaging is the part of final stage of manufacturing and first stage usage. Also, it plays a very crucial role in after being discarded. Plastic based packaging can increase land pollution.

**We have replaced EPS to corrugated products and honeycomb boxes which is renewable and recyclable.**



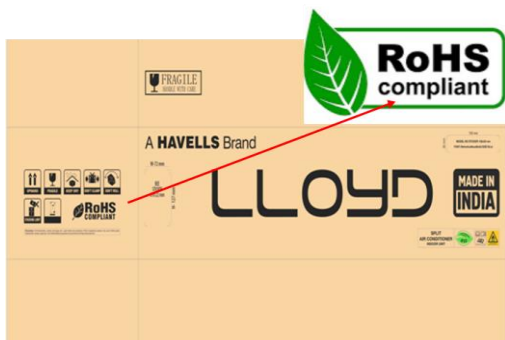
**We have launched products like INOX BLDC, CRISTA BLDC, LIBECCIO BLDC AND LIBECCIO BLDC UNDERLIGHT ensuring reduction in EPS Packaging by using gap fillers made up of cardboard.**

HAVELLS India Ltd ensure to collect Waste electrical and electronic equipment at Recycling Centres and at some retailers. For FY 2022-23, we have collected 25,046 MT of e-waste including the products such as Air conditioners, refrigerators, TV & washing machine and recycled 100% of e-waste.

Conversion of most of models from 7mm IGT copper to 5mm IGT copper, has helped us to reduce copper consumption by 30% in all our Air Conditioners which helped to reduce energy consumption during Production.



- Our TV, AC, WM & Refrigerators, fan, lighting products and small appliances are RoHS compliant as per E waste management rule, Govt of India
- 15% of Packaging has been converted to renewable materials from fossil based materials
- Our export grade MCB & other switch gear products are RoHS & REACH Compliance
- 90% electronic devices are RoHS Compliant. Drinkable water purified is SNF certified & Food contact appliance components are FDA certified



At Havells, we believe that a sustainable supply chain is essential for creating long-term value for our stakeholders and the environment. We are committed to ensuring that our supply chain is not only efficient and cost-effective but also socially responsible and environmentally sustainable. We recognize that our supply chain has a significant impact on the environment, communities, and society as a whole, and therefore, we are dedicated to working with suppliers who share our values and commitment to sustainability.

## Our Vision and Objective

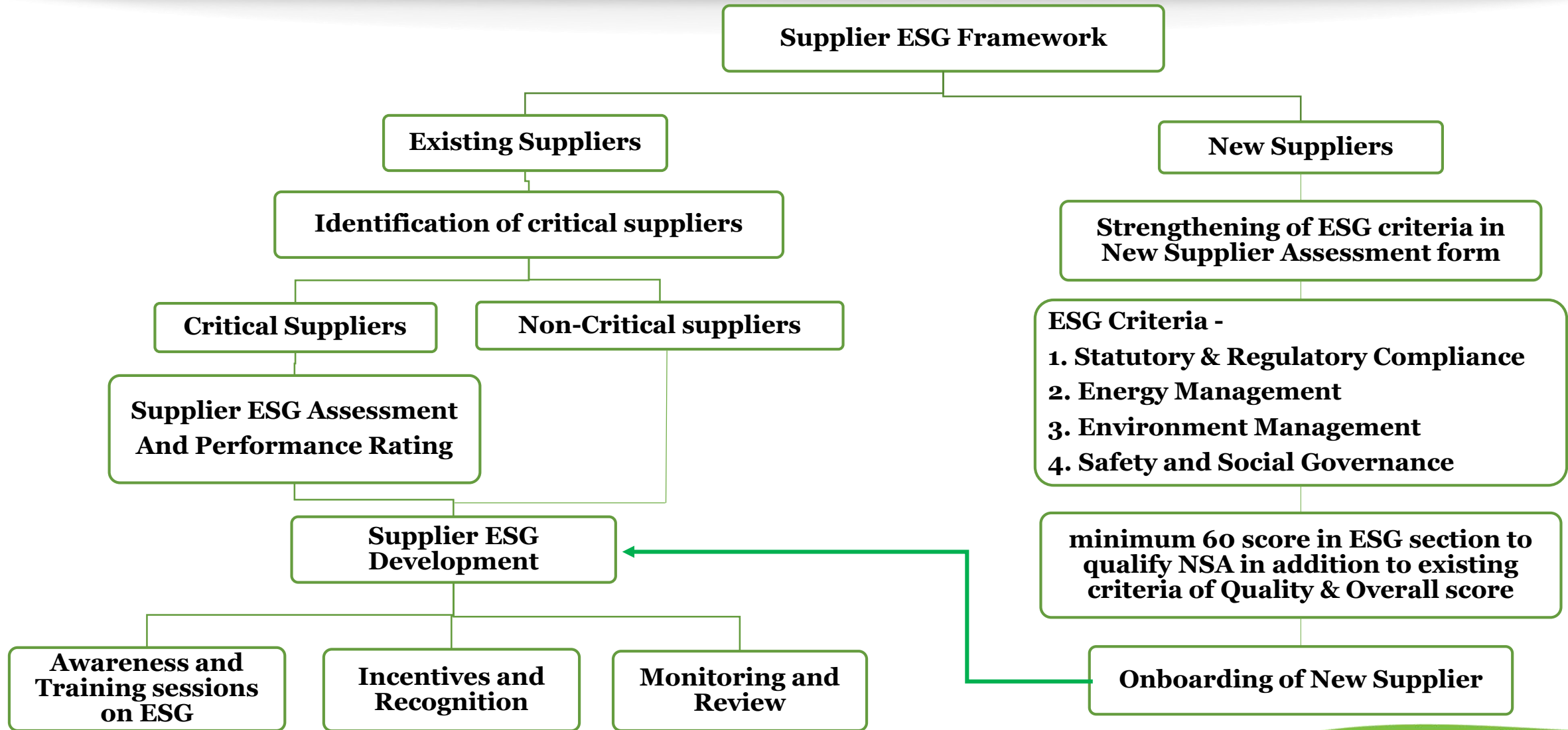
Our vision is to create a supply chain that is resilient, transparent, and responsible, and our objective is to reduce our carbon footprint, promote ethical labor practices, and support sustainable development in our communities.

Our commitment to sustainability in our supply chain is an integral part of our business strategy and is essential for maintaining the trust and loyalty of our customers, employees, and investors.

## Target Achievement

Category	Target Undertaken	FY 2012-13 Base Year	Target for FY 2023-24	FY 2023-24 Performance
<b>Sustainable Sourcing</b>	Assessment of ESG Risks of all critical suppliers	Not measured	100%	100%

Our [Vendor Code of Conduct](#) and [Green Supply Chain Policy](#) outline our expectations for ethical business practices, environmental sustainability, and social responsibility. We expect our vendors to adhere to these principles, ensuring a responsible and sustainable supply chain.





## Identification of Critical suppliers

We utilize an automated vendor rating system to categorize suppliers into various grades based on performance parameters such as quality, cost, delivery, and service. Monthly performance ratings are communicated to suppliers via our Global Vendor Portal. To meet future business needs, we have tightened the supplier performance criteria to drive continuous improvement. We ensure high quality by identifying critical parts and suppliers and supporting them during the development stage through the Production Part Approval Process and Quality Risk Assessment activities. Critical suppliers are categorized based on the volume of business and the criticality of components or raw materials. 95% of our suppliers are tier-1 suppliers.

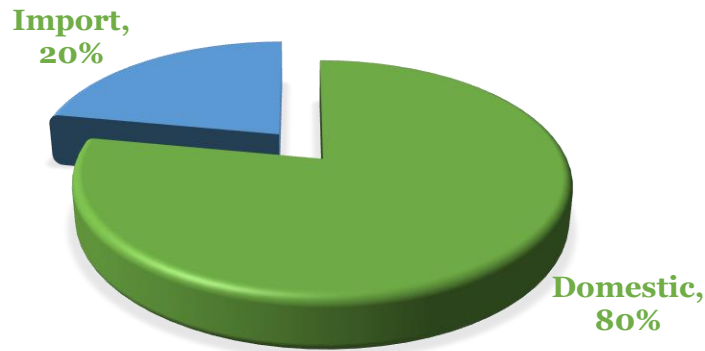
## Assessment of Supplier on ESG parameters

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.

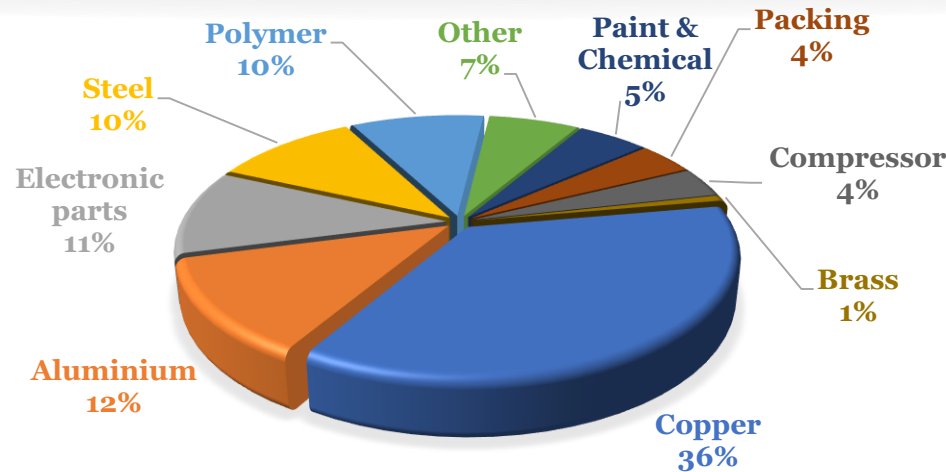
In our current vendor engagement program, our key ESG focus is on

- Water, 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

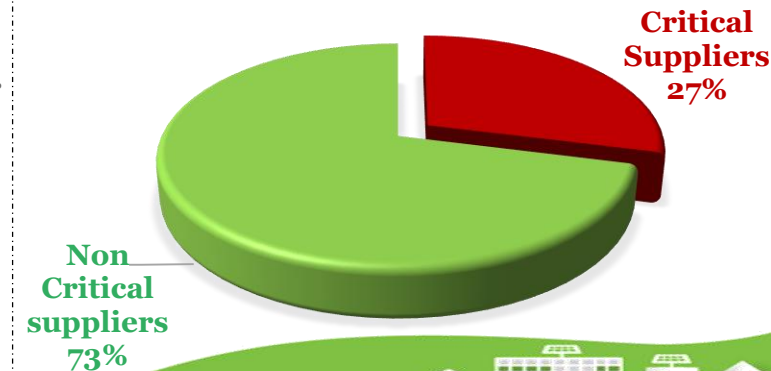
## Supplier Spend Analysis



Domestic Spend Vs Import Spend



## Tier 1 Supplier Break-up.





# Supplier ESG Program

**Phase 1 : Suppliers covering 80% Spend of Domestic BOM & FG.**

**Phase 2 : 100% Spend of Domestic BOM & FG will be covered.**

Plant & FG : Strategic & Challengers suppliers, Raw Material : FY23-24 business with Havells > 5 Cr

**ESG Survey link : 74 Questions**

- Basic Information: 18 Ques., Environment: 25 Ques., Social: 13 Ques., Governance: 18 Ques.

- ❑ 262 Suppliers with 84% of Domestic BOM spend are covered under ESG Framework. (Part/FG : S&C Suppliers, RM Suppliers > 5 Cr)
- ❑ Average Score: 78%, (Need Improvements Suppliers: 2%, Satisfactory Suppliers: 35%, Excellent Suppliers: 63%)

## Performance of Suppliers

- ❑ 91 % of our Suppliers are having Environmental policies, and 89 % are having the OHS Policy
- ❑ 68% % of our Suppliers are ISO 14001 Environmental Management System Certified
- ❑ 100 % of our Suppliers are ROHS Complied
- ❑ 83 % of our suppliers are having human right policy in place

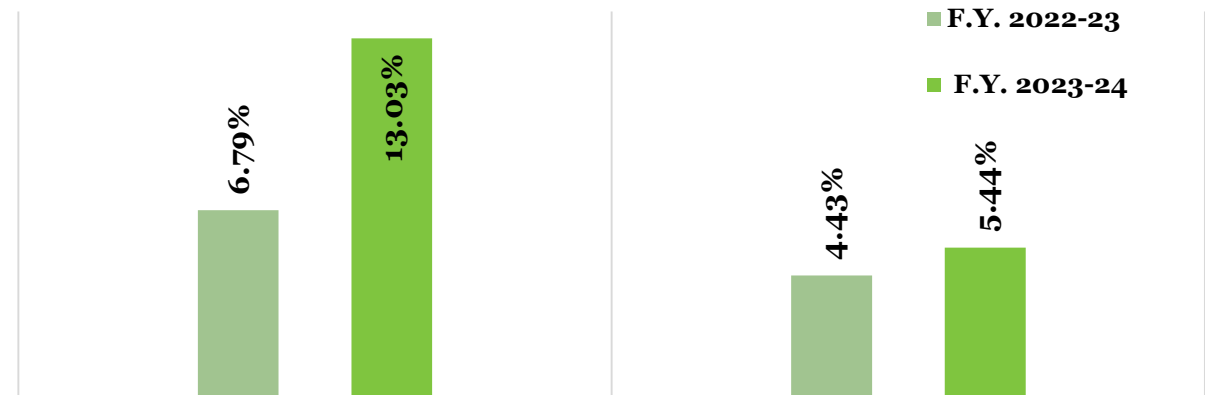
Critical Suppliers (80% spend)	ESG assessment - Aug'23			ESG assessment - May'24		
	Needs Improvement ≤ 60%	Satisfactory 61% - 80%	Excellent > 80%	Needs Improvement ≤ 60%	Satisfactory 61% - 80%	Excellent > 80%
<b>265</b>	<b>24%</b>	<b>31%</b>	<b>45%</b>	<b>2%</b>	<b>35%</b>	<b>63%</b>

We welcome new recruits into our culture and values through structured induction programs that build awareness of our policies, systems, and processes. Our employee-centric approach sets us apart, embedding a culture of transparency, inclusion, collaboration, and excellence. This commitment has earned Havells the distinction of being a 'Great Place to Work' certified organization. Our practices aim to provide an empowering work environment that meets the aspirations of our people.

## Driving diversity

At Havells, we are dedicated to fostering workplace diversity and promoting equality. We strive to cultivate a culture that recognizes and values individuals from diverse backgrounds and experiences. Our Human Resource (HR) policies are designed to ensure equal growth opportunities for all, regardless of gender, religion, age, color, or disability. The gender diversity ratio at various levels of our organization (as a percentage of the total workforce) is as follows:

### OUR PERFORMANCE OVER THE YEAR

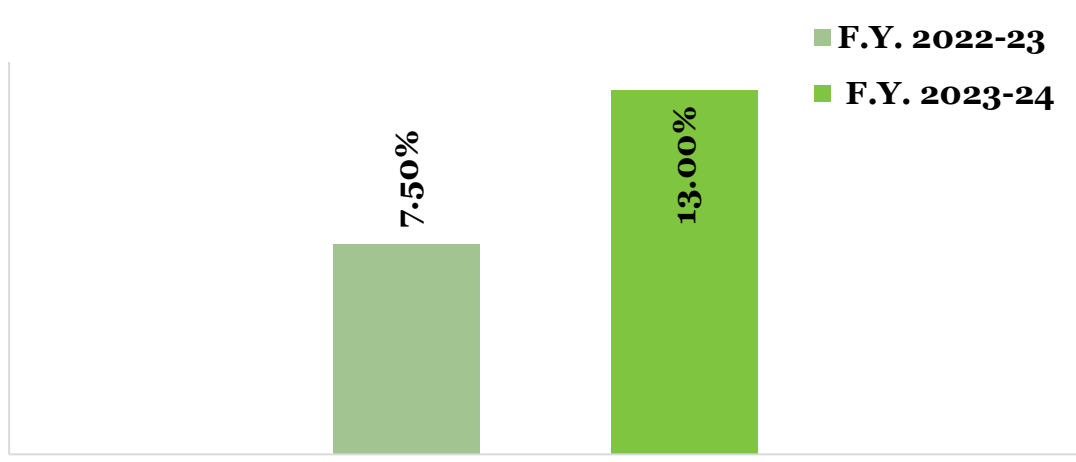


SHARE OF WOMEN IN TOTAL WORKFORCE

SHARE OF WOMEN IN ALL MANAGEMENT POSITIONS



## OUR PERFORMANCE OVER THE YEAR

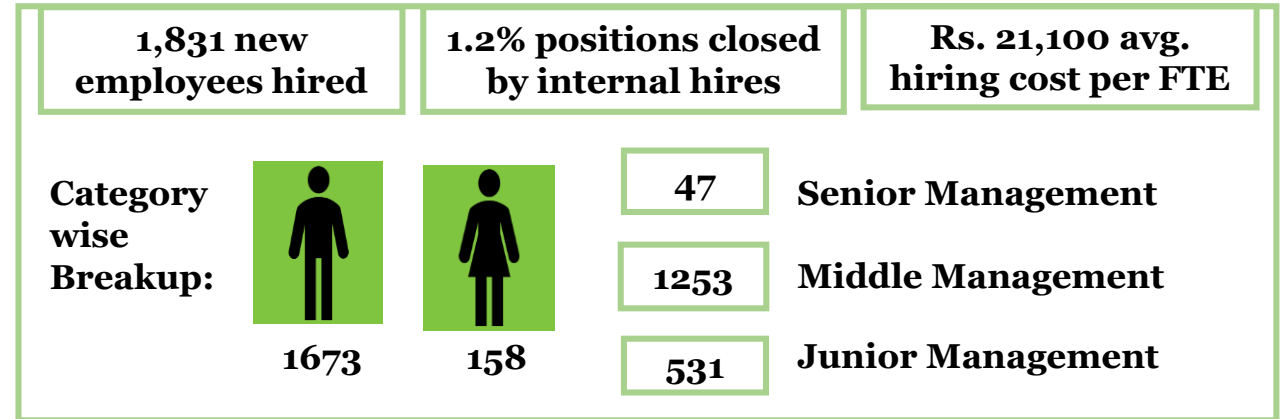


SHARE OF WOMEN IN STEM ROLES

At Havells, we recognize that diversity is not only a fundamental tenet of ethical business practice but also a key driver of innovation and success. Over the last financial year, we have seen a significant increase in the representation of women in management roles and across our total workforce. Women now hold 2% of management positions in revenue-generating functions and 13% of STEM-related positions. We actively promote and encourage the hiring of women from STEM backgrounds. Committed to enhancing our diversity ratio, we regularly assess our progress and implement strategies to ensure continuous improvement.

## Talent Attraction and Retention

Talent attraction and retention are crucial to our organization's success. To draw top talent, we provide competitive compensation packages and foster an inclusive work culture. Our employee turnover rate, entirely voluntary, stands at %. The breakdown of our hiring data is as follows:



## People Analytics

Havells utilizes People Analytics to enhance various HR processes. This includes analyzing employee performance, conducting annual manpower planning, identifying current workforce skill gaps through the skill development matrix for workers, and optimizing the recruiting and hiring process by evaluating recruitment partners, hiring TAT, and source mix.

# Employee Development Programs

	SANKALP	PARIVARTAN
<b>Description</b>	Sankalp is a leadership strengthening journey for role bearers who could be groomed for fulfilling critical positions. Sankalp will focus on People leadership in Phase 1 and business leadership in phase 2. The aim is for these leaders to groom future leaders in their teams.	Parivartan is a Sales Training Program for all Standard employees. A key focus was on "Achieving Success with Distributor, Dealer & Retailer," exploring strategies to strengthen partnerships and drive mutual success. The workshop also highlighted the importance of preparing sales leaders for future challenges, driving growth and innovation.
<b>Business Benefits</b>	<ol style="list-style-type: none"> <li>1. GMI Certification for all participants completing 30 hrs of learning.</li> <li>2. Reduced Attrition in High Potential Segment.</li> <li>3. Enhancement in GPTW scores.</li> <li>4. Better build vs buy ratio - No of positions filled internally.</li> <li>5. Improved productivity of the participants.</li> <li>6. Establishing the coaching culture in company</li> </ol>	<ol style="list-style-type: none"> <li>1. Improved productivity of the participants.</li> <li>2. Improved electricians connect across territories.</li> <li>3. New Towns added for new dealers and distributors.</li> <li>4. Enhanced focus on Dealers and Distributors for better product portfolios.</li> </ol>
<b>Quantitative Impact</b>	<ol style="list-style-type: none"> <li>1. Improved business numbers - Revenue growth of 10%</li> <li>2. Improved profitability of business ~ 17%</li> </ol>	Numbers will reflect from Dec 2024 onwards.



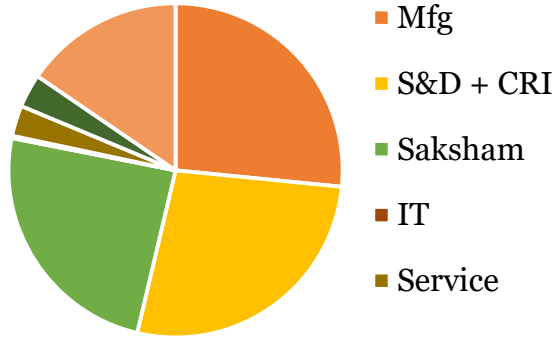
# Human & Capital Development

## Average hours per FTE of training and development

Man-hours of training per person per annum



### Total Man-hours



## Performance Management Appraisals:



Balanced Scorecard & Agile Conversations



These performance appraisals take place on an annual basis

## Other Employee development programs:

**UNNATI** – Development program for Branch Product heads

**GET & DET Cadre Programs** - To build talent pipeline for leadership roles from campus

**PRATEEK** – Development program of senior leadership team

## Employee Support Programs:



Sports Programs

Discounts @ Medical Centers

1 Rostered off Saturday/month in Manufacturing

Health Insurance

Crèche Facility

Paternity Leaves

Annual Employee Survey to assess:



Employee Engagement



Job Satisfaction

Purpose



Employee Wellbeing



Stress

Happiness

## Employee Engagement

### Employee Connect



- We have been certified by Great Place to work for 5 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	2022-23	2023-24
Employee Satisfaction Index (out of 5)	4.1	3.9	4.25	4.29	4.35	4.15

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

## Human Rights

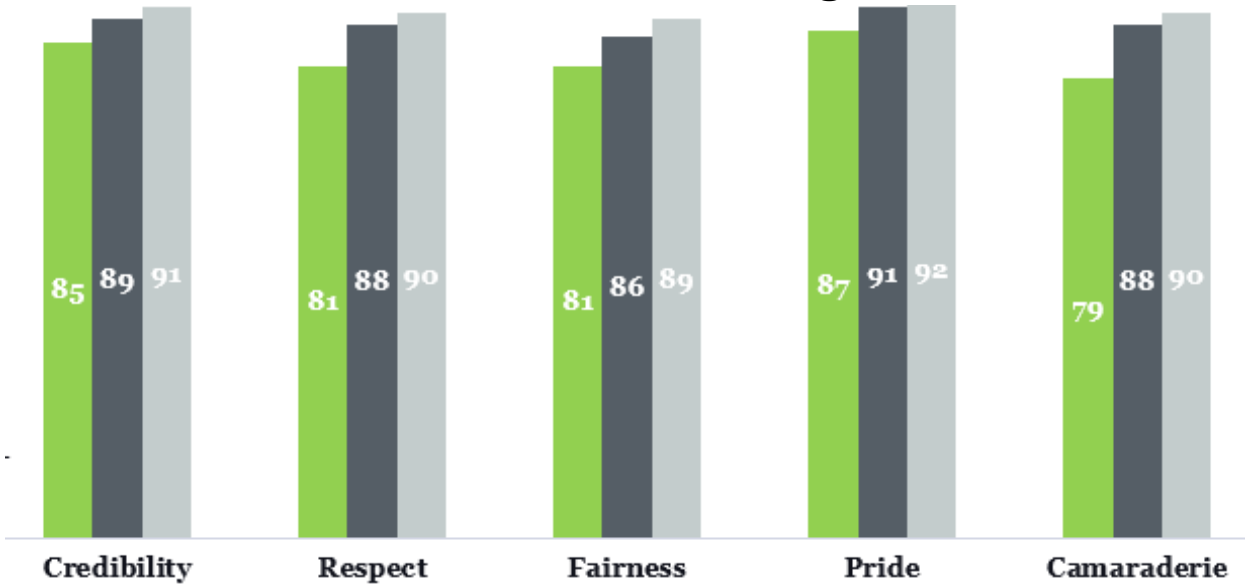
At Havells, we are committed and continuously developing an organizational culture that upholds universally recognized human rights. Our company directive on human rights is diligently followed and relevant awareness sessions are conducted at regular frequency.

All our manufacturing sites undergo human rights assessment periodically 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. 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.

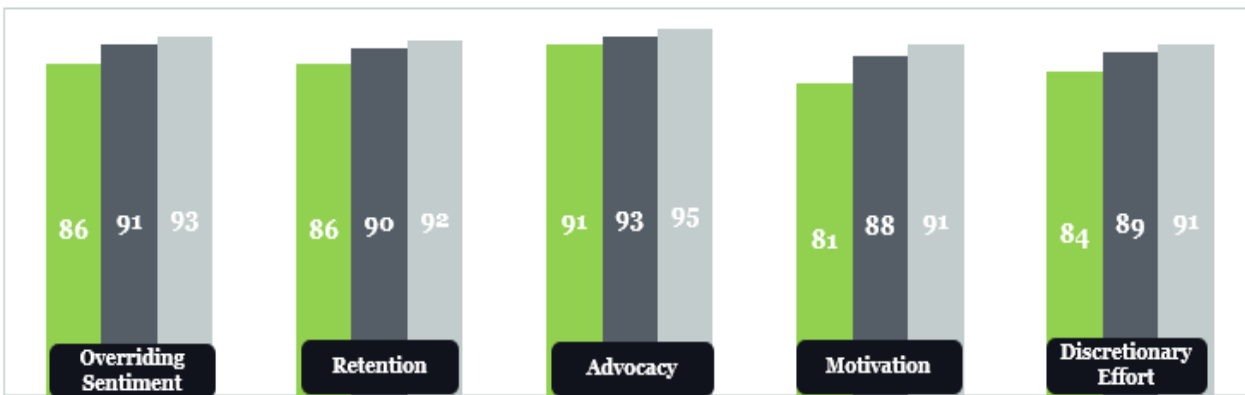


# Great Place to Work Survey Results

## Pride is our strength

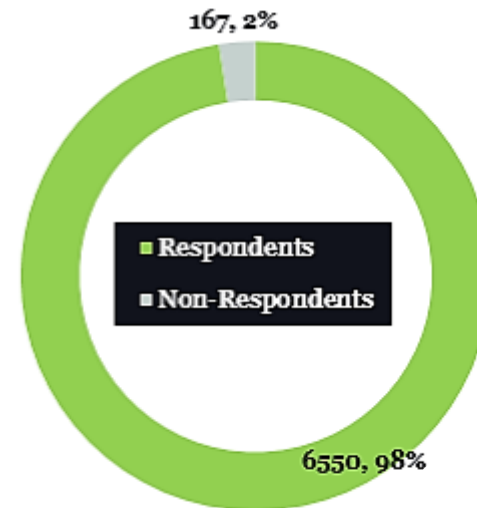


## Key indicators of a great workplace



■ HAVELLS INDIA LIMITED 2024 ■ Best in Manufacturing - 2024 ■ Best in Innovation - Large 2024

Culture Audit Areas	HAVELLS INDIA LIMITED 2024	HAVELLS INDIA LIMITED 2023	India Top 100-Best Companies to Work For	Best in Manufacturing - 2024	Best in Innovation - Large 2024
Trust	★★★★★☆☆	★★★★★☆☆	★★★★★☆☆	★★★★★☆☆	★★★★★☆☆
Maximising Human Potential	★★★★★☆☆	★★★★★☆☆	★★★★★☆☆	★★★★★☆☆	★★★★★☆☆
Values	★★★★★★★☆☆	★★★★★☆☆	★★★★★☆☆	★★★★★☆☆	★★★★★☆☆
Leadership Effectiveness	★★★★★★★☆☆	★★★★★★★☆☆	★★★★★☆☆	★★★★★☆☆	★★★★★☆☆
Innovation by All	★★★★★★★☆☆	★★★★★☆☆	★★★★★☆☆	★★★★★☆☆	★★★★★☆☆



98% of 6717 employees responded on the following parameters-

- Management Openness & Integrity
- Pride in personal job and team accomplishment
- Fair Compensation and evaluation
- Fun at work & Caring environment
- Special and Unique benefits
- Growth and development



## Life Cycle Assessment Training for Havells Team (from 5<sup>th</sup> to 8<sup>th</sup> March 2024)

As part of our ongoing commitment to sustainability and continuous improvement, we recently conducted a comprehensive Life Cycle Assessment (LCA) training session for our employees. This training aimed to equip participants with the knowledge and skills necessary to assess the environmental impacts of our products and processes throughout their entire life cycle, from raw material extraction to end-of-life disposal.

- ✓ No of Participants-**30**
- ✓ Trainer- **TUV Rheinland**



## Periodic Quality Circle Training on site

To foster continuous improvement and address work-related challenges, small groups of 4 to 8 employees from the same work area are encouraged to hold regular meetings. These sessions aim to analyze and solve work-related problems collaboratively.

The primary objectives of this activity are:

- ✓ Improve the quality of Havells products
- ✓ Enhance productivity across Havells facilities
- ✓ Develop a sense of confidence among employees
- ✓ Boost employee morale
- ✓ Increase job satisfaction
- ✓ Foster personal development of employees

## Sankalp Program for Leadership Development

At Havells, we have introduced a comprehensive leadership programme, Sankalp, designed to enhance the skills and capabilities of our workforce. Our commitment to fostering a strong, people-centric culture that emphasises performance forms the bedrock of this initiative. Sankalp aims to foster a culture of continuous learning and develops high performance teams by equipping our managers with the tools and knowledge to build trust and drive performance.



# Employee Engagement and Recognition

**Gold Award → QC Competition QCFI (FY2023-24) Plant – Fan, Haridwar**



**4 Gold, 2 Silver Awards → Kaizen Competition QCFI (FY 2023-24) Plant – Fan, Haridwar**



**Best Solution to Problem Award-CII QC Chandigarh FY2023-24**



**Special Award Winner in CII Uttarakhand in FY2023-24**



**Participation in National Final Mumbai in FY 2023-24**





## Customer Engagement

Havells India Limited employs a robust strategy for customer engagement and relationship management, encompassing both offline and online channels. The company has established a wide network of physical stores and service centers across the country to provide a seamless offline experience. This includes interactive product demonstrations, personalized consultations, and prompt after-sales support. On the online front, we leverage various digital platforms to engage with our customers. Our e-commerce website and mobile app offer a user-friendly interface, enabling customers to browse products, make purchases, and access support services effortlessly. Social media channels and digital marketing campaigns are also integral to our strategy, keeping customers informed about new products and promotions.

while a significant majority of our sales are generated through extensive offline platforms, we are actively promoting our digital platform to align with evolving consumer preferences. We are consistently adopting new technologies to enhance our customer engagement, streamline processes, and provide a seamless Omni channel experience.

<b>% of total customers using our online sales platform (<a href="https://shop.havells.com/">https://shop.havells.com/</a>)</b>	<b>19.05%</b>
<b>% of Revenue generated online</b>	<b>4.46%</b>

## Customer Satisfaction

In terms of customer satisfaction, Havells employs comprehensive metrics to measure and enhance customer experience. The company places a strong emphasis on after-sales service quality, recognizing that prompt and efficient service is crucial to maintaining customer trust and loyalty. To this end, Havells tracks various metrics, including response time, problem resolution rates, and direct customer feedback, to ensure high standards of service delivery. These metrics help the company identify areas for improvement and implement corrective actions swiftly. Additionally, Havells evaluates customer satisfaction through the Net Promoter Score (NPS).

By consistently achieving a high NPS score (>70), Havells demonstrates its dedication to delivering superior service and product quality, thereby enhancing overall customer satisfaction.



# THANK YOU



## Havells India Limited

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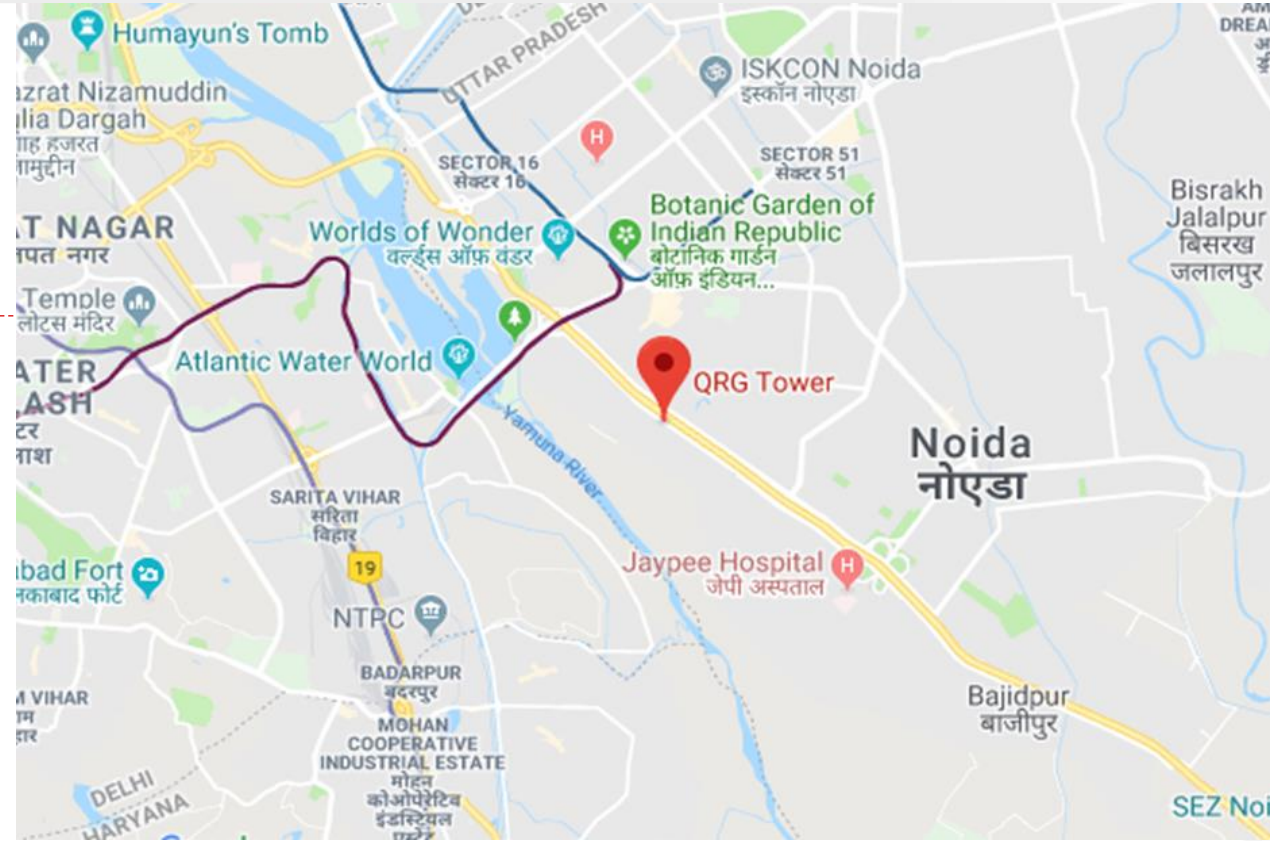
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