A Desire to NURTURE MANKIND
A Vision to STRENGTHEN NATURE
A Step towards SUSTAINABLE FUTURE
ABOUT THIS REPORT

The reporting framework used in this report is based on the ‘National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs)’ released by the Ministry of Corporate Affairs, Government of India, in July 2011, which contains 9 Principles and Core Elements for each of the 9 Principles.

This is Dabur’s detailed annual Business Responsibility Report for 2016-17 and the shorter companion report based on the format mandated by SEBI, is available for download on: http://dabur.com/in/en-us/investor/investor-information/business-responsibility-report-as-per-sebi-listing-regulations

This is Dabur’s sixth Business Responsibility Report, and is available for download on: http://www.dabur.com/in/en-us/investor/reports/brr.

This report is intended to transparently disclose our performance based on the principles provided in the NVGs and is meant for all our stakeholders. We welcome your thoughts, comments and feedback as this will allow us to improve on our reporting and disclosure standards.

If you would like to send us feedback about this report, please email to corpcomm@dabur.com.

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**Corporate Identity Number:** L24230DL1975PLC007908  
**Registered Office:** 8/3, Asaf Ali Road, New Delhi-110002, India  
**Website:** www.dabur.com  
**E-mail id:** corpcomm@dabur.com  
**Financial Year Reported:** 2016-17
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A Desire to
NURTURE MANKIND
A Vision to
STRENGTHEN NATURE
A Step towards
SUSTAINABLE FUTURE

It’s sustainable living that opens new avenues for a business. Establishing a relationship with nature will not just transform businesses into responsible organizations but also help them become more profitable in the long term. Utilizing the finite natural resources optimally is the first step towards creation of a sustainable society.

At Dabur, our endeavour is to maintain the perfect harmony between nature and mankind while we go about our business of delivering the best nature-based solutions for the everyday health and personal care needs of our consumers across the globe. Sustainability is not just written into the Dabur DNA, it is at the heart of our operations and also embedded in our products. Every action at Dabur is a step towards a sustainable future.
Dabur has always been recognised for its commitment to sustainability and ecological responsibility. As a company that delivers the fruits of nature to its consumers through its various products, Dabur considers sustainability at every level of its operating activities. We have embedded sustainability in every facet and function of the company. Our manufacturing processes and business are operated in a way that respects not only our local environment, but that of the wider world. We understand that how we do business today has a direct effect on the health of our planet tomorrow.

As the custodian of Ayurveda, Dabur has successfully transformed the over 5,000-year-old Ayurvedic texts, marrying them with cutting-edge Science to create a range of efficacious products for all generations. We have been relentlessly working towards preserving and protecting our valuable natural resources by managing them intelligently. As part of our biodiversity initiatives, we have today brought over 4,000-acres of land in India under cultivation of rare medicinal herbs and aromatic plants. This helps us not only maintain the quality of herbs that go into making our products, but also arrest the decline in population of these herbs, some of which are nearing extinction. With these initiatives, we have set the bar high and defined a path that’s not just right for the company but also right for the planet and its inhabitants.

Being sustainable is all about maintaining a perfect equilibrium between Environment, Economy and the Society. We attain this through an integrated, phased programme that creates long-term stakeholder value by generating Economic, Environmental and Social value. We are ambitious, but we are also practical. We have always strived to build a successful and sustainable business enterprise using the highest ethical standards in our workplace and our communities. As we evolve and expand our operations, the responsibilities towards the People and the Planet grow manifold. Given our over a century old expertise in environmental science and decades of experience in rolling out projects that benefit our communities, we have been driving this sustainability and development agenda in a way that it not just meets the current needs of our society but also enables future generations to meet their own needs.

This desire to nurture mankind and strengthen nature has helped us move many steps closer towards achieving a sustainable future.
Dear fellow stakeholders,

Dabur India Ltd is a Science-based Ayurveda company offering a range of Ayurvedic and Natural products to meet the daily health and personal care needs of billions of consumers across the globe. For the past 133 years, we have been marrying age-old traditional knowledge with cutting edge science to develop products that meet the ever-changing needs of our consumers across generations.

Since our inception way back in 1884, Dabur has been known for not just developing products and solutions that improve your daily life, but also for supporting sustainable progress and uplift the living standards for people and communities associated with us. Sustainability is an intrinsic part of the Dabur culture and rooted in our DNA. It is the basis of all ideas and initiatives that drive the way our business functions.

For Dabur, Sustainability will always remain a focus area, even when we face difficult business conditions.

The year 2016-17 was a tough year for both the industry and for Dabur. The business faced tough economic environment characterized by extreme volatility in currency, particularly in Egypt and North African markets, as well as crude-led economic turmoil in Saudi Arabia and the demand slowdown following demonetization of high value currency notes in India. Despite these headwinds, Dabur India Ltd ended the 2016-17 financial year with Consolidated Net Sales of ₹ 7,680 Crore and Consolidated Net Profit of ₹ 1,277 Crore.

Even during these turbulent times, we have made rapid progress on our Sustainability goals. At Dabur, we feel that economic growth and conserving our finite natural resources are not opposing goals. With a portfolio of products that draw from Nature, we understand that the fruits of nature are the very lifeline of our business. As we grow, we are setting bolder environmental performance goals that align with our business growth strategy.

It gives me great pride to present our sixth Business Responsibility Report. In the pages ahead, you will find all the details of our various Social and Environmental programmes that seek to enrich the lives of every community where we do business and leave a better planet for our future generations. During the year 2016-17, we substantially reduced our raw water consumption, effluent generation, solid waste and hazardous waste generation, besides cutting down GreenHouse Gas (GHG) emissions at all our manufacturing units across the country. We also successfully implemented a pilot project that helped increase the water table in a drought-prone district of Rajasthan.

At Dabur, we have a rich history of setting ambitious goals and successfully achieving them. Over the next two years, we are targeting to become Water Positive by promoting water stewardship throughout our value chain. Initiatives have been planned to improve
water management in water stressed areas where we operate across the globe, while helping communities gain access to clean potable water.

We have also implemented a number of projects, along with local communities in India and Nepal, to grow rare medicinal herbs. This has helped us take the lead in responsible sourcing of raw materials. This year, we have nearly doubled the area under cultivation of these medicinal herbs in India to over 4,000 acres across 12 states. Going forward, we will be rapidly expanding this project as part of our target to become Forest Positive.

Our aim is to make a real, positive impact on the health of our Society, including our employees and the communities where we operate. We have inculcated a strong safety culture within Dabur and are committed to achieving zero fatalities at our workplace. We have been working towards creating an environment where 7,000-plus strong Dabur family can maximize their capabilities and grow with the company as we progress on the road to achieving our business goals.

We have also been helping build stronger communities through our various CSR initiatives. Our CSR Policy is inspired by the noble thought of our founder Dr S. K. Burman, who said: “What is that life worth which cannot bring comfort to others.” This thought has been our guiding force as we roll out a series of interventions – from improving sanitation standards in rural households and hosting free Health Camps for the poor and needy to improving the learning experience and health of school-going kids in rural and urban India. These programmes aim at bringing about a measurable improvement in the quality of life of people living in and around our production and operation areas.

As you read through this report, I hope you’ll see that Dabur’s social and environmental programmes address fundamental issues that are important to people all over the world. I welcome your suggestions and feedback as we continue on the path of being a more responsible and sustainable organization that brings value to all our stakeholders and enriches lives.

On behalf of our Board of Directors, I would like to extend my gratitude to all our stakeholders for their support and contribution to our sustainability performance in 2016-17.

Sincerely,

Dr. Anand C Burman
Chairman
Dabur has always believed in the benefit of Ayurveda and has been tirelessly working towards spreading this goodness among our consumers. We have been deploying modern-day science to validate the benefits of various Ayurvedic preparations and medicinal herbs mentioned in our ancient textbooks.

DEDICATED TO THE HEALTH & WELL-BEING OF EVERY HOUSEHOLD
Dabur India Ltd is a packaged consumer products manufacturer in India with a range of Ayurvedic and Natural products that seeks to offer the holistic benefits of fruits of nature to our varied consumers across the globe. With a legacy of over 133 years, Dabur is today the oldest as well as the Most Trusted name in the field of Ayurveda and Health Care.

The Company ended the 2016-17 financial year with a Consolidated Revenue of over ₹ 7,680 Crore and Market Capitalization of around ₹ 48,856 Crore. Our wide range of Nature and Ayurveda-based products and medicines, backed by strong Research & Development helps us deliver on our motto of being ‘Dedicated to the Health and Well-Being of every household’ and meet the wellness needs of our billions of consumers across continents.

Dabur has always believed in the benefit of Ayurveda and has been tirelessly working towards spreading this goodness among our consumers. We have been deploying modern-day science to validate the benefits of various Ayurvedic preparations and medicinal herbs mentioned in our ancient textbooks.

As the custodian of Ayurveda and the country’s only Science-based Ayurveda expert, Dabur has been investing behind validating the benefits of Ayurveda and Ayurvedic ingredients and products through a series of scientific interventions. Cutting-edge science has been infused into this traditional knowledge to suit the needs and aspirations of the modern-day consumer.

Our in-house research wing is involved in every step of the product value chain – from bush-to-brand. We grow rare medicinal herbs to ensure that only authentic herbs form the ingredients of our various products. Detailed scientific tests and clinical trials are also conducted on ingredients and final products to ensure that each Dabur product meets the highest standards of quality. This marriage of traditional knowledge and modern day science has resulted in the development of several products that offer our consumers holistic health and well-being.

Over the years, Dabur has expanded its portfolio to include a host of Personal Care products. But Health and Nature continue to be the common threads that bind the entire portfolio. In India, our distribution network covers over 5.3 million retail outlets with high penetration in both urban and rural markets.

Dabur’s products have also acquired a global presence and are today available in over 120 countries. Our brands are highly popular in the Middle East, Africa, SAARC countries, the US, Europe and Russia. Dabur’s overseas revenues account for 30% of the total Turnover.

Founded in 1884, Dabur is a public limited company with its shares listed on premier stock exchanges of the country, viz. National Stock Exchange (NSE) and Bombay Stock Exchange (BSE).

Dabur’s FMCG portfolio today has five flagship brands: Dabur as the master brand for natural healthcare products; Vatika for natural personal care; Hajmola for digestives; Réal for fruit-based beverages; and Fem for fairness bleaches and skin care.

Dabur today operates in key consumer products categories like:
Health Care

With a heritage that goes back more than 133 years, Dabur is home to some of the oldest and most-loved Consumer Health Care brands like Dabur Chyawanprash, Hajmola, Dabur Honey, Pudin Hara, Dabur Lal Tail and Honitus, to name a few. A key player in the Preventive Health Care space with a portfolio of Ayurveda and Nature-based solutions, Dabur has played a key role in helping generations of consumers better manage their health and wellness.

This rich heritage and undivided focus on quality has helped Dabur occupy prime space in consumer’s minds when it comes to feelings of Health and Trust. We have also been voted as the Most trusted Ayurveda brand in India for four years in running, by TRA Research Private Limited.

Since its inception in 1884 in Kolkata, Dabur has been promoting Ayurveda and following its principals to develop products that meet the ever-changing needs of our consumers. As the custodian of Ayurveda and the country’s only Science-based Ayurveda expert, Dabur has been investing behind validating the benefits of Ayurveda and Ayurvedic ingredients and products through a series of scientific interventions.

In addition to the widest range of traditional Ayurvedic medicines, our Consumer Health Care portfolio today includes trusted brands of Health Supplements, Digestives and Over-The-Counter products for Women’s Health Care, Baby Care, Cough & Cold and Rejuvenation.

Personal Care

Building on our legacy and knowledge of Nature and natural ingredients, Dabur has been offering consumers a range of nature-based Personal Care solutions that offer beauty combined with health. Drawing from our incredible history, medicinal herbs and natural ingredients form the core of our Personal Care products that cater to the diverse and evolving needs of our consumers across the globe.

For the past over a century, Dabur has been offering consumers Natural and Ayurvedic Personal Care solutions with a range of products that cater to all age-groups. While a lot of companies have entered the fray with their natural offerings, consumers believe that the products from the House of Dabur are truly natural and offer the best nature-based solutions for personal care and grooming.

Dabur’s Personal Care business today covers Hair Care (with a range of Shampoos and Hair Oils), Oral Care (with Toothpastes and Toothpowder), Skin Care and Salon products.
Foods

Dabur’s Foods business caters to our consumer’s increased preference for a healthier lifestyle. Dabur pioneered the concept of packaged fruit juices in India with the launch of brand Réal in 1997, and today enjoys the lion’s share of this market. Réal has, over the years, emerged as the single largest brand for Dabur.

Our Foods business, also the youngest business at Dabur, today includes Packaged Fruit Juices & Beverages and Culinary Pastes. It is also one of the fastest growing verticals within Dabur.

Home Care

Home, they say, is where you heart is. At Dabur, our thrust has been on developing safe and swachh Home Care solutions for every household.

A relatively new vertical for Dabur, the Home Care portfolio includes Mosquito Repellents, Air Fresheners and Toilet Cleaners.
OUR VISION & PRINCIPLES

VISION
Dedicated to the Health & Well-Being of every household
PRINCIPLES

Ownership
This is our Company and we accept personal responsibility and accountability to meet business needs.

Passion for Winning
We all are leaders in our area of responsibilities with a deep commitment to deliver results. We are determined to be the best at doing what matters the most.

People Development
People are our most important asset. We add value through result driven training, while encouraging and rewarding excellence.

Consumer Focus
We have superior understanding of consumer needs and develop products to fulfill them.

Team Work
We work together on the principle of mutual trust and transparency in a boundary-less organization. We are intellectually honest in advocating proposals, including recognizing risks.

Innovation
Continuous innovation in products and processes is the basis of our success.

Integrity
We are committed to the achievement of business success with integrity. We are honest with consumers, with business partners and with each other.
Our contribution to a more sustainable world covers every aspect of our business, from what we develop and how we manufacture to how we deliver. At Dabur, we feel that sustainability is about balancing economic growth, environmental stewardship and social responsibility. Our objective is to maximize returns for our investors and stakeholders while minimizing the environmental impact of our operations and helping the communities where we operate.
waste generation on the one hand and recycling the waste generated and its utilization within the plant. Three of our buildings – the Corporate office in Gurugram (Haryana), and a Manufacturing unit each in Baddi (Himachal Pradesh) and Rudrapur (Uttaranchal) are Leadership in Energy and Environment Design (LEED) India certified.

We realize that the natural world has come under increasing stress due to population growth, urbanization and climate change. The United Nations estimates that if the consumer trends and demographic expansion continue their current path, we will need two planets to meet the demand by 2050. Because our survival as a species depends on natural resources, Dabur has been working towards preserving this invaluable gift, and helping it multiply and flourish.

Plants comprise an important element of our planet’s ecosystems, and Dabur has been working towards enhancing this green cover. We involve the local farmers, tribal and forest-based communities in this exercise, training them on sustainable cultivation and, in the process, helping them enhance their earnings.

Social Sustainability is the third dimension of our Triple Bottom Line philosophy. It may be the least quantifiable part of sustainability, but it is still the most important when it comes to making an impact on people’s lives. At Dabur, Social Sustainability covers aspects both within the company and outside. Within the organization, it involves prominent matters such as Human Right, Diversity, Health & Safety. Outside the company, it involves development and welfare of communities where we operate. It is also reflected in Product Responsibility, including product performance, safety, and standards.

“What is that life worth which cannot bring comfort to others”

This thought by our founder Dr. S. K. Burman ensured that Social Sustainability always remained an integral part of the Dabur culture.

Dabur has in place a high-level team, comprising representatives from multiple functions relating to sustainable development, to monitor and effectively deliver on the Company’s Triple Bottom Line performance. This core group met four times during the 2016-17 financial year to analyses sustainability and community development related opportunities and initiatives.
From our inception in 1884 in a small pharmacy in Kolkata, Dabur India Ltd has now grown to become the world’s largest Natural and Ayurvedic products maker that specializes in delivering holistic health and well-being to highly diverse consumers across the globe. Our operations today cover over 120 countries in six continents.

As a global player, the Company perceives and regularly monitors several risks in its operations that could impact its business. These range from Environmental Issues to Poverty, Conflict to Discrimination and Economic Disparity. Our endeavour are not just to identify these risks and manage them but also seek an opportunity in every risk.
RISK MANAGEMENT SYSTEMS

The Risk Management System at Dabur India Ltd is an integral part of the comprehensive planning, controlling and reporting systems, and serves as a beacon for our strategic planning and decision-making process. We pursue a holistic, integrating approach when it comes to Risk Management that help us manage significant risks to the entire Group – covering all its legal entities, subsidiaries, business units and corporate functions – holistically.

In today’s world, the business scenario can be defined as being fraught with VUCA, i.e. Volatility, Uncertainty, Complexity and Ambiguity. VUCA manifests itself in the form of currency devaluations, political uncertainties, increasing regulatory complexities and even cyber risks in the digital world.

In this complex world, it becomes even more imperative for us to take a holistic approach to proactively identifying risks and work towards mitigating them. At Dabur, risk assessment is undertaken based on likelihood of occurrence and possible impact per the levels Low, Medium and High. This assessment metric is pre-defined and approved by the Risk Management Committee.

Risk Registers are categorized into Critical and Non-Critical with High and Medium Risks forming part of Critical Risk Register while Low Risks form part of Non-Critical Risk Register. Each unit and business division is responsible for identifying the probably risks in their areas of operation, which is then escalated to the management level. The Risk Department coordinates with all Corporate functions, Units and Zonal Offices, seeking updating of existing Risks as well as identification of new, emerging risks in their respective areas if any. All updates received are discussed with Chief Risk Officers for their inputs before being presented to the Management Committee every quarter.

The mitigation plan for each risk is decided in consultation with the functional team and finalized in discussion with the Management Committee and the Risk Management Committee. The progress on implementation plan is monitored regularly, and a final presentation is made to the Risk Management Committee (headed by Independent Director) and to the Board of Directors.

This risk management structure has been in place for six years now and is being continuously monitored by Management Team, Risk Management Committee and Audit Committee. To ensure adequate Internal financial control, a strong and independent Internal Audit function at the corporate level carries out risk focused audits across all businesses.

Our Risk Management System ensures that any new project, prior to its approval, must necessarily undertake a business risk assessment. Even entry into any new category or a new product launch requires vigorous business risk assessment.

This holistic approach to risk management and reducing both financial and non-financial risks are important aspects of operating business at Dabur. All through its 133-year-long journey, Dabur has remained relevant to the changing needs of its consumers. We intend to stay relevant and competitive in the future too by proactively tracking the potential risks and anticipating any new or emerging trends. A disciplined approach towards risk management and control, we feel, is important in a transnational organization like ours and helps us thrive in an increasingly dynamic and changing business environment.

Our efforts and clearly defined measures towards effective risk management helped us bag the award for Best Risk Management Practice in the FMCG category for 2016. The award was presented at the third India Risk Management Awards, organized by CNBC TV18. This award recognizes firms that have significantly added to the understanding and practice of Risk Management.

The selection process included analysis of company data, systems and frameworks of the organization. Dabur was also awarded ‘The ICSI National Award for Excellence in Corporate Governance’ for 2016 by The Institute of Company Secretaries of India, for its implementation of exemplary practices in Corporate Governance, Board Structure and Processes, CSR and Sustainability, Stakeholders Value Enhancement and Transparent and Disclosure Compliances.
RISK MANAGEMENT COMMITTEE

A Risk Management Committee was established under the Board of Directors to regularly monitor the emerging risks and the initiatives to mitigate the same. The composition of the Risk Management Committee, headed by an Independent Director, is given below:

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<th>Name of the Director</th>
<th>Category</th>
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<tbody>
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<td>Dr. Ajay Dua</td>
<td>Independent Director</td>
<td>Chairman</td>
</tr>
<tr>
<td>Mr. P. N. Vijay</td>
<td>Independent Director</td>
<td>Member</td>
</tr>
<tr>
<td>Mr. Amit Burman</td>
<td>Non-Executive Promoter Director</td>
<td>Member</td>
</tr>
<tr>
<td>Mr. P. D. Narang</td>
<td>Executive Director</td>
<td>Member</td>
</tr>
<tr>
<td>Mr. Sunil Duggal</td>
<td>Executive Director</td>
<td>Member</td>
</tr>
<tr>
<td>Mr. A. K. Jain</td>
<td>V-P (Finance) &amp; Company Secretary</td>
<td>Member &amp; Joint Chief Risk Officer</td>
</tr>
<tr>
<td>Mr. Lalit Malik</td>
<td>Chief Financial Officer</td>
<td>Member &amp; Joint Chief Risk Officer</td>
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The Risk Management Committee is responsible for ensuring the effectiveness of the risk management framework of the Company, focusing on the strategic risks and reviewing the progress of the mitigation plan. It meets every quarter to assess and review the various risks and the actions taken to mitigate those risks. This Committee, along with the Management Committee, has defined the risk tolerance and appetite levels for the Company. It reviews, assesses the quality, integrity and effectiveness of the Risk Management plan and systems and ensures that the risk policies and strategies are effectively managed by management and that risks taken are within the agreed tolerance and appetite levels.

CHALLENGES & OPPORTUNITIES

The Company identifies and evaluates several risk factors and draws out appropriate detailed mitigation plans for the same. In order to remain competitive and ensure sustainable success, the potential risks and opportunities arise from Political, Economic & Regulatory environment, Exchange Rate fluctuations, Technology Changes, Environment, Competition and the Health & Safety of our personnel. Following are some of the Sustainability risks considered identified by us from a business perspective and our approach towards addressing them.

Political & Macroeconomic Environment

The past couple of years have been tough for the FMCG industry in India with the sector facing severe headwinds. Demand growth for packaged consumer products remained muted as consumers, particularly in rural India, tightened their purse-strings. Despite good Monsoon and a largesse announced by the government for the hinterland, consumer sentiments remained low. The geopolitical disturbances and resultant decline in growth in key countries and regions also impacted sales. Demonetization of high value currency notes in November 2016 further depressed sentiments and led to massive amount of destocking across the entire trade channel.
In these challenging times, Dabur has been working towards maintaining its Profit Margins. We counter the considerable economic risks with proactive production planning, structural adjustments and cost flexibility. The impact of geopolitical disturbances in some key manufacturing locations like Nepal were mitigated through development of alternate manufacturing facilities in India and Sri Lanka. This ensured de-risking of our Foods business and establishment of an alternate Supply Chain for the business, which helped the business report strong growth.

Dabur has always been at the forefront of compliance and is known for its transparency and initiatives towards good Corporate Governance.

The Company also responded to the emerging challenges in the domestic market by changing its marketing mix with a greater focus on consumer promotions while deploying innovative consumer engagement programmes both in rural and urban markets. In the hinterland, we reached out to our consumers through a variety of on-ground initiatives that give them the opportunity to touch, feel and experience our products. Such initiatives were crafted around the local Melas, and helped us not just build awareness about our products but also induce trials. Special rural specific Low Unit Price (LUP) packs have also been introduced for Hair Care and Oral Care brands to drive demand in the hinterland.

Targeting the urban consumers, influencer or advocacy programmes were rolled out, specially in the social media to interact with these young and forever-connected consumers and make them our brand ambassadors, resulting in credible and user generated word-of-mouth publicity for our brands and products.

Compliance & Regulatory Framework

India’s Regulatory Environment is undergoing several structural changes with the Indian regulations being modified to reflect the developments in the Western world. To cite a few recent examples, the new Indian Accounting Standards (Ind-AS) have replaced the existing standards since 1 April, 2016, which in turn affect the accounting processes of companies operating in the country. The unified Goods and Services Tax (GST), touted as the most ambitious tax reform since Independence, is all set to be introduced from 1 July, 2017. The government has also unveiled fresh guidelines for determination of Place of Effective Management (POEM). The new Income Computation and Disclosure Standards (ICDS) have also been notified to help compute taxable income of assessee following mercantile system of accounting, especially corporates.

As regulatory reforms continue, the focus on regulatory compliance will only grow and given the relentless pace of change with advancement in technology and information boom, companies must be abreast with the changes in the global landscape.

Dabur has always been at the forefront of compliance and is known for its transparency and initiatives towards good Corporate Governance. Corporate Governance and transparency in action are of high priority for Dabur and the Burman family. The Company has not only followed all the legal and regulatory requirements, but also developed Corporate Governance guidelines for itself. We regularly monitor all applicable statutory compliances through compliance tool and report any non-compliance to the board along with the action plan.

As an organization, we believe in preparing for the new proposed regulations well in advance. For instance, we had engaged an external consultant and completed the impact analysis of the pre and post-GST scenario, much ahead of the regulation being approved and notified. We had also completed the groundwork regarding amendments in our IT infrastructure to ensure a seamless transition to the new tax regime. We continuously monitor the regulatory environment to anticipate potential problem areas so that we are able to quickly adjust our business activities upon any change in conditions.

Currency Fluctuations

Several economies witnessed steep currency devaluations during the year 2016-17. This frequent fluctuation in currencies across the world is becoming a new normal. The Turkish Lira, for instance, weakened to a record low against the US Dollar during the financial year. The Nigerian Naira also tumbled to new lows.

Dabur is today a transnational enterprise with nearly a third of its business coming from various overseas geographies. Sales and incurred costs are denominated in currencies other the Indian Rupee of the US Dollar, and therefore the reported financial numbers of the Company are impacted by currency fluctuations. Translation exposure relates to sales and cost incurred in foreign entities when converted into Indian Rupee upon consolidation.
While most of these currency devaluations were triggered by geo-political disturbances in the respective regions and markets, the demand growth in the local economies continued to remain strong. Despite the weak currency, Dabur has been working towards growing demand and has reported strong local currency sales during the year in its key overseas geographies. We have also been working towards making business in risk-prone countries self-sufficient and reliant in terms of currency exposures.

**Environment & Climate Change**

Climate Change and Global Warming are the greatest challenges staring at our generation today. It’s a global challenge that impacts everybody. The recent developments in the form of extreme temperatures, rising sea levels and weather-related disasters are putting a heavy strain on biodiversity and the livelihood of millions of farmers across the country. The increasing stress on these finite natural resources has made businesses more conscious about the impact of their business activities on the environment.

At Dabur, we believe that responsible use of energy and natural resources will be critical for our planet to survive. In order to mitigate the impact of climate change, we are committed to reducing our absolute energy consumption and CO₂ emissions, while adopting clean energy, recycling waste and working towards increasing bio-diversity by involving local communities.

At Dabur, we have a two-pronged science-based approach towards Environment Sustainability. On the one hand, we have been working towards reducing the environmental impact of our operations, particularly energy use, water use and waste output, besides targeting the primary source of GHG emissions. We continuously endeavour to reduce our carbon footprint from our operations to help us achieve energy and emission optimization.

We have also taken steps to reduce water consumption in our manufacturing operations. Effluent Treatment Plants (ETP) have been established at manufacturing units to recycle and reuse water and to ensure that no water is discharged outside the boundary. We have a detailed Occupational Health, Safety and Environment (OHSE) Policy that sets the overall direction of Dabur’s aspiration towards achieving environment performance excellence by setting objectives, measuring progress and communicating results. In the year 2016-17, our productivity improvement and energy saving initiatives resulted in savings of ₹ 3 Crores.

The second pillar of our Environment Sustainability programme is biodiversity conservation. At Dabur, we have put in place major interventions across the country to not only preserve the nation’s rich biodiversity, but also ensure a sustainable future for local forest-based communities.

Our biodiversity initiative today covers nearly 4,000 acres of land across India. We have joined hands with local NGOs to promote sustainable cultivation practices and land use to benefit farmers, communities and nature, while finding solutions for protecting rare and endangered medicinal plant species. Our continuous efforts have helped revive a host of these endangered species and established a sustainable source of livelihood for several forest-based communities.
Counterfeit Products

Counterfeit or spurious products has today emerged as a global problem of enormous scale, impacting almost every sector. In India, the presence of counterfeit is specifically high in Fast Moving Consumer Goods (FMCG), causing billions of rupees of losses to the industry and the government. A study by KPMG and Federation of Indian Chambers of Commerce and Industry (FICCI) indicated that sales of fake consumer goods are growing faster than the overall consumer products market.

Advances in colour photocopying, duplication and printing technology have made it possible to make ‘perfect’ replicas of fast-selling original products. Fake products sport the same name, colour, pattern and design on the packaging, in the same font and style. In addition, the market -- particularly in rural India -- is also flooded with pass-off products that incorporate a few deliberate and minor mistakes to avoid being called counterfeits. Their packaging, colour and design is similar to the original brand to mislead or cheat the uneducated consumers.

Industry estimates put the loss to the exchequer because of FMCG counterfeiting at anywhere between ₹ 27,500 Crore and ₹ 45,000 Crore. In addition to the significant economic loss, the widespread availability of counterfeits also has serious health and safety consequences on the consumers because counterfeiters rarely comply with health and safety regulations. The spurious products also impact a product’s brand image, and consequently sales.

Dabur has been targeting the spurious and counterfeit products manufacturers with a multi-pronged strategy. We have been working with local authorities across states to target manufacturers of spurious products as also label printers in a planned manner. In the last one year alone, our efforts have led to over 134 raids by local authorities across nine states, and have led to seizure of goods worth over ₹ 7 Crores.

We have also been regularly changing and upgrading our product packaging. A lot of effort also goes towards educating the consumer, particularly in the hinterland, on identifying lookalikes. At the rural Haats and Melas, our promoters interact with the consumers and help them understand and experience genuine Dabur products. At Dabur, we have also established a Brand Protection Cell with a dedicated email id, where consumers, employees and business associates can share information about any spurious or counterfeit product that they might have seen in the market place.

Dabur is a member of FICCI’s Committee Against Smuggling and Counterfeiting Activities Destroying Economy (CASCADE) and has been working along with industry peers towards addressing the issue of counterfeits. The Committee, along with government entities such as Department of Consumer Affairs, Central Board of Excise & Customs and Economic Offences Wing of the Delhi Police, works towards creating awareness among consumers as also finding effective solutions to this problem.

Employee Health & Safety

Ensuring the health and safety of all employees is a core value and essential to successful operations in any organization. Every individual deserves to be treated with dignity and to have their rights respected. A strong safety record is good for employees and equally good for business. Companies must provide its employees with a safe work environment that supports both physical health and mental well-being.

With over 7,000 members worldwide in the Dabur family, we seek to demonstrate leadership in safety. Our employees are our greatest assets, and we place their health and safety above everything else. Our safety vision is to achieve zero fatalities and no serious injuries, with continual modifications and improvements to both the work processes and operations.

Occupational health and safety management are key elements of our sustainable corporate strategy. The Dabur top management is committed to ensuring that our people stay safe and healthy. Towards this end, the Company has framed a detailed Occupational Health, Safety and Environment (OHSE) Policy that’s applicable to all our facilities and lays out all aspects of safety to be considered while at work.
During the year 2016-17, Dabur continued its certification for ISO 9000:15000, ISO 14000:15000 & OHSAS. To ensure focused delivery on Environment, Health & Safety (EHS) initiatives, quarterly EHS Meets were conducted at the Jammu Unit with an EHS improvement plan at the manufacturing level. The focus is on building an engaged EHS culture where the expectations from all employees are clear, people are trained, interventions are welcomed and consequences are understood. Our initiatives were recognized with the Company being awarded the GreenTech Safety and Environment Gold Award 2016.

Fire Safety continues to be a key area and Dabur is committed to achieve and maintain globally approved Fire Safety Standards at all its units. We are in the process of installing best-in-class fire and smoke detection technology at our units. All units are equipped with dedicated fire-fighting cure team members. Regular trainings are conducted at all production units to improve overall health and safety awareness.

All actions and recommendations are recorded and evaluated through an online in-built software called ‘EHS Management Tracking System’. This system has helped in reducing workplace hazards/incidents and will help Dabur become an incident-free organization.

Dabur seeks to make a positive impact on our employees’ quality of life, and offers targeted health programmes to guard against workplace-related risks. We believe that maintaining a strong and healthy workforce enables us to stay focused on our goals and dedicate our energies towards development of quality products for the Health & Well-Being of our every household.

With over 7,000 members worldwide in the Dabur family, we seek to demonstrate leadership in safety. Our employees are our greatest assets, and we place their health and safety above everything else.

Information Security

Information Technology (IT) forms the backbone of any organization with key functions and operations depending on it. In a world where technology is undergoing a transformative change with every passing day, and where cloud along with mobile are changing the ways organizations operate, information security is becoming paramount.

During the course of their day-to-day functioning, employees have access to a variety of data and information, which includes production plans, investment strategies and new product launches. At Dabur, we have put in place safeguards to ensure that information is not misused in any way.

A robust IT security system has also been put in place to guard ourselves from the information security threats that the Internet has helped usher along. With the growing threat of companies losing information over the Internet, it has become increasingly important for
companies to protect their digital assets from loss or unauthorized access. Strict vigilance is maintained in all offices and manufacturing locations regarding entry of laptops, mobile phones, hard drives and pen drives. We have been working towards raising awareness of our employees regarding managing their information, and have put in place a policy regarding employees’ use of social media. Real time back-up of SAP and e-mail data is also undertaken, thereby ensuring business continuity.

As part of our business, we acquire information from consumers to enable us to deliver great products that help meet their specific needs and aspirations. As an organization, we are committed to respecting consumer privacy and ensure that we manage and use confidential information appropriately.

**Competition**

The demand for Ayurvedic and natural products has been growing at a steady pace with more and more consumers embracing these products. This category has, of late, seen heightened activity with the entry of new players, both domestic and international.

Dabur has always believed in the benefit of Ayurveda and has been spreading the goodness among our consumers in India with a range of Ayurvedic products. We have been, for the past over a century, developing and successfully introducing products based on Ayurveda to cater to the ever-changing needs of the consumer. We are one of the very few players in the Ayurvedic and Herbal space today.

Dabur has highly differentiated brands in the market, and nearly all its products are based on natural and Ayurvedic ingredients. While a lot of companies today offer Herbal or Ayurvedic products, Dabur enjoys the consumer’s trust having the longest Ayurvedic heritage and consumers’ trust for more than 133 years. Dabur, as a brand, evokes feelings of trust, health & well-being in the consumer’s mind. Dabur has, in fact, been ranked as the Number 1 Ayurveda brand in India for the fifth year in running, by TRA Research Private Limited. This speaks volumes about the trust that consumers place on brand Dabur.

Dabur has been marrying the age-old Ayurvedic heritage and traditions with cutting-edge scientific prowess. We have a strong in-house research wing that follows a ‘bush-to-brand’ approach. This research wing also undertakes detailed tests on individual ingredients and products to ensure that the final product meets customer needs and aspirations and is compliant with regulatory standards.

Dabur has also established in-house nursery, which grows several rare herbs that go into various products, and is probably the only company which is involved in both classical or ethical as well as OTC (Over-The-Counter) formulation research for close to 40 years now.

Dabur adheres to the Government of India Competition Policy which protects the interests of consumers and producers by promoting and sustaining a fair competition. There have been no legal actions on anti-competitive behaviour, antitrust and monopoly practices on the Company.
Dabur India Ltd is today the world’s largest natural and Ayurvedic products maker, delivering holistic health and well-being to a highly diverse set of consumers spread over 120 countries across six continents. Across all our businesses and operations, we have been working towards achieving profitable growth in an ethical, environmentally and socially responsible manner.

Our stakeholders are vital to our business; and stakeholder engagement, we feel, is the foundation of every sustainable business model. At Dabur, we believe in maintaining an open, honest and clear communication with our stakeholders. We have mapped our internal and external stakeholders in a structured way. All organisations and individuals that are affected by our operations and that can potentially impact our sustainability and growth have been identified as key stakeholders of the Company, and we carry out engagements with them on a regular and ongoing basis.

Our key stakeholders are:
- Employees (both current & prospective)
- Shareholders & Investors
- Business Partners
- Consumers
- Community

In addition, we also regularly engage with:
- Industry Associations
- Regulatory Authorities
- Key Opinion Leaders
### EMPLOYEES

**Current Employees**

<table>
<thead>
<tr>
<th>Activity</th>
<th>Engagement Approach</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Career Development Centre</td>
<td>Specially instituted for providing career development and advancement opportunities for our employees</td>
<td>Annual</td>
</tr>
<tr>
<td>Young Manager’s Development Programme</td>
<td>A nine-month cross departmental training programme for Management Trainees that gives the young recruits real-time exposure to various markets and Channels</td>
<td>Annual</td>
</tr>
<tr>
<td>‘Umang’, our Intranet and Corporate Social media platform</td>
<td>A communication tool that’s used to share information about latest developments within Dabur as also our various policies</td>
<td>Ongoing</td>
</tr>
<tr>
<td>‘Pulse’, our employee engagement platform</td>
<td>A web-based platform created to ease their functioning; reflects the changes made throughout the organization in response to employee feedback</td>
<td>Ongoing</td>
</tr>
<tr>
<td>‘Utsav’, our annual employees’ family outing</td>
<td>An annual get-together across units and locations covering all employees to strengthen the bond and togetherness between the Company and employees’ families</td>
<td>Annual</td>
</tr>
<tr>
<td>‘Applause’, the employee rewards &amp; recognition programme</td>
<td>A rewards programme that provides instant gratification for excellent work and path-breaking ideas; Motivates our employees to innovate and improve their performance</td>
<td>Half-Yearly</td>
</tr>
<tr>
<td>Inter-division Cricket tournament</td>
<td>A team spirit-building exercise that also helps employees stay fit and active while pursuing their hobbies and passions outside work</td>
<td>Annual</td>
</tr>
</tbody>
</table>

**Prospective Employees**

<table>
<thead>
<tr>
<th>Activity</th>
<th>Engagement Approach</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Academic Relationships &amp; Career Days in campuses</td>
<td>Engages prospective employees and help them understand the Dabur Culture from the alumni of their institute</td>
<td>Annual</td>
</tr>
<tr>
<td>Campus DREAMS (Dabur Reach-out for Engagement &amp; Awareness in Marketing and Sales)</td>
<td>An outreach initiative that helps us better reach out to potential employees in leading campuses and engage them in the process of launching new products</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Plant &amp; R&amp;D visits</td>
<td>Engages students, particularly from Ayurveda colleges, and helps them understand the Science behind Dabur’s Ayurvedic range of products</td>
<td>Ongoing</td>
</tr>
</tbody>
</table>
### SHAREHOLDERS & INVESTORS

<table>
<thead>
<tr>
<th>Activity</th>
<th>Engagement Approach</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual General Meeting</td>
<td>Reach out to retail investors and give them an opportunity to interact directly with the top management and the Board of Directors</td>
<td>Annual</td>
</tr>
<tr>
<td>Investor Conference Calls</td>
<td>Interact with investors and update them about developments within the company, including the Quarterly Results, new product introductions</td>
<td>Quarterly</td>
</tr>
<tr>
<td>One-to-One interactions and Investor meets</td>
<td>To address investor specific queries about Dabur and its performance</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Press Releases and Presentations</td>
<td>To disseminate information about latest development with regards to new product introductions and new initiatives both at the Corporate and the brand level</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Published Result Announcements</td>
<td>Publish Quarterly Results in leading English and Vernacular dailies to disseminate information about the Company’s performance</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Annual Report</td>
<td>A published document that provides detailed information about Dabur, its financials and non-financial activities</td>
<td>Annually</td>
</tr>
<tr>
<td>Dabur website</td>
<td>Provide latest updates about developments at Dabur by posting all information, including investor call transcripts, investor presentations, press releases and Quarterly results</td>
<td>Ongoing</td>
</tr>
</tbody>
</table>

### BUSINESS ASSOCIATES

<table>
<thead>
<tr>
<th>Activity</th>
<th>Engagement Approach</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dealer Meets &amp; Conferences</td>
<td>A forum to engage our partners, inform them about the new initiatives at Dabur and reward excellence</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Dealer Management System</td>
<td>Systems to enable stockists across India and help them establish seamless business transactions</td>
<td>Ongoing</td>
</tr>
</tbody>
</table>
### CONSUMERS

<table>
<thead>
<tr>
<th>Activity</th>
<th>Engagement Approach</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Call Centre &amp; Consumer Cell</td>
<td>A dedicated system to help consumers reach out to Dabur for any product related queries and complaints</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Consumer Activations, Participation in exhibitions &amp; Events</td>
<td>A platform to reach out to our consumers across markets to help them experience Dabur products, spread awareness about product benefits and disseminate information about differentiating between a spurious product and a genuine Dabur product</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Focused Group Discussions</td>
<td>A platform to better assess the changing needs of our consumers and gauge their aspirations that help us develop products to suit their changing needs</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Dabur Website</td>
<td>Provide latest updates about developments within Dabur and information about new products</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Digital Platforms &amp; Social Media</td>
<td>Engage consumers with activities and spread information about both new products and key benefits of existing products; Disseminate information regarding Ayurvedic health care and natural beauty care</td>
<td>Ongoing</td>
</tr>
</tbody>
</table>

### COMMUNITY

<table>
<thead>
<tr>
<th>Activity</th>
<th>Engagement Approach</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Development &amp; Engagement</td>
<td>Meetings with community leaders and members to identify programmes basis their specific needs and implementation of these development activities</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Engaging with local NGOs</td>
<td>Participate in development activities along with local NGOs to generate additional income for local and forest-based communities while upgrading their skill sets</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Health Camps</td>
<td>Health camps organized across the country to provide free consultancy to the poor &amp; needy</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Student visits</td>
<td>Engage with students to help them understand the importance of Ayurveda and spread awareness about various community development initiatives</td>
<td>Ongoing</td>
</tr>
</tbody>
</table>
### INDUSTRY ASSOCIATIONS

<table>
<thead>
<tr>
<th>Activity</th>
<th>Engagement Approach</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participation in industry and cross-industry groups</td>
<td>Undertake regular meetings and involved in special task forces of sub-industry group committees to discuss various emerging issues and topics</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Public Policy advocacy</td>
<td>Help contribute to the development of sound public policy by providing accurate information about our industry and our activities</td>
<td>Ongoing</td>
</tr>
</tbody>
</table>

### REGULATORY AUTHORITIES

<table>
<thead>
<tr>
<th>Activity</th>
<th>Engagement Approach</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multi-stakeholder meetings</td>
<td>Participate in multi-stakeholder public processes, sharing thought leadership to assist them in formulating policies and regulatory frameworks that promote as well as protect the interest of our stakeholders and the industry at large</td>
<td>Ongoing</td>
</tr>
</tbody>
</table>

### KEY OPINION LEADERS

<table>
<thead>
<tr>
<th>Activity</th>
<th>Engagement Approach</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blogger Meets</td>
<td>Engage with bloggers to disseminate information about various products, create awareness about health benefits of specific natural ingredients and involve them in spreading information about topical ailments and natural remedies</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Plant visits</td>
<td>Engage Ayurvedic medical professionals to create awareness about the Science behind various Ayurvedic medicines and the unwavering focus on Quality raw materials</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Training programmes</td>
<td>Engage beauty professionals and salon workers to educate them about the latest in beauty care, besides teaching them best skin care practices and informing them about the emerging beauty trends</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Media Interactions</td>
<td>Regular interactions and visits organized with the media to inform them about the financial and no-financial developments within the company</td>
<td>Ongoing</td>
</tr>
</tbody>
</table>
Dabur believes in transparency in action and this transparency is an essential ingredient when it comes to building trust with our stakeholders. Every stakeholder is given the opportunity to voice their opinion or share their concerns, and their feedback is always considered and queries addressed in a time-bound manner.

Information on cases filed by any stakeholder against Dabur India Ltd regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending at the end of financial year 2016-17 are provided in the following table:

<table>
<thead>
<tr>
<th>Details</th>
<th>Number of cases filed in the last 5 years</th>
<th>Number of cases pending at the end of 2016-17</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alleged unfair trade practices</td>
<td>0</td>
<td>0</td>
<td>No case was filed against the Company</td>
</tr>
<tr>
<td>Alleged irresponsible advertising</td>
<td>5</td>
<td>0</td>
<td>All 5 complaints disposed of</td>
</tr>
<tr>
<td>Alleged anti-competitive behaviour</td>
<td>0</td>
<td>0</td>
<td>No case was filed against the Company</td>
</tr>
</tbody>
</table>
Ethical action, we feel, is the cornerstone of sustainable success. As a publicly traded Company, Dabur India Ltd is committed to conduct business with integrity and ensuring adherence to all laws and regulations and achieving highest standards of Corporate Governance. High standards of governance, we feel, are key to maintaining the trust of investors and all our stakeholders. At Dabur, all sustainability-related structures, processes and management systems are not just integrated into the way we do business, it is a part of the Dabur DNA.
Our responsibilities go beyond our own Company as we work towards ingraining our values in the relations with all our employees, customers, partners and across our supply chain. Being a value-driven organization, Dabur ensures that business is conducted in an ethical and responsible way.

The Dabur culture seeks high standards of ethical behaviour, individual accountability and transparent disclosures from its employees, Directors and Business Associates. The name Dabur evokes the feeling of 'Trust' in the minds of our consumers and investors. We believe that good corporate governance practices will further enhance this trust that Dabur has earned in its past 133 years of operating with honesty and integrity.

We have put in place clear and effective governance structures that are supported by standards, policies and controls. The Board of Directors is the highest governing body in Dabur and it is guided by the company's corporate governance principles, code of ethics and charters for each board committee.

The promoter family believes that they have a trusteeship role to follow both in terms of perpetuating the family business and in preserving and growing the business. The family is not engaged in day-to-day management of the Company and have restricted their representation on the 12-member Board to 4 members.

**OUR GOVERNANCE STRUCTURE**

Dabur has a three-tier Corporate Governance Structure that is based on the principles of freedom and accountability to create long-term shareholder value. The three pillars of this structure are:

- **Board of Directors:** The Board of Director's mission is to represent the interest of all its shareholders in the long-term health and the overall success of the business and its financial strength. The board supervises the management of Company’s business and affairs.

- **Board Committees:** Committees such as the Audit Committee, Risk Management Committee and CSR Committee assist the Board in fulfilling its responsibilities. They focus on financial reporting, audit & internal controls, compliance issues, critical assessment & review of large capacity expansions, besides implementation and monitoring of Dabur’s CSR activities.

- **Management Committee:** Comprising the Chief Executive Officer (CEO), Chief Financial Officer (CFO) and Business Heads, this committee reviews and monitors day-to-day business operations of the company and inform the Board about the important developments.

**BOARD COMPOSITION**

The Board of Directors of Dabur India Ltd is committed to conducting the Company’s business ethically and in accordance with the highest standards of Corporate Governance. The composition of the Board complies with the provisions of the Companies Act, 1956, and the Listing Agreement.

The Dabur culture seeks high standards of ethical behaviour, individual accountability and transparent disclosures from all

Our Board consists of 12 members comprising of the Chairman, who is a Non-Executive Promoter Director, two Executive Directors, three Non-Executive Promoter Directors and six Non-Executive Independent Directors, including a woman Director. The Independent Directors are highly capable individuals with diverse global management perspectives, and have been chosen for their business and financial acumen, integrity and independent judgement. Dabur is also among the first Indian business houses to induct a woman Director on its Board.
Detailed information about each Board member and their Appointment Letters are available in public domain in the Investor Relations section of the Company website. The composition of the Board at the end of the 2016-17 financial year is as follows:

<table>
<thead>
<tr>
<th>Name of the Director</th>
<th>Category</th>
<th>Designation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr. P.N. Vijay</td>
<td>Independent Director</td>
<td>Chairman</td>
</tr>
<tr>
<td>Dr. Ajay Dua</td>
<td>Independent Director</td>
<td>Member</td>
</tr>
<tr>
<td>Mr. R.C. Bhargava</td>
<td>Independent Director</td>
<td>Member</td>
</tr>
<tr>
<td>Mr. S.K. Bhattacharyya</td>
<td>Independent Director</td>
<td>Member</td>
</tr>
<tr>
<td>Dr. S. Narayan</td>
<td>Independent Director</td>
<td>Member</td>
</tr>
</tbody>
</table>

**Audit Committee**

**Nomination & Remuneration Committee**

**Shareholders Relationship Committee**

At Dabur, we believe that the Board of Directors plays a crucial role in the governance structure of the Company. The board addresses significant business issues as a full group and through five committees:

- Audit Committee
- Nomination & Remuneration Committee
- Shareholders Relationship Committee
- Corporate Social Responsibility Committee
- Risk Management Committee

The membership of each committee is listed in the Investor Relations section of the company’s website. The number of members and responsibilities of the committees are reviewed periodically and the Board may, from time to time, choose to either add a member and/or establish a committee for a specific purpose. The structure and composition of the various committees under the board are depicted below:

The Company conducts Familiarization Programme for its Independent Directors
The Company conducts Familiarization Programme for the Independent Directors to enable them to get acquainted with the Company, its management and its operations so as to gain a clear understanding of their roles, rights and responsibilities. This helps them contribute significantly towards the growth of the Company. The Independent Directors are given full opportunity to interact with senior management personnel and are provided with all the documents required and/or sought by them to have a good understanding of the Company, its business model and various operations and the industry.

**MANAGEMENT COMMITTEE**

The Management Committee, which comprises the CEO and the Business Heads, monitor and review monthly performance of the Company and its various business divisions. They also address any challenges that are faced by the business, draw strategies and review the progress of various initiatives and risk mitigation strategies of the Company.

The Management Committee is also entrusted with the task of keeping the Board informed about important developments that may have a bearing on the operational and financial performance of Dabur. This ensures that the Board of Directors is well-informed and well-equipped to fulfil its overall responsibilities.

In addition, the Company has also formed various ‘Management Committees’ consisting of Executives from multiple functions to support effective management of our various business needs. These include:

- CSR Management Committee
- Health, Safety and Environment Committee

**GREEN GOVERNANCE**

In line with our corporate philosophy of being a Green Enterprise, Dabur has now gone Green with Governance too. As part of our Go Green initiative, the Company has been holding and convening its Board (including Committee) meetings in a paperless form, using iPads. All agenda papers concerning the meetings, including presentations, are uploaded on a web-based programme for information, perusal and comments of the Board and Committee Members. This has considerably reduced use of paper.

Our Annual Report has also largely shifted to the e-format with many shareholders receiving a soft copy of the Annual Report through emails. Even with the printed version, we promote recycled paper as part of our conservation efforts.
BUSINESS ETHICS

Over the past 133 years, Dabur has built a reputation for Trust and Integrity by doing business the right way. As we continue to grow our business both in India and across the globe, we ensure that ethical behaviour remains the foundation of all our business practices.

The core values of honesty, integrity and respect for people are reflected in our business principles, which strictly govern the way we work. We emphasize on highest standards of professional integrity internally and in our dealings with third parties, based on merit and qualifications, without consideration to race, nationality, gender, age, disability or any other distinctive trait.

We have put in place policies and procedures that reflect our commitment to high standards of business conduct. These policies are publicly available on the Company’s website at http://www.dabur.com/en-us/investor/corporategovernance/policies and on the Dabur Intranet for all employees to read and understand. The contact details of the Key Managerial Personnel (KMPs) at Dabur have also been placed in public domain on the Company website, in compliance with the listing obligations.

This section gives details of the key policies that govern all our Directors and Employees and guide the way the Company engages with its stakeholders.

Code of Ethics & Conduct

As a transnational enterprise with over 7,000 employees and presence in over 120 countries worldwide, Dabur is fully committed to complying with local laws and regulations as well as applying a strict global Code of Conduct to all employees. All Dabur employees, Directors, business associates and anyone acting on behalf of the Company must follow the Code of Ethics & Conduct, which describes the behaviour Dabur expects of individuals.

As part of its commitment to upholding the highest ethical standards of corporate behaviour, a strong and well-articulated Code of Ethics & Conduct has been adopted. It covers the Board members and members of the Management Committee, and all employees in and above Officer level across all our offices and units, group companies and Dabur’s CSR arm SUNDESH.

This code, which is a commitment to ethical professional conduct from every Director and employee of Dabur, consists of imperatives formulated as statements of personal responsibility, identifies the elements of such a commitment and contains many issues that employees are likely to face. The code is intended to serve as a basis for ethical decision-making in the conduct of professional work. It also serves as a basis for judging the merit of a formal complaint pertaining to violation of professional ethical standards.

All employees at Dabur are expected to read and understand this Code of Ethics & Conduct, uphold these standards in day-to-day activities and comply with all applicable standards, policies & procedures of the company. It is modified and updated to keep it in line with changing regulatory norms.

Under this code, all employees are also expected to create a harassment-free, congenial and trustworthy environment at their respective workplace. We supplement our code with detailed policies on aspects such as anti-harassment, whistle-blower protection and other issues concerning our workplace.

Direct Touch: Whistleblower & Protection Policy

As a company, Dabur has strict zero tolerance on corruption. The company believes in conducting its business by adopting highest standards of professional integrity, honesty, ethics and legal compliances. Demonstrating the highest standards of transparency, Dabur put in place a Direct Touch Policy in 2002, which has established a mechanism for all stakeholders (including directors, employees & their representative bodies, business associates and security holders) to express and report their concerns about instances of illegal or unethical business practices at the workplace, without the fear of reprisal.

The vigil mechanism (or Whistleblower & Protection Policy) includes misconduct with respect to discrimination or sexual harassment. It was instituted to help the organization eliminate any malpractices in the system, and create a fearless environment for our employees and business associates to report
any instance of unethical behaviour. This policy
also provides for adequate safeguards against
victimization of employees and other stakeholders
who avail this mechanism.

Like the Code of Business Conduct, the Whistleblower
Policy is designed to encourage ethical behaviour by
all employees and provides details and procedures for
submitting a report. Though the Whistleblower Policy
generally allows only employees to report malpractices,
we have gone beyond and covered our business
associates as well. We do not require people to identify
themselves and even allow anonymous reporting.

This policy defines and lays down the process for
raising a Complaint, the safeguards that have been put
in place for the person raising a complaint, the roles
and responsibilities of all stakeholders, and sets the
timelines for all processes to be followed.

A dedicated committee, consisting of three
senior personnel, is responsible for addressing
each complaint raised. A dedicated team makes
recommendations on corrective actions to the
management, which then acts on it immediately.
The functioning of policy is periodically reviewed
by the Audit Committee of the Board of Directors,
suitable amendments made as required and the
same communicated to all employees. This policy has
also been uploaded on the Company’s website for
effective circulation and implementation.

During the 2016-17 financial year, one complaint was
received under the provisions of the Direct Touch
policy. This complaint was investigated and no merit
was found in it.

**Prevention of Sexual Harassment at Workplace**

We have zero tolerance towards sexual harassment
and any act of sexual harassment invites serious
disciplinary action. Our employment rules clearly
stipulate prohibition of sexual harassment. In line
with this, Dabur has formulated a Prevention of Sexual
Harassment Policy. This policy and its provisions have
been made known to all employees throughout
Dabur’s global operations.

Under this initiative, employees can report sexual
harassment at the workplace. An internal complaints
committee, headed by a woman, looks into all concerns
of sexual harassment. Following is a summary of sexual
harassment complaints received and disposed of
during the year:

- No. of complaints received: Nil
- No. of complaints pending at the end of 2016-17
  financial year: Nil

**Prevention of Insider Trading**

Dabur has a comprehensive Code of Conduct for
Prevention of Insider Trading under SEBI (Prohibition
inside information and insiders in accordance with the
requirements of this regulation. In compliance with
the requirements the SEBI regulation on prevention of
Insider Trading, Dabur has instituted a comprehensive
Code of Conduct for its Directors, Management and
Officers that lays down guidelines, advises them on
procedures to be followed and disclosures to be made
while dealing with shares of Company, and cautioning
them of the consequences of violations.

The code clearly specifies that Directors and specified
employees of the Company can trade in the shares
of the Company only during ‘Trading Window Open
Period’. The trading window is closed during the time
of declaration of Results, Dividend and material events,
etc. as per the code. The Company Secretary is the
Compliance Officer.

**Code of Corporate Disclosure**

Dabur is committed to fair disclosure of any information
about the Company and its initiatives, which if
published is likely to materially affect the price of shares
of the Company. To preserve the confidentiality of
unpublished price sensitive information and to prevent
misuse of such information, Dabur has put in place a
Fair Disclosure code that applies to all employees.

This code has been put up on the Dabur Intranet for all
employees to read, understand and adhere to. Our Fair
Disclosure code prohibits the selective disclosure of
material, non-public information about the Company,
and sets forth certain procedures that will help prevent
such selective disclosure.

The Company has designated the Company Secretary
as Chief Investor Relations Officer (CIRO) to deal
with dissemination of information and disclosure of
Unpublished Price Sensitive Information (UPS) first to
the Stock Exchanges. We also observe a ‘Silent Period’,
during which we do not comment on any matters
pertaining to the financial outlook for the Company.
This silent period normally begins from the beginning
of the month of each fiscal quarter and continues until
earnings results are publicly released.
To disseminate information about the Company, we use methods reasonably designed to provide broad, non-exclusionary distribution of the information to the public, which includes Press Releases, Investor Conference Calls, Webcasts and the filing of periodic and other reports with the Stock Exchange. In addition, the quarterly results are published in leading English and Vernacular dailies.

**Disclosure of Information under Listing Regulations**

Dabur has formulated a Policy on Disclosure of Information Under Listing Regulations, which requires disclosure of any event or information that the Board of Directors considers as material. The Policy is intended to ensure compliance with the applicable Listing Regulations.

Under this, any individual event or information that are considered to be significant to the operations and performance of the Company and deemed to be material will be reported to the Stock Exchange. These include events or information that may have a financial impact of ₹100 Crore on Sales or ₹50 Crore on Profit After Tax, and events involving an amount of ₹100 Crore or more. Even events or information based on non-financial impact, like new product launch or commencement of commercial production, would be first disclosed to the Stock Exchanges.

As a company, we expect the strictest compliance with this Policy by all Directors, Officers and Employees.

**Investors Policy**

At Dabur, we have formulated an Investors Policy to ensure equal and simultaneous flow of quality information to investors and analysts about developments at Dabur. This ensures that all investors get fair access to information about matters concerning the Company.

In accordance with the Code of Corporate Disclosure Practices, only public information is provided to the analysts, research persons, large investors like institutional investors etc. In case the information being shared is confidential and/or not yet public, then the same is also simultaneously made public by informing the Stock Exchanges.

Dabur communicates with all its investors and analysts through one-on-one meetings and quarterly conference calls, webcasts of our quarterly conference calls and by attending group analyst meetings and conferences. In addition, Dabur publishes an Annual Report, quarterly reports and Press Releases.

This policy also covers Investors Services and shareholder complaints redressal. To provide efficient services to investors and to ensure speedy redressal of their complaints, the Stakeholders Relationship Committee has been empowered to undertake work relating to transfer and transmission of shares and other matters like split-up/sub-division, and consolidation of shares, issue of new certificates on rematerialization, consolidation, exchange and duplicate share certificates.

During the 2016-17 financial year, the Company received 16 shareholder complaints and all of them were closed satisfactorily. Details of complaints received and resolved by the Company during the year are given below:

<table>
<thead>
<tr>
<th>Nature of complaint</th>
<th>Pending as on 31.03.2016</th>
<th>Received during FY 2016-17</th>
<th>Disposed Of during FY 2016-17</th>
<th>Pending as on 31.03.2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-receipt of certificates lodged for Transfer/Transmission, issue of Duplicate shares</td>
<td>Nil</td>
<td>9</td>
<td>9</td>
<td>Nil</td>
</tr>
<tr>
<td>Non-receipt of Dividend</td>
<td>Nil</td>
<td>5</td>
<td>5</td>
<td>Nil</td>
</tr>
<tr>
<td>Dematerialization/Rematerialization of shares</td>
<td>Nil</td>
<td>0</td>
<td>0</td>
<td>Nil</td>
</tr>
<tr>
<td>Others (Non-receipt of bonus shares/POA/change of signatures/ address etc.)</td>
<td>Nil</td>
<td>2</td>
<td>2</td>
<td>Nil</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>Nil</strong></td>
<td><strong>16</strong></td>
<td><strong>16</strong></td>
<td><strong>Nil</strong></td>
</tr>
</tbody>
</table>
Related Party Transactions

At Dabur, we understand that related party transactions can present potential or actual conflicts of interest. The Company has formulated a Policy on Related Party Transactions, which is reviewed by the Audit Committee from time to time. This policy defines the approval mechanism and reporting of transactions between the Company and its related parties.

It regulates the transactions between the Company and its related parties with a view to ensure that such transactions are executed on an arm’s length basis and in a transparent and fair manner. Each Director and Key Managerial Personnel at Dabur is responsible to inform the Board about persons and entities that are considered ‘Related Parties’. This Policy has been communicated to all operational employees and other concerned persons of the Company and placed on the Company’s website.

Policy on Material Subsidiary

Dabur has framed a Policy on Material Subsidiary, in accordance with the listing obligations, to determine the material subsidiaries of the Company and to provide the governance framework for such subsidiaries. Under this policy, when the Income or Net Worth of any subsidiary exceeds 20% of the Consolidated Income or Net Worth respectively of the listed entity, it will be considered a material subsidiary.

Dabur’s Audit Committee will review the financial statements and the investments made by a material unlisted subsidiary. This Policy has been disclosed on the Company’s website and a web link to the same is also disclosed in the section on Corporate Governance Report of Dabur India Ltd’s Annual Report.

Preservation of Documents

Dabur India Ltd has formulated a Policy on Preservation of Documents to govern the maintenance and preservation of documents as per applicable statutory and regulatory requirements. This policy has been framed with objective of classifying various documents, records and registers for the purpose of maintenance and preservation. This policy has been approved by the Board of Directors, and can be modified or amended by the Board.

Under this policy, all documents, records and registers have been classified into two categories:

- Documents that need to be preserved permanently
- Documents that need to be preserved for a period of not less than 8 years

This policy also mandates the Company to make available on its website a set of documents for a period of up to 5 years, arranged as per financial year.

Dividend Policy

Dabur’s Dividend Policy gives the guidelines to decide how much of our earnings will be paid out to shareholders. The Dividend Payout Ratio, which is reviewed every two to three years, has been fixed at 50% of the Company’s Net Profit for the year. The board, after considering factors like future capital expenditure, acquisition and contingency funds, recommends the Dividend for the year. Dividends are declared at the Annual General Meeting of the shareholders based on the recommendation by the Board of Directors.

In addition, Dabur has also formulated:

- CSR Policy, which is a declaration of our intent to contribute to creating a better and self-reliant society.
- Occupational Health, Safety and Environment Policy, which reflects our commitment towards providing a safe system of work as an employer and a contractor.

Details of these policies have been provided in following sections of this report.

INFLUENCING PUBLIC & REGULATORY POLICY

Dabur is a member of various industrial and trade bodies like CII, FICCI, ASSOCHAM, PHD Chamber of Commerce & Industry, Indian Beverage Association etc. and it is also a part of various task forces and forums within these trade bodies. Company actively participates in these forums on issues and policy matters that impact the interest of our stakeholders. The Company prefers to be part of policy development processes and hence, actively participates in all related forums, but has not been lobbying on any specific issue. In the past, we have participated in forums pertaining to:

- Corporate Governance
- Consumer Interest
- Tackling Counterfeiting

Details of these policies have been provided in following sections of this report.
The Fast Moving Consumer Goods (FMCG) sector is the fourth largest sector in India and provides employment to around three million people, accounting for approximately 5% of the total factory employment in the country. After remaining somewhat resilient to the overall economic turbulence for nearly two years, the FMCG sector faced severe demand headwinds in 2016-17. Despite softening of Inflation and announcement of the new Pay Commission report a year earlier, offering substantial wage hikes for millions of government employees, household consumption of fast-moving consumer goods slipped. With rural India still smarting under the impact of three years of deficient monsoons, rural consumption also stayed muted during 2016-17. The government’s demonetization move also severely impacted trade during the year.
As a transnational enterprise with a range of products that are consumed by billions across the globe daily, Dabur closely monitors the external environment and changing consumer preferences and responds accordingly with its products, sales and marketing strategies and production capacity expansion plans. As the overall business environment remained challenging, Dabur too faced severe headwinds. The overseas geographies like Middle East and Africa were hit by worsening geopolitical situation, economic slowdown and currency devaluation. The domestic demand went into a tailspin following the government’s move to demonetize high-value currency notes.

The big trend that’s increasingly gaining momentum in the FMCG market is the growing consumer acceptance of herbal and Ayurvedic products. The herbal or natural wave has been gaining traction, driven in part by resurgent pride in India, Indian culture and Indian products, particularly among the youth. The Indian youth today take more pride in their heritage and are more willing to embrace products that offer the tried-and-tested benefits of traditional Ayurveda, but in modern day and contemporary formats.

PERFORMANCE HIGHLIGHTS 2016-17

At Dabur, we continue to pursue a prudent growth strategy and have taken steps to effectively manage the emerging risks and challenges. We are moving steadily with our focused strategy, positioning Dabur as the ‘Science-based Ayurveda’ specialist, and aggressively launching new products leveraging the Ayurvedic heritage and cutting edge modern-day science.

We have been tirelessly working towards making traditional Indian knowledge available in a form that appeals to the modern consumer. Our efforts have not only helped make Ayurveda relevant for the modern-day consumer but also made it convenient to consume these formulations that are otherwise difficult to prepare.

The highlights of Dabur India Ltd’s performance during fiscal 2016-17 on a consolidated basis are:

- Net Sales were at ₹ 7,680.1 Crores in fiscal 2016-17 as compared to ₹ 7,850.7 Crores in 2015-16, lower by 2.2%
- Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) increased by 4.1% to ₹ 1,807.3 Crores in 2016-17, up from ₹ 1,735.5 Crores in 2015-16
- Profit After Tax (PAT) increased to ₹ 1,277 Crores in 2016-17, up 2.1% from ₹ 1,251.1 Crores in 2015-16
- Diluted Earnings Per Share (EPS) increased to ₹ 7.2 in 2016-17 from ₹ 7.1 in 2015-16

Our business structure is divided into three baskets:

Consumer Care Business:
This covers Health Care (HC) and Home & Personal Care (HPC) businesses and accounts for 54% of Consolidated Sales

Foods Business:
Comprising Packaged Fruit Juices and Culinary Products, this segment accounts for 12% of Consolidated Sales

International Business:
A mix of Dabur’s organic overseas business as well as the acquired entities of Hobi Group and Namaste Laboratories LLC, this segment accounts for 30% of Consolidated Sales

For details about the company’s annual financial performance, please refer our Annual Report 2016-17, which is also available on the Company website.
by demonetization. Chart 6 shows the category-wise breakdown of our Indian FMCG Business.

Combating the tough economic environment, Dabur has taken some prudent steps to control costs and improve its bottom line. Commodity prices remained stable for most of the year and this further helped in keeping the financial bottom line stable. Given the fluid market situation, Dabur built greater flexibility in its manufacturing and took steps towards improving productivity, while keeping a strict eye on its environmental commitments.

In preparation to meet the potential of sales in the Indian market in the future, Dabur expanded its manufacturing presence in India by setting up a new state-of-the-art production unit in Tezpur (Assam). With this, Dabur’s manufacturing units are now spread across 13 locations. During the year 2016-17, a host of initiatives were undertaken across our manufacturing units to add production capacity while bringing down cost and reducing our impact on environment through conservation of energy and reduction of wastages.

Innovation and new product launches help keep up the excitement in the market place and are equally essential to keep the consumer interest alive. The year 2016-17 saw Dabur move ahead on the road to contemporizing Ayurveda and promote the science and principles of Ayurveda among modern-day consumers. Strengthening its presence in the Ayurveda and Natural Health Care products market in India, Dabur launched Honitus Hot Sip, an Ayurvedic kadha (cough and cold remedy). Honitus Hot Sip is a mix of 15 Ayurvedic herbs that have been used to provide relief from cold and cough, since ages. The Honitus cough syrup was also introduced in a mixed fruit flavored variant. The year saw the launch of India’s first Ayurvedic Gel toothpaste under the Dabur Red Toothpaste brand. Dabur also announced the launch of Madhurakshak Activ, an advanced product for effective management of Diabetes. The product, developed by Ministry of Ayush, is backed by several clinical studies to bring forth the most advanced formulation combining traditional Ayurveda with cutting-edge science.

Continuing the initiative to introduce innovative products, the company launched a range of Honey Fruit Spreads in four exotic fruit variants -- Strawberry, Plum, Exotic Berries and Kiwi. These spreads contain honey & real fruits. Dabur also launched two new variants in Honey -- Honey-Ginger and Honey-Tulsi, a mixture of Honey with Ginger and Tulsi, which have always been used for cough relief.

A host of new personal care products, particularly in the hair oil market, targeting the value conscious consumers were launched in 2016-17. These include Dabur Brahmi Amla hair oil and Dabur Anmol Coconut Jasmine hair oil. Dabur also expanded its presence in the professional skin care market with the launch of two specialized salon products – OxyLife Tan Clear and OxyLife Pro-Youth Pure Oxygen Facial.

The year 2016-17 saw Dabur move ahead on the road to contemporizing Ayurveda and promote the science and principles of Ayurveda among modern-day consumers.

The Real Wellnezz range was expanded during the year with launch of Amla Plus 100% Juice in addition to the Jamun variant which had been launched last year.

Ensuring that our supply chain conforms to the highest standards of quality and sustainability is a key objective for Dabur. It is this unwavering focus on quality and safety that has helped our brands to be ranked high on consumer trust levels year after year.
FINANCIAL PERFORMANCE AT A GLANCE

All data in ₹ Crores

Note: FY16 and FY17 data is as per Ind-AS. FY13-FY15 data is as per IGAAP

| Basis Ind-AS |

Sales

<table>
<thead>
<tr>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
</tr>
</thead>
<tbody>
<tr>
<td>6,146</td>
<td>7,073</td>
<td>7,806</td>
<td>7,851</td>
<td>7,680</td>
</tr>
</tbody>
</table>

EBITDA

<table>
<thead>
<tr>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,097</td>
<td>1,288</td>
<td>1,474</td>
<td>1,735</td>
<td>1,807</td>
</tr>
</tbody>
</table>

Profit After Tax (PAT)

<table>
<thead>
<tr>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
</tr>
</thead>
<tbody>
<tr>
<td>763</td>
<td>914</td>
<td>1,066</td>
<td>1,251</td>
<td>1,277</td>
</tr>
</tbody>
</table>

Shareholders’ Funds

<table>
<thead>
<tr>
<th>FY13</th>
<th>FY14</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,095</td>
<td>2,666</td>
<td>3,354</td>
<td>4,171</td>
<td>4,847</td>
</tr>
</tbody>
</table>
Responsible management of natural resources in our operations has been a part of the way we do business since our inception in 1884. As a company offering a portfolio of products based on Nature and natural ingredients, Dabur has always sought to operate its business with a strong regard for environmental sustainability.
As we have grown over the years, we have established a formal programme to not just reduce our water and energy use but also conserve our natural resources but help it grow. With the changing climate and increased stresses on finite natural resources, an ever-growing number of consumers, associates and external stakeholders want to be informed about and engaged in our efforts towards Environment Sustainably. Our initiatives have been put in place to not merely comply with regulations but to responsibly take care of the Planet, preserve its beauty and resources for future generations.

At Dabur, we understand that for companies to sustain their success, they must act in environmentally and socially responsible manner while growing its business economically. Dabur has a proud tradition of innovation, not just in product development but also in Environmental Sustainability. By using resources such as energy and water more efficiently, and reducing waste, we seek to improve our environmental sustainability while also controlling operating costs. We work to address environmental considerations across the life-cycle of our products, from our agricultural supply chain to how our products are packaged and transported. Through our various initiatives, we ensure that we continue to improve long into the future.

ENVIRONMENT MANAGEMENT

At Dabur, we strive to consistently improve environmental performance of our manufacturing operations, products and supply chain. We believe that our vision of Sustainable Development and Environment Conservation can be achieved more effectively through a structured and systematic approach. Reflecting our commitment towards better environment performance, we have a dedicated department to manage the different aspects of our environmental performance. The management regularly reviews the parameters related to environment and the progress of our various initiatives is monitored periodically.

Today, environmental concerns are gaining prominence the world over. The financial year 2016-17 saw a host of new Environmental Regulations come into force. The Central Ground Water Board Regulation 2016, new Solid Waste Management Rule 2016; Plastic Waste Management rule 2016; e-waste Management Rule 2016; and online effluent discharge monitoring system with real-time sharing of data on CPCB websites were some of the new regulations that came into force this year.

Conscious of its responsibility and role to play, Dabur stays steadfast on its resolve to meet the emerging regulations and has been investing in making the work environment free from different emissions, be it solid, liquid or air. During the year, investments have been made across our production units to meet the new regulations. These have been in line with our commitment to achieve best Environmental Pollution Control measures on the 3Rs (Reduce, Reuse & Recycle) philosophy.

Thanks to our continuous progress and results, Dabur is seen as the flagbearer when it comes to meeting the ground water regulations and plastic waste rule regulations in the FMCG industry, and has been consistently setting an example for others. We are closely working with Central Ground Water Authority (CGWA) & Confederation of Indian Industries (CII) towards ensuring success of these new regulations. A detailed assessment drive has also been initiated with the help of third party to identify any gaps and find the way forward to meet Extended Produced Responsibility (EPR) for Plastic Waste Management (PWM) Rule in the coming months.

To achieve its commitment on Environment and minimize the overall impact on natural resources and the Environment, Dabur has greatly reduced raw water consumption, effluent generation, solid-waste generation, hazardous waste generation, besides achieving reduction in GreenHouse Gases (GHG) emissions. Besides, all the manufacturing unit comply with and are being monitored online for all Environment, Health & Safety (EHS) related legal statutory requirements, as laid down by the Government from time to time.
Dabur is today a Product Carbon Footprint (PCF) Certified company from TUV NORD for three products – Dabur Chyawanprash, Dabur Honey and Réal Juices. It has been decided to continue this certificate and assessment audits for the financial year 2017-18, which will help us in declaring our product carbon footprint.

During the year, Dabur continued its certification for ISO 9000:15000, ISO 14000:15000 & OHSAS. The Company has put in place dedicated EHS team, both at corporate and site level to take care of all environmental issues arising out of company activities. A single Integrated Management System (IMS) manual has been identified as the future roadmap to develop the overall health, safety and environment framework for Dabur.

To ensure focused delivery on our EHS activities, we conducted quarterly EHS meets at the Jammu unit with an EHS Improvement Plan at the manufacturing level. The focus is on building an engaged EHS Culture within the organization, where expectations are clear, people are trained, interventions are welcomed and consequences are understood.

Through continuous efforts, collaborative tools and innovative solutions, Dabur has made significant progress in improving the environmental efficiency of its operations and reducing the energy and carbon intensities. Our achievements under the Environment indicators (FY 2015-16 to FY 2016-17) are:

- **24%** reduction in Ozone Depleting Substances
- **24%** reduction in Greenhouse Gas emissions
- **47%** reduction in hazardous waste generation
- **11%** less raw water consumption with reduction in effluent generation
- **9%** increase in treated effluent reuse/recycle
All production units of Dabur today comply with zero liquid discharge system, have minimized usage of petroleum products by modifying boilers into bio-fuels boilers and have achieved drastic reduction in air emissions. Following is a summary of show cause/legal notices received from CPCB/SPCB during the year:

- No. of show cause/legal notices received: Nil
- No. of show cause/legal notices pending (i.e. not resolved to satisfaction): N/A

**CONSERVATION OF ENERGY**

Energy consumption is one of the main causes of GreenHouse Gas emissions and, as a result, climate change. Our primary environmental focus in our supply chain is reducing GHG emissions due to raw materials use, manufacturing and product transportation. We also strived to improve energy management in our corporate office.

All our operations factor energy management in their business plans and implement technologies and systems that could improve energy usage. We believe that a significant impact can be made from reducing wastage of energy and increasing energy efficiency.

Dabur has a history of proactive leadership in addressing both the challenges and opportunities presented by climate change and energy conservation. All through our journey, we have been taking actions aimed at reducing our energy consumption through improvements to our production facilities and our products, besides through joint actions with our suppliers and business associates. Even to transport our products, we choose partners who are dedicated to sustainability and are socially conscious.

As part of our continued efforts towards energy conservation, we have been increasing the amount of renewable energy we use, while recycling the waste generated during production across all our units. We also regularly seek opportunities to increase the use of recycled material as production inputs. We recycle herbal waste generated during production and use them as fuel for our boilers. Non-hazardous waste generated during production is recycled and reused within the plants as fuel for boilers, thereby reducing our fossil fuel consumption. We have invested ₹ 289.9 lakhs on energy conservation equipment during the 2016-17 financial year.

Some of the activities carried out during the year towards energy conservation are:

- Installation of Vacuum Circuit Breaker and Power factor monitoring Panel
- Installation of energy efficient lighting fixtures, and replacement of conventional tubelight with LED tubes
- Steam generation through waste dry herbs & bio-briquettes
- Use of Solar energy for lightening roads
- LED/Solar lights & transparent sheets installed in plants
- Incorporation of steam condensate recovery system to recycle condensate recovered after steam usage
- Replacement of HSD Fuel Boiler with the Briquette Fuel Boiler
- Installation of turbo wind ventilators in packing material, finished goods and herbs store

These measures not only reduced maintenance time and cost, but also led to consistency in quality and productivity improvement. During the year, these steps resulted in total energy savings of ₹ 5.61 lakhs.

In addition, several steps were taken for utilizing alternate sources of energy. These include replacement of CFL and tube fittings with LED luminaries inside the production unit and on external roads in the Narendrapur unit; replacement of 700 conventional fluorescent tubes with LED lights in the Sahibabad unit; installation of 310 LED lights in the Pantnagar unit and installation of 2,946 LED lights in the Tezpur plant. These measures have led to total energy savings through of ₹ 6.2 lakhs during the year.
WATER CONSERVATION

Water is the most valuable natural resource for life and thriving ecosystems, and is increasingly becoming a scarce commodity, particularly in India, with several parts of the country facing acute water shortage. Reducing water consumption and improving water quality are important elements of environmental stewardship at Dabur. Riding on our initiatives, Dabur has targeted to become Water Positive in two years.

Water conservation is an integral part of the Environment Management System at Dabur India Ltd, and we have developed a water management strategy that provides guidance on how we drive water efficiencies and reduce water usage at our facilities. We closely monitor water use at our factories, and all units of Dabur today comply with zero liquid discharge system. During the year 2016-17, we have rolled out a unique water conservation initiative in Rajasthan, involving the community, as part of our efforts to assure the protection of water resources.

Ground water is a major source of water for Dabur and we are committed to conserving it. A detailed action plan has been developed to recharge run-off & rooftop water available at Sahibabad unit. Dabur has invested more than ₹ 2 Crore in FY 2016-17 at its Sahibabad unit and constructed 19 surface/rooftop rainwater recharge harvesting pits, which will recharge more than 3,00,000 Kilolitres of rainwater back to the ground. In line with the new Ground water management guidelines of Central Ground Water Authority/Board (CGWA-CGWB), Dabur has already commenced the gap assessment study and applied for CGWA NOC across the Company.

As part of our water conservation initiatives, we are now working towards protecting water resources in water-stressed areas, and also aiming for significant water-balancing. The first of these projects was rolled out in the villages of Newai block in Tonk district of Rajasthan.

Rajasthan is known as one of the driest states in the country. Despite receiving very low amounts of rainfall and that too concentrated in just 3-4 months every year, Rajasthan belies the image of a desert region. The reason behind this phenomenon is that the society here has developed and nurtured a strong tradition of water conservation. While the efforts may have weakened over the years, it has still not been entirely swept away.

The State Government has launched the Mukhya Mantri Jal Swavlamban Abhiyan to ensure effective implementation of water harvesting and water conservation related activities in rural areas using a holistic approach. Dabur joined this initiative in 2016-17 financial year with a novel water conservation programme in the Newai block of Tonk district in Rajasthan. The intent was to improve the sustainable livelihood of the poorest and excluded communities in the area by strengthening their access to water and technology as well as management capacities. The project also sought to reduce the hardships...
faced by the community in the event of a drought by offering cost-effective, eco-friendly and community-based interventions towards Water Harvesting, Water Conservation, recharging of tube wells and plantation.

Rolled out along with Society to Uplift Rural Economy (SURE), this project aims to help significantly increase the water table in the region. A baseline survey was conducted in six villages in the block, basis which three villages – Palai, Aliabad and Maharajpura – were selected for rolling out the initiative.

A Nadi (pond) was dug up in the region with a capacity to store 65 lakh litres of water. With the good monsoon in 2016, this Nadi is now completely functional and is emerging as the main source of water for villagers for the domestic use and irrigation purposes, besides serving as a watering hole for non-domesticated animals. Herbs were also planted along the banks of the Nadi to increase the green cover in this arid region.

Under this project, a drinking water facility was also developed for the community with the construction of four Tankas (wells) in different villages. Each Tanka, with a capacity to harvest 32,000 litres of water, has a cemented catchment area for collection of rain water and one handpump for drawing water. Through this project, we also sought to increase the groundwater level by recharging tube wells. Under this, 15 tube wells were recharged with the construction of a cemented container-cum-pipeline set-up to store rain water. Dabur also planted 100 trees on the periphery of the pond to increase the green cover in this arid region.

Dabur also planted 100 trees on the periphery of the pond to foster sustainable livelihood in the district. This project has helped recharge ground water in the region and also ensured uninterrupted water supply to 765 families in 3 villages of Newai block.

The project has already brought a smile on the faces of the beneficiary villagers as they now have access to water for irrigation even during the dry periods. The project has helped increase the water table in the region by around 8-10 feet and collected nearly 3,000 cubic metre of rain water, which was continuously delivered to the tube wells. Due to constant availability of water and recharge of tube wells, the farmers in the region have could successfully cultivate wheat, barley and vegetables, in addition to mustard, this year, besides resulting in a significant reduction in cost of irrigation. According to initial estimates, this timely intervention has resulted in a nearly 20% increase in production and helped improved an average farmer’s earnings by nearly ₹ 50,000.

**EFFLUENTS & WASTE**

Waste management is a major challenge that can be solved through innovative thinking and concerted efforts. We continuously seek to prevent and minimize generation of waste at our production units. Our endeavour is also to improve initiatives for its use, such as reusing and recycling. This is part of our constant efforts to find ways to bring about change that will positively impact the environment without compromising our operational standards.

All units of Dabur today comply with CPCB/MOEF guidelines, specially on waste water treatment. All trade and domestic effluents are segregated through an independent treatment system. During the year, we installed seven sewage treatment plants at different locations to treat domestic effluent (Sewage & Canteen Waste) as per CPCB guidelines with 100% utilization of treated water back to the garden.

Dabur has been installing water efficient technology as well as best effluent treatment systems, like Reverse Osmosis (RO)/Ultra-Filtration (UF) plants, at its production units to re-introduce treated water into the system and re-utilize it. During the year, two fully automated RO/UF plants were installed at Sahibabad and Rudrapur units, which can convert up to 6,50,000 Litres/day of treated effluent for recycle and reuse purposes.

Dabur’s Sahibabad unit has introduced colour removal filter (CRF) at its final stage of effluent treatment with the help of a leading German Polymer supplier, ensuring that the treated water is free from any colour.

During the year 2016-17, we have recycled 100% of the herbal waste generated during production, using this waste as fuel for boilers. Also, non-hazardous waste generated during production is recycled and reused within the plants as fuel for boiler, which reduced our fossil fuel consumption. We also have established a biogas plant to generate methane from waste which
is then used in canteen as fuel. We have also provided for separate treatment for domestic effluent (sewage & canteen waste). Under E-waste Management Rule 2016, Dabur sold around 2 MT of e-waste to approved e-waste recyclers.

We are also working with our packaging suppliers and third party service providers to seek opportunities to create recycling stations for consumer waste.

**GREEN BUILDINGS**

Dabur is a leader in green building and among the first few manufacturing companies in India to qualify for Leadership in Energy and Environmental Design (LEED) certification green building standard for our manufacturing units.

We are committed to the sustainable design of our facilities and have included green building design principles into our buildings on a case-by-case basis. Year after year, we have been innovating on improving energy performance of our buildings, be it the Corporate offices or the manufacturing units.

Three of our buildings – the office building in Gurgaon (Haryana), besides a manufacturing unit each in Baddi (Himachal Pradesh) and Rudrapur (Uttaranchal) have been awarded the LEED India rating. The two manufacturing units were, in fact, among the first industrial buildings to get this prestigious rating.

**TRANSPORTATION & SUPPLY CHAIN**

Our supply chain is amongst the most diverse in the industry; from the small farmers who sell their produce to us to the large suppliers, partners and transporters. At the end of financial year 2016-17, we had a supplier base of 15 direct suppliers.

At Dabur, we take pride in the fact that we apply the same principles of fairness and transparency in our dealings with them. We have laid down robust sourcing processes and procedures that include competitive bidding and detailed evaluation of new suppliers before their inclusion in our supplier list. A rigorous screening process is also followed while entering into a business relationship to ensure that our vendors comply with the relevant laws safeguarding labour rights and human rights. Our Direct Touch Whistleblower & Protection Policy covers our business associates and supply chain partners, and we seek their commitment to comply with all applicable laws, respect human rights and contribute to environmental conservation.

We seek to continuously drive operational excellence without compromising the Environment. We have been taking long-term actions to reduce our GHG emissions jointly with our suppliers and business associates. Even to transport our products, we choose partners who are dedicated to sustainability and are social conscious.
As a company that is committed to delivering ‘Health and Well-Being’ through its products, we believe in a responsible and sustainable behavior throughout our value chain. We hold all our suppliers to the same high standards of integrity to which we hold ourselves, and seek to do business only with suppliers who obey the law and operate fairly and ethically. We have put in place systems and processes that enable us to have full traceability of our raw materials, ingredients and end products. This makes us nimble footed in responding to any issue that may arise during the course of doing business.

PROMOTING BIO-DIVERSITY

Ayurveda is among the world’s oldest medical disciplines, with its existence traced back to pre-Vedic Sanskrit, before the 7th Century BC. Herbs are at the heart of Ayurvedic medication. Whole flowers, leaves, stems and roots are all processed in various ways to discover their optimal potential. Over 15,000 herbs have been mentioned in the Ayurvedic scriptures, of which only around 850 are commonly used in Ayurvedic medicines today.

With a number of these wild herbs staring at extinction due to over-usage, Dabur – as the pioneer in Ayurvedic products – has taken the lead in preserving and growing this herbal wealth. Our biodiversity initiatives involve farmers, tribal and forest-based communities across the country, taking them along in this mission to not just arrest the decline in the population of these rare herbs but also increase their numbers. Our Environment Sustainability strategy is aimed at preserving ecosystems, halting the accelerated loss of biodiversity through programmes aimed at protecting rare medicinal herbs from extinction, promoting sustainable cultivation of rare herbs, understanding environmental challenges associated with cultivating herbs and supporting farmers take up bee-keeping.

We have identified environmentally sensitive species of medicinal plants and herbs, and developed methodologies to address their sustainability concerns. We have joined hands with local NGOs across the country and Universities in this mission, jointly undertaking special training programmes for farmers, villagers and tribal communities across the country to train them on sustainable and environment-friendly cultivation processes.

This initiative works on two fronts. On the one hand, our initiatives have helped conserve natural resources in the wide-ranging ecosystems and bring back many rare herbs from near extinction, by way of Rare, Endangered & Threatened (RET) species in their native habitat, thereby reducing their chances as a wild resource. On the other hand, we engage marginal farmers, providing them visible economic opportunities and supplementing their income.

We have established a fully automated state-of-the-art greenhouse in Pantnagar (Uttarakhand), in addition to satellite nurseries and demo cultivation sites across the country. Today, we have over 10 satellite nurseries situated across the length and breadth of the country, from the Himalayan valleys to the coastal region in Tamil Nadu. Dabur is now establishing a new satellite nursery in Sonmara (Leh-Ladakh) along with a local NGO partner.

Our Pantnagar greenhouse, the first of its kind in the country, is dedicated exclusively to growing and nurturing medicinal plant saplings. The facility supplies elite planting material to farmers across the country, free of cost, and offers training to farmers on sustainable cultivation practices. This enables the farmers to cultivate and supply well – standardized medicinal plants on a large scale. In 2016-17, Dabur has grown and distributed 9.3 lakh saplings of rare medicinal herbs to farmers across the country.
This initiative is rolled out jointly with 13 NGOs and Universities:

<table>
<thead>
<tr>
<th>NGO/University</th>
<th>States Covered</th>
<th>Activities Undertaken</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asha Gramodhyog Sansthan</td>
<td>Uttar Pradesh</td>
<td>• Herb cultivation</td>
</tr>
<tr>
<td>Koval Foundation</td>
<td>Andhra Pradesh</td>
<td>• Herb cultivation</td>
</tr>
<tr>
<td>Covenant Centre for Development</td>
<td>Tamil Nadu • Kerala • Madhya Pradesh Chhattisgarh</td>
<td>• Herb Cultivation • Sustainable Forestry Collection</td>
</tr>
<tr>
<td>Baitarani Initiative</td>
<td>Odisha</td>
<td>• Herb cultivation • Sustainable Forestry Collection</td>
</tr>
<tr>
<td>Balasaheb Sawant Konkan Krishi Vidyapeeth</td>
<td>Maharashtra</td>
<td>• Herb cultivation</td>
</tr>
<tr>
<td>Pragya</td>
<td>Jammu &amp; Kashmir</td>
<td>• Herb cultivation</td>
</tr>
<tr>
<td>Indian Society of Agribusiness Professionals</td>
<td>Maharashtra</td>
<td>• Herb cultivation</td>
</tr>
<tr>
<td>Foundation for Revitalisation of Local Health Traditions</td>
<td>Karnataka</td>
<td>• Herb cultivation • Sustainable Forestry Collection</td>
</tr>
<tr>
<td>Alaknanda Ghaati Shilpi Federation</td>
<td>Uttarakhand</td>
<td>• Herb cultivation • Sustainable Forestry Collection</td>
</tr>
<tr>
<td>Delhi University</td>
<td>Delhi</td>
<td>• Herb research for developing sustainable alternatives</td>
</tr>
<tr>
<td>Vaishali Shanti Samaj Kalyan Sanstan</td>
<td>Bihar</td>
<td>• Beekeeping training</td>
</tr>
<tr>
<td>WorldWide Fund for Nature</td>
<td>West Bengal</td>
<td>• Beekeeping training</td>
</tr>
<tr>
<td>Jeevika</td>
<td>Bihar</td>
<td>• Beekeeping training</td>
</tr>
</tbody>
</table>
Under this initiative, medicinal plants specific to each geography, village and farmer group are identified and the sapling distributed among the beneficiary farmers through the partner NGOs. Our scientists and agronomy specialists work with the community members, training them on growing and cultivating these herbs through organic farming techniques and without the use of pesticides. In addition, our forestry specialists work with communities training them on collecting wild Medicinal and Aromatic Plants (MAPs) using eco-friendly techniques.

Our environmental-protection efforts work towards conserving resources and reinstating habitat to help maintain the balance of species. Marking a big success in this direction, Dabur has developed 25 multi-function agro-forestry models in Andhra Pradesh and Telangana. Under this, farmers have been encouraged to grow fruits, vegetables, medicinal plants and flowering plants simultaneously in their fields. On an average, 65-70 different species of plants are grown in a one-acre field, ensuring that the farmers get income on a regular and continuous basis. With the fruit and vegetable crop, the idea is to help families meet their food needs, ensuring food security for their families. The surplus harvest is then sold to generate income for the farmers. This multi-function model also helps develop the region as a good biodiversity spot.

The success of this initiative can be gauged by the fact that the total area under cultivation of rare medicinal herbs has grown 108% year-on-year in 2016-17 and the number of farmers taking up cultivation reporting a 106% growth over 2015-16. The following chart gives the state-wise summary of the number of farmers involved in various farming projects with Dabur and the respective area under cultivation.

<table>
<thead>
<tr>
<th>State</th>
<th>Crop</th>
<th>No. of farmers</th>
<th>Area (in acres)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Himachal Pradesh</td>
<td>Puskarmool • Atish • Kuth • Kutki • Sugandhbalaka Kapoorkachri</td>
<td>568</td>
<td>245</td>
</tr>
<tr>
<td>Uttar Pradesh</td>
<td>Prishniparni • Salparni • Mandookparni • Giloe Bhumiamla • Buch • Brahami • Nagarmotha Khus • Neelkamal</td>
<td>386</td>
<td>304</td>
</tr>
<tr>
<td>Rajasthan</td>
<td>Jeewanti • Shankhpuspi • Mulathi</td>
<td>176</td>
<td>205</td>
</tr>
<tr>
<td>West Bengal</td>
<td>Katchor • Salparni</td>
<td>28</td>
<td>32</td>
</tr>
<tr>
<td>Tamil Nadu</td>
<td>Punarnava • Anantmool • Chitrakmool</td>
<td>55</td>
<td>59</td>
</tr>
<tr>
<td>Gujarat</td>
<td>Jeewanti</td>
<td>180</td>
<td>12</td>
</tr>
<tr>
<td>Maharashtra</td>
<td>Pippali</td>
<td>150</td>
<td>100</td>
</tr>
<tr>
<td>Odisha</td>
<td>Syonak • Premna • Padal</td>
<td>20</td>
<td>10</td>
</tr>
<tr>
<td>Andhra Pradesh</td>
<td>Syonak • Premna • Padal</td>
<td>20</td>
<td>5</td>
</tr>
<tr>
<td>Arunachal Pradesh</td>
<td>Buch • Sugandhbalaka</td>
<td>10</td>
<td>5</td>
</tr>
<tr>
<td>Andhra Pradesh</td>
<td>Pippali</td>
<td>544</td>
<td>3,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>2,537</strong></td>
<td><strong>4,188</strong></td>
</tr>
</tbody>
</table>
The following chart gives details of our forest-collection activity under which forest-based communities were trained on sustainable cultivation and procurement techniques, along with the number of beneficiary farmers.

<table>
<thead>
<tr>
<th>State</th>
<th>Crop</th>
<th>No. of farmers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Odisha</td>
<td>Amla • Behda • Harad • Dhatki • Sataver • Kali Musli</td>
<td>512</td>
</tr>
<tr>
<td>Chhattisgarh</td>
<td>Amla • Behda • Harad • Sataver • Arjun Chal • Kutuj Chal</td>
<td>96</td>
</tr>
<tr>
<td>Madhya Pradesh</td>
<td>Amla • Behda • Harad • Sataver • Arjun Chal • Kutuj Chal Nagarmoth • Giloe • Agnimonth</td>
<td>366</td>
</tr>
<tr>
<td>Gujarat</td>
<td>Jeeewanti • Nisoth • Kaknasha • Behda</td>
<td>150</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>1,124</strong></td>
</tr>
</tbody>
</table>

**BEEKEEPING & SUSTAINABLE LIVELIHOOD**

In numerous countries across the world, Honey is not only well known and has a wide consumer preference, but also provides sustainable livelihood to many small and marginal farmers. Honeybees are, in fact, an integral part of the human food chain as pollinators of crops, and have an essential role in maintaining biodiversity.

Beekeeping, as an enterprise, fits well with small scale farmers and helps them earn additional income. It has the potential to provide employment, income and economic security for the farm family and others in rural areas. At Dabur, we have been initiating community members, particularly in Bihar and West Bengal, into beekeeping. For rolling out this initiative, we have joined hands with three NGOs:

- Vaishali Shanti Samaj Kalyan Sansthan (Bihar)
- Jeevika (Bihar)
- WideWide Fund for Nature (West Bengal)

Together with our partner NGOs, we motivate local farmers to take up this eco-friendly activity in their vicinity to generate quality honey while increasing crop productivity by way of pollination. We are committed to making requisite skills available to the targeted communities and provide them assistance to create a sustainable source of income in the long term.

On-site training camps are organized regularly for the farmers, where we educate them on making of bee boxes, rearing of bees and multiplication of bee colonies. We provide all the technical assistance required for scientific beekeeping. We also help develop Beekeeping Resource Centres at strategic locations in the project areas.

During the year 2016-17, 20 training sessions were organized for the beneficiaries in different blocks of Bihar where they were educated on proper beekeeping practices. A total of 400 participants benefited from these training programmes. The following chart gives the activity-wise summary of the number of community members involved in beekeeping projects with Dabur and the amount of honey produced.

<table>
<thead>
<tr>
<th>Region</th>
<th>Partner NGO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Muzaffarpur, Khagaria</td>
<td>Jeevika</td>
</tr>
<tr>
<td>Vaishali</td>
<td>Vaishali Shanti Samaj</td>
</tr>
<tr>
<td></td>
<td>45</td>
</tr>
</tbody>
</table>

**Total** 673 165

We have also distributed around 2,000 beehives among 200 community members during the year. These beneficiaries have collected 120 tonnes of Honey during the year, which the beneficiaries sold locally in the open market and earned additional income. In West Bengal too, we undertook similar activities, involving training of community members on beekeeping practices.
With humble beginnings as an Ayurvedic medicines maker with its origins in the bylanes of Kolkata, Dabur has, over the years, transformed into a transnational FMCG Company. This transformational journey has been propelled and powered by Dabur’s rich heritage of Ayurveda and deep knowledge of nature. We have married this traditional knowledge with modern day science, to perfect our products. To ensure authentic ingredients as well as to preserve the fast vanishing medicinal plants, we have set up our own greenhouses and satellite nurseries to nurture these rare herbs and we are fast emerging as the bulk herb growers in the country.

While a lot of companies today offer herbal or Ayurvedic products, Dabur enjoys the consumer’s trust having the longest Ayurvedic heritage of 133 years. We have also been the front-runner when it comes to deploying new and industry-first analysis methods to further ensure the quality of our products. We are the first Indian company to get our branded Honey analyzed for the presence of antibiotics and pesticides, despite the same not being mandated in Indian regulations.

The year 2016-17 saw Dabur add another first to this mission with the launch of India’s first-ever Mobile Honey Testing Lab. This unique on-the-go lab has been designed specially to check raw Honey at source to eliminate adulteration in honey and ensure that purity is maintained. The mobile lab will tap two major centres for bee-keeping in Muzaffarpur (Bihar) and Sundarbans (West Bengal), where bee-keepers can use the facility to test the purity of their honey and avoid adulteration.
The samples will be tested in 2 types of equipment — Randox and Altino — which will provide an accurate on-the-spot result on the purity of the honey. We will initially sample around 250 batches in every city and add more numbers and cities basis our observations.

We have also been conducting scientific research and third-party clinical trials on our products and their ingredients to prove their efficacy. Also, all the herbs that we use for our Ayurvedic products are compliant with standards laid out by the Ayurvedic Pharmacopoeia of India (API).

**Life Cycle Analysis**

A Carbon Footprint and Life Cycle Analysis (LCA) is used to systematically record and analyses the impact on the environment throughout the entire life cycle of a product. This involves an end-to-end analysis of the product, considering all raw materials, transport, production processes, usage and disposal of the product. The Carbon Footprint measures both the direct and the indirect emission of Greenhouse Gases throughout a product’s life.

Dabur is a Product Carbon Foot Print (PCF) Certified company from TUV NORD for three products – Dabur Chyawanprash, Dabur Honey and Réal Juices. We took this proactive Product Carbon Footprint mapping exercise to understand the environmental impact of our these three key and large-selling products. This will help us understand the hotspots and take initiatives to reduce carbon emissions. This will further lead to resource optimization, operational cost reduction, besides brand enhancement for Dabur.

With the certification in place, we are now working towards reducing carbon emissions across our manufacturing units, distribution network and in our supply chain. It has been decided to continue this certificate and assessment audits for financial year 2017-18 as well to assist the company in declaring its product carbon footprints in the market.

**Responsible Packaging**

Our commitment to responsible packaging is integral to the success of our business. Dabur identifies sustainability opportunities and risks by working closely with our stakeholders, particularly our suppliers. We have been working towards identifying the environment impact of our packaging and dedicating special efforts towards developing the packaging techniques that reduce this impact.

Moving forward on this mission, packaging specialists at Dabur implemented several responsible packaging initiatives in 2016-17. One of the key initiatives taken during the year was introduction of card inserts in packaged fruit juice corrugated trays. With the demand for packaged juices growing, Dabur -- as the market leader in the category -- has been working on innovative solutions to increase not just penetration but also improving its Supply Chain to ensure adequate supplies in an environment friendly and cost-effective manner.

In the existing system, fruit juices in Tetrapaks were packed in wraparound corrugated trays with each tray having a capacity to carry 12 1-litre juice packs. Given the ideal grammage/GSM used for creating the
corrugated trays, there was a limitation in the number of trays that could be stacked without compromising on the product quality. The current GSM meant that only 5 trays could be stacked and increasing this number would result in pack deformation and even the tray bulging. Increasing the GSM of the tray beyond a level would have resulted in a significant increase in the cost per tray. So, Dabur came up with an innovative and cost-effective solution that not only provided a solution to this problem but also paved the way for future cost savings.

Since these trays had limited strength, Dabur decided to fortify the existing trays by inserting cards between the juice packs. This not only enhanced the tray’s strength but also proved to be highly cost efficient with a mere Re 1 increase. With the tray strength now enhanced, stacking also went up from 5 to 9, thereby resulting in huge transit savings while improving our capability to better service the demand with additional packs.

We are also working with our packaging suppliers and development organizations to devise strategies for consumer waste collection and environment friendly disposal.

**Communicating Responsibly**

Dabur believes in complete transparency when it comes to product labeling and claims, and lay strong emphasis on communicating responsibly, both through product advertisements and through product labels.

For the benefit of our consumers, we provide clear nutrition information on our products. All product labels are developed by our team of highly-trained technical experts and only scientifically verified information and claims are conveyed on the product label. Through our packaging, we also seek to educate our consumers to ensure safe and correct usage, besides generate awareness about the various natural ingredients that are used in our products. This helps them make an informed choice and pick products that best fulfil their needs.

The additional information on the product label relates to various active ingredients contained in the product, their proven clinical benefits, customer grievance redressal mechanisms, and directions for use (including pictorial depiction).

We also ensure that all our campaigns are in line with the government regulations and legislation. We have been using a judicious mix of campaigns, both on-air and on-ground, to reach out to its consumers.

In 2016-17, Dabur launched the ‘Proof Hai’ campaign for Dabur Red Paste. This campaign was backed by strong scientific and clinical research undertaken by Dabur Red Paste that shows that the brand is effective in controlling 7 common dental problems. To give further proof of the Science behind Ayurveda, Dabur used an interesting mechanism, which is a first in the category. A QR code was incorporated on the pack of the product that can be scanned to see and read the clinical reports & trials that make Dabur Red Paste effective and efficacious.

In the hinterland, we use consumer connect programmes to educate consumers about the various counterfeit and spurious products, and how to differentiate between a genuine Dabur product and a fake one. We have also been actively engaging our consumers in the digital space, educating them about various health and beauty related matters.

**Grievance Redressal**

As a consumer-facing and consumer-centric organization, Dabur believes in promptly resolving all consumer grievances related to our products. Our dedicated ‘Dabur Cares’ helpline number and email id is mentioned on all product packs, through which consumers can directly register their product-related complaints with us. Consumers can also contact our executives with feedback, grievances and even queries regarding our products through our website.

We have also put in place a team of Ayurvedic practitioners, who are available over the phone to address any queries that consumers may have regarding specific ailments or health-related issues. Ayurvedic practitioners are also stationed at our Dabur Wellness Centre, located in Delhi, where consumers can also walk in for check-ups or for getting any health-related queries answered.

In 2016-17, our Ayurvedic practitioners handled 979 walk-in patients, besides responding to 1,192 queries over email and another 4,275 over the phone. A total of 907 Health Camps were also organized in 16 cities where over 1 lakh patients were examined.

Five consumer cases were received during 2016-17 financial year and three of them were disposed of; two of these cases are pending as at the end of financial year 2016-17.
With the demand for Ayurvedic products on the rise, medicinal plant resources are coming under stress. Of the total 960 medicinal plant species that are traded, 178 species are consumed in volumes exceeding 100 MT a year. Their consolidated consumptions, in fact, accounts for about 80% of the total industrial demand of all medicinal botanicals in the country.

A study revealed that the demand for roots of each of the ten botanicals constituting ‘Dashmoola’ group was estimated at over 1,000 MT a year. Dashmoola is a fixed dose combination of ten root drugs described in Ayurveda lexicon and Prishniparni is one of these ten root drug. The acceptable plant resource for this plant drug, as per the Ayurveda Pharmacoepia, is Uraria Picta.

The study further revealed that in practice, most of the industries were using substitutes due to the non-availability of genuine material from authentic plant sources. Given the fact that this species was not recorded under any sizeable cultivation to meet the growing demand and has been classified as ‘Vulnerable’ from the perspective of its conservation, Dabur took up the onus of bringing Uraria Picta under cultivation in Eastern Uttar Pradesh.

Our approach was conceptually based on the theory of selectivity — to identify potential germplasm having requisite attributes viz. Sodium tolerance, phytochemical profile and genetic stability. The elite germplasm was planned to be selected through graded dosing of sodium in the nutrient medium. The germplasm of Prishniparni required for the study was collected from four different sources. Tissue culture techniques were applied to generate large number of clonal propagules biodiversity conservation especially for species like Prishniparni with poor natural regeneration and where the roots or the whole plant is used in drug preparation. The method resulted in healthy plants with a multiplication ratio of 1:5 and a survivability of above 80% during acclimatization.

Given the fact that natural regeneration of Prishniparni is hampered due to poor seed viability and low percentage of germination, studies were conducted to enhance the percentage of germination of viable seeds. Although plants can be raised by sowing seeds directly in the field, the results were not encouraging. In order to obtain optimum germination in nursery, the seeds were treated with different concentration of Gibberilic Acid and sowed on substrate containing Neopeat, farm yield manure, soil and sand, which resulted in 85% germination. Besides, the saplings resulted in better yield and stand when transplanted.

The trials finally led to successful commercial cultivation yielding elite raw material. This is now being successfully cultivated in 13 acres of land in Kushinagar, Uttar Pradesh.
Brand Dabur touches billions of lives every day. The House of Dabur is home to several brands that are household names across the globe, brands that generations have grown up with. As an employer brand, Dabur has always been the preferred employer of choice. And, generations of Indians have always looked up to Dabur as being a Good Corporate Citizen who has been creating opportunities to help communities prosper.
As an organization, we have been applying modern-day science to traditional knowledge to improve the daily lives for our billions of consumers. The Dabur Culture is built on an inclusive perspective and offering equal opportunities to all employees and the community at large. Our commitment to People begins with ethical conduct and good governance, and works towards making a meaningful difference in the lives of the communities. All activities are planned with due consideration to societal and environmental impacts. Wherever we see the opportunity to help communities prosper, we do so.

In 2016-17, the total manpower strength of the Company stood at 4,837 in India. In addition, another 2,406 are employed with our ventures outside India.

We have management systems in place to measure and meet our social performance requirements. We have specialist employees who support our management team in ensuring that we meet these global standards. Our people are vital to the implementation of our business strategy. Dabur recruits, trains and rewards employees to build business capabilities. This ensures that our businesses are well resourced, and at the same time enhances employee performance and engagement levels.

With our various initiatives, we have demonstrated our commitment to the complete development of our employees, who are an essential part of Dabur. Our performance is partly governed by our ability to attract and retain talent. Because the motivation and mobilization of our employees is our wealth and strength, our priorities include skills and career development, recognition of our employees and their performance, respecting their diversity.
At the core of our success is our people. We do not view our employees as ‘resources’; we consider them our most valuable assets, and have been working towards keeping them Engaged and Inspired. At Dabur, we believe that Engaged and Inspired employees are more satisfied with their work, tend to stay longer, and are more productive and committed.

Dabur is committed to providing a safe and motivating workplace for each of our 7,243 employees around the world. Across all our operations, Dabur seeks our employees to follow the Dabur Culture of Trustworthiness, Innovation and Creativity. As a manufacturing company, Dabur considers good labour relations material and gives utmost importance to Occupational Health and Safety of our employees. People development through training and mentoring, we feel, is critical for long-term sustainability of the Company.

We follow an open communication policy with our employees and use various interactive forums to reach out to our workforce in an open and transparent manner. We have an Open-Door policy at Dabur, under which any employee can walk up to the HR department at any time with any query and grievance, and all efforts are made to address the same in a time-bound manner.

We are committed to being a responsible employer, attracting and nurturing talent from diverse backgrounds, promoting collaborative working and holistic well-being at work.

Future Ready

As we progress in the Digital Age, Dabur recognizes the importance of having a consumer-focused, performance-driven and future-capable team that will
not just meet but surpass our growth ambitions. In keeping with this, several initiatives and policies have been drawn up to engage our employees, especially the millennial generation, and ensure a healthy balance between business needs and individual aspirations.

We understand that the millennials’ use of technology clearly sets them apart. One of the defining characteristics of the millennial generation is their affinity with the digital world. The key to talent retention in the future would be to meet the expectations of this generation. So, companies need to become Gen-Y Ready to cater to their needs and aspirations. At Dabur, we have started taking giant steps forward in this direction. As a first step, Dabur has launched a web-enabled HR Management System, PULSE (Platform Used for Learning, Sharing and Engaging). Covering Dabur’s operations across the globe, this platform has created a paper-less working environment through automated HR processes and defined workflows, thereby ensuring HR deliverables in a more effective, coordinated and impactful manner.

Online processes like Self Service, which help employees update their own data and Managers to get insights, have been deployed, enhancing the efficiency and productivity of our employees. Other processes and initiatives like Performance Management System, Reward and Recognition programme, Career Development Centre etc. have also been integrated with this platform, significantly contributing to enhancing employee connect and building an engaged workforce. We are now also venturing in the domain of People Analytics that will significantly contribute in engaging our existing and prospective employees globally. With the growing trend towards HRMS mobile applications, PULSE is now also available on Tablets and Mobile devices to foster a work environment that enables all our employees to experience ‘HR On-The-Go’ facility, anytime anywhere.

Empowering employees and building an energized workforce, we feel, is the key to successful enterprise today. With technology simplifying every aspect of life, we have put in place this scalable and future-ready solution to unify our HR operations across the globe.

FMCG has always been the preferred employer of choice for the young generation, given its dynamic and fast-paced nature and the opportunities for career growth and learning. Hence strategizing for Gen Y talent is a critical priority for the sector. Gen Y talent has been a focus of Dabur’s talent acquisition philosophy. Attracting the millennials is one part, but the bigger piece is about creating an environment to keep them engaged. At Dabur, we believe that employee satisfaction is higher when they believe that career development opportunities are equal for all, regardless of age. We feel that the millennial employee is the future and we have been investing in them for the organization’s growth. India is a young country with strong demographic dividend and the GenY will always be associated with us either as employees or as consumers.

From a Learning & Development point of view, we have moved towards Gamified e-learning across functions. This helps in easier learning and retention compared to conventional class room training. This kind of a learning is not only GenY friendly but being easily adopted by other employees as well.

Culturally, Dabur represents a unique mix of historical values and contemporary thinking. A young person has the freedom to use and deploy his/her talent for the benefit of the organization. We encourage our workforce to think and act like entrepreneurs, provide innovative solutions for existing business problems and not retrofit cookie cutter template solutions.

Dabur is recognized internationally for our ability to attract and generate talent. Besides our focus on our existing talent, we also focus our energies on creating a pipeline with talent for the future. One of the key initiatives in this direction is Dabur’s Campus DREAMS (Dabur Reach-out for Engagement & Awareness in Marketing and Sales) programme that was launched to serve the twin objective of better reaching out to both, potential employees as well as potential Gen-Y consumers. This is a highly rewarding relationship
wherein we get to interact with some of the best minds in our country while offering the students at leading B-schools a platform for real world learning.

Our nine-month training programme for Management Trainees, Young Managers Development Program (YMDP), is designed to give them cross-functional exposure through various projects, based on the job stints under seasoned mentors. It provides the young recruits structured training and real-time exposure to various markets and channels. To be an employer of choice at an overall level, we are developing and delivering programmes that attract employees and retain them for the long term. For better engagement, Dabur uses social media to engage with employees through Twitter and Facebook posts and other engagement activities.

**Talent Management**

The potential, dedication and performance of our employees combined with the excellence of our leaders are the key ingredients that have helped us emerge as the global leader in the Health and Wellness industry. We aim to be an attractive and responsible employer of choice for both our current and future employees. Dabur maintains its competitive edge by honing talent and carving out leaders through various initiatives for managing, developing and retaining superior talent.

We provide dedicated employees with a strong growth platform. Our employees are the foundation of our success, and we believe in sharing our success with them. We reward their incredible work in many ways, like providing competitive pay, giving instant reward and recognition for path-breaking contribution, and through softer incentives like birthday/anniversary day off, family get-togethers and on-campus recreation opportunities.

To improve employee satisfaction and retention, the Company has put in place several employee benefit schemes both statutory and beyond. These include maternity leave for female employees, paternity leaves, etc. We also believe that training and internal promotion are mechanisms that can be deployed to build potential and creativity. Our Career Development Centre (CDC) has been specifically instituted for providing career development and advancement opportunities for our employees. The CDC helps us identify and reward talent and allows us to look internally for filling key positions, rather than just laterally. The process runs with complete transparency and feedback sessions are organized for both successful and unsuccessful candidates.

As a growing Transnational Company with a sizeable presence in the overseas markets, we also offer our employees cross-border learning experiences by giving our employees overseas exposure. We firmly believe that continuous development is necessary to enable all our employees to face challenges and changes. In line with this belief, many training programmes are organized to continuously bring out the best in our employees and develop their talents.

In all, our employees together underwent 51,660 hours of training in 2016-17.

**Diversity & Inclusion**

At Dabur, we believe that a highly diverse, inclusive, and collaborative culture are the key ingredients to fuel
faster growth. An inclusive and diverse workforce, we feel, helps us connect better with our customers and better understand the needs of our consumers. It is our firm belief that a diverse organization produces better business results and promotes a culture of respect.

We have also taken several steps towards encouraging women and enhancing workforce diversity through our initiatives on work-life flexibility. Given the fact that a growing number of young employees are working couples, we understand their need and offer paid Maternity Leave of four months. We also provide paternity leave of up to two weeks for male employees. Post-delivery when a woman employee is on leave, we keep in touch with her on mail & otherwise and keep her included on work related communication, depending on her time and comfort. These steps have helped Dabur become more gender sensitive and make our women employees feel more secure.

This International Women’s Day, Dabur took up the cause of health and safety for women employees. As part of our efforts to create a healthier workplace, Dabur held special ‘Yoga @ the Workstation’ classes for women employees to help them reduce work-related stress and inspire them towards a better work-life balance along with insights on nutrition. In addition, the women employees also underwent a special training on proactive safety and security for self. Keeping in mind the increasing trend of nuclear families, we offer paternity leave of up to two weeks for male employees. These steps have helped Dabur become more gender sensitive and create a women friendly workplace.

**Rewards & Recognitions**

At Dabur, we are committed to providing competitive market pay and comprehensive benefits to our employees, in addition to a professional work environment that promotes innovation and rewards performance. Hard work and out-of-the-box thinking are rewarded and recognized at Dabur through our structured rewards and recognition programme -- Applause.

We have a transparent, direct link between employee performance and remuneration. Variable pay is used to reward performance, with base pay increases reflecting market conditions. We have put together a system to undertake professional appraisal of our employees known as the Contribution Enhancement Plan (CEP). It is based on a process of dialogue between managers and associates during regular reviews. They also provide an opportunity to determine individual development plans and the related training that will be necessary to maintain the performance and potential of every individual.

Applause, on the other hand, is a non-financial rewards programme covering all permanent employees of Dabur. Through this programme, we motivate our employees to innovate and improve their performance by providing immediate recognition to their efforts beyond normal monetary rewards. The frontline sales and manufacturing staff are rewarded monthly for productivity improvements initiatives. With this system of continuous employee rewards, we have seen a marked increase in employee engagement levels as also in their productivity. Dabur also felicitates employees who spent more than a decade with the organization with ‘Long Service Awards’.

**Occupational Health & Safety**

Dabur takes the health and safety of its employees seriously. Doing the right thing is the foundation of our Purpose, Values and Principles. At Dabur, we regard protecting the safety, security and health of all our employees across the world as indispensable to our business activities. We have been dedicating our efforts towards achieving a safe and pleasant working environment with zero fatalities and no serious injuries. Alongside, no effort is spared for protecting and continually improving the health of our workforce. Nothing is more important than ensuring that our employees and the people we work with are safe when they perform their duties.
Dabur has an Occupational Health, Safety and Environment (OHSE) policy that is applicable to all our manufacturing units, and serves as a Group standard, reflecting our commitment to the health & safety of our employees. All units are required to demonstrate compliance with Dabur’s mandatory global standards for safety, environmental management and security. Audits are conducted on a regular basis to measure compliance against these standards.

All our domestic manufacturing facilities today are OHSAS 18001 and ISO 14001 certified. Reporting and monitoring of injury frequency rates occurs across geographies and units. During the year 2016-17, Dabur has continued the certification for ISO 9000:15000, ISO 14000:15000 & OHSAS. Regular health and safety training is also provided to employees at our production sites. To ensure focused delivery on Environment, Health & Safety (EHS) activities, we conducted quarterly EHS meets at the Jammu Unit with an EHS Improvement Plan at the manufacturing level. The focus is on building an engaged EHS culture, where expectations are clear, people are trained, interventions are welcomed and consequences are understood. In recognition of our efforts, Dabur has been awarded the GreenTech Safety and Environment Gold Award 2016.

Fire Safety is a key area and efforts are underway in full swing to achieve and maintain globally approved fire safety standards at our units. All our units are in the process of installing the best fire/smoke detection technology. To mitigate fire incidents, our all units are today completely equipped with dedicated firefighting cure team members. Dabur’s EHS team has also identified all available fire hazards by conducting third party Fire-Safety audits/HAZOP study/Risk Assessment studies and prepared a detailed action plan to plug any gaps that are identified.

Dabur is committed for building a safety culture within the organization by implementing Behavior-Based Safety (BBS) system, recording workplace hazards called SBOs, conducting scheduled in-house fire safety audits, adopting online Work Permit System (WPS), Daily tool-box talks, safety committee meetings and interaction with all associates, conducting fire safety drills, Safety Week celebrations and continuous safety trainings for all.

All actions and recommendations are being recorded and evaluated through an online in-built software called ‘EHS Management Tracking System’. This system has helped reduce workplace hazards/incidents and is helping Dabur move towards becoming an incident-free organization. During the year 2016-17, the following initiatives were undertaken at Dabur:

- 67 third-party Fire Safety Audits conducted
- 1,544 Safety Training programmes on safety awareness conducted with 28,500 man hours
- HAZOP study done for 5 locations and action plan prepared to mitigate all identified gaps
- Re-assessed 14 units as per NBC-TAC-Factory Act 1948 Fire Safety guidelines. Gaps were identified and projects undertaken to close all gaps at a cost of ₹5 Crore
- All storage facilities equipped with Water Sprinkler system
- Installed Inert Gas Flooding System in critical electrical panels at Dabur’s Sahibabad Unit as a pilot project
- Installed Early Streamer Emission (ESE) System at the Alwar Unit as per IS 15652, as a pilot project
- Installed fire alarm & detection system at a cost of ₹5 Crore
These initiatives have resulted in a major reduction in incidents at Dabur (72% in First Aid; 43% in restrict work case/medical treatment case; 25% reduction in loss time accident; 55% in all injury rate; & 26% in Frequency Rate).

The percentage of our employees who were given safety & skill upgradation training in the 2015-16 financial year are:

<table>
<thead>
<tr>
<th>Category of employees</th>
<th>Percentage covered</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permanent employees</td>
<td>90%</td>
</tr>
<tr>
<td>Permanent women employees</td>
<td>100%</td>
</tr>
<tr>
<td>Casual/Temporary/Contractual employees</td>
<td>70%</td>
</tr>
<tr>
<td>Employees with disabilities</td>
<td>Included under permanent employees</td>
</tr>
</tbody>
</table>

In line with its promotion of diversity, Dabur supports its employees by creating a rewarding, safe, and healthy workplace. We have rolled out several programmes aimed at creating a healthy workplace that encourages people to stay well. We support efforts to encourage employees to quit smoking, and have adopted a policy of not facilitating smoking in the workplace by declaring all our offices and factory premises as No-Smoking Zones.

**Respecting Human Rights**

Dabur is committed to conducting business in a manner that values and respects the rights and dignity of all individuals. A strong commitment to human rights and protecting workplace rights is an integral part of Dabur’s Code of Conduct. Dabur respects fundamental human rights and does not engage in discriminatory actions or human rights violations in any of our business activities.

Issues related to human rights are covered under our Code of Ethics & Conduct and the Direct Touch Policy (Whistle Blower & Protection Policy). The Direct Touch Policy applies not just to our employees, including those employed with our CSR arm SUNDESH, but also to our business associates like suppliers, stockists and dealers.

All our employees and contractors are required to respect the human rights of fellow workers and communities where we operate. We do not sanction child labour or forced labour, and conduct proper checks and audits to ensure that our contractors also follow our example.

Following are the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the 2016-17 financial year and pending, as on the end of the financial year.

<table>
<thead>
<tr>
<th>Category</th>
<th>No. of complaints filed</th>
<th>No. of farmers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Child labour/forced labour/involuntary labour</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Sexual harassment</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Discriminatory employment</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

**Work-Life Balance**

We continuously build and enhance our inclusive culture, creating an environment where our people feel safe, engaged and free to create. At Dabur, we understand that a good work-life balance is important to ensure long-term employee motivation and health. We have rolled out various policies and programmes for our employees to ensure their work-life balance.

Given the fact that a growing number of young employees are working couples, we offer paid Maternity Leave of four months besides offering a paternity leave scheme. We also offer women employees flexible working hours for four months after joining back office post-Maternity leave. Employee engagement is also kept high by inculcating a culture of fun at the workplace. We have established a lounge area within the campus that also serves as an informal meeting area. A pool table within the campus helps employees unwind after a hard day at work. Besides, we host employee engagement events, celebrations and family day get-togethers are organized at all locations to create a culture where employees feel connected and valued.

**Engaging with Contractual Workers**

Dabur is committed to improving the lives of the employees working with us on a contractual basis. We ensure that they are treated with equal focus with respect to safety, compensation, training and capability building. They are also expected to abide by our Code of Conduct and are entitled to utilize the Direct Touch policy. Our training and development programmes also cater to our contractual workforce, particularly in the safety area.
Dabur strives for a positive impact in the communities where we operate. At Dabur, Corporate Social Responsibility (CSR) activities have been designed to put a smile on the faces of every individual we touch. Community development is not merely a buzzword at Dabur, it is a part of the Dabur Culture; a natural extension of our vision to ensure Health and Well-Being of every household. We take pride in being a business with a heart and soul. For us, business success and community development are inseparable.

“What is that life worth which cannot bring comfort to others”

This thought of our founder Dr S. K. Burman has been the guiding light for our community development initiatives. For an organization that was built on the foundation of offering holistic health and well-being to all, community development means building an inclusive society by helping to improve the well-being of the community and enabling them to prosper. We know that strong and prosperous communities enable strong and prosperous businesses.

We have been engaged in community development activities since 1994, long before the regulations came into force. Over the past over two decades, our focus on social responsibility has only become stronger. Our CSR strategy recognizes the importance of responsible growth and reflects our desire to be a respected and trusted neighbor in the communities where we operate.

Our community outreach initiatives have been developed keeping in mind the specific needs of the communities that we operate within. We ensure that
our CSR strategy is integrated into the wider Group strategy and that it is supported by appropriate governance structures. Being a Responsible Corporate Citizen is an integral part of our way of working. Our aim is to build long-lasting, collaborative relationships with our local communities, that build trust and understanding on both sides.

Our community development initiatives are not restricted to India. Our subsidiaries and manufacturing units across the globe are engaged in development work with the local community in the area surrounding our operations. For instance, we have been conducting various vocational training programmes, offering computer training to the community members and supporting education in Nepal. In Africa, we have been running dental care camps for the local populace in Africa and supporting the neglected or marginalized members of the society. In the Middle East too, special programmes have been devised to community development.

This report focuses on our community development activities in India. We have been undertaking a host of community development programmes, ranging from sanitation drives to health camps, vocational training to primary education, and adult literacy to women empowerment. Our CSR activities – rolled out through Sustainable Development Society (SUNDESH), a voluntary non-profit organization registered under the Society Registration Act 1860, and Jivanti Welfare and Charitable Trust (JWCT) – endeavours to help build self-reliant communities.

**CSR Vision**

Through sustainable measures, actively contribute to the Social, Economic and Environmental Development of the community in which we operate ensuring participation from the community and thereby create value for the nation.

**CSR Mission**

Ensuring socio-economic development of the community through different participatory and need-based initiatives in the best interest of the poor and deprived sections of the society to help them to become self-reliant and build a better tomorrow for themselves.

Ensuring environmental sustainability through ecological conservation and regeneration, protection & re-growth of endangered plant species, and promoting biodiversity.

The CSR activities we pursue will be in line with our stated Vision and Mission, focused not just around our plants and offices, but also in other geographies based on the needs of the communities.

**CSR Policy**

At Dabur, we have a well-structured CSR Policy, which is also a declaration of our intent to contribute to creating a better and self-reliant society. In this policy, the four key areas where we pay special attention while preparing development programmes are:

- **Eradicating hunger, poverty and malnutrition**, which includes promoting sanitation in rural households and schools, and provision of food, nutrition supplement, clothes etc. for the poor and needy.

- **Promoting Health Care, including Preventive Health Care** through awareness programmes on preventing diseases and building immunity, health check-ups, provision of medicine & treatment facilities, besides providing pre-natal & post-natal healthcare facilities.

- **Ensuring environmental sustainability** and ecological balance through plantation drives in schools and villages, reviving endangered plants, promoting agro-forestry and biodiversity, building capacities of small farmers, and promoting alternate energy resources.

- **Employment and livelihood enhancing vocational skills training**, particularly to girls and women in rural India. A range of courses are offered, which include tailoring, beauty care, mehandi application, beekeeping, food processing, vermi-composting etc. as part of initiatives to make them self-reliant.

In addition, the following five areas have been identified for rolling out other development programmes:

- **Promotion of Education** especially among children, women, elderly and the differently-abled in rural and semi-urban cities through non-formal education programmes as also by improving the infrastructure in rural schools.
• Promoting gender equality and empowering women, by offering adult literacy programmes and promoting financial independence by supporting women’s self-help and joint liability groups.

• Contribution or funds provided to technology incubators located within academic institutions which are approved by the central government.

• Rural Development Projects.

• Other Activities, including Promotion of Sports with a special focus on helping train talented yet underprivileged rural youth to make it big in the world of sports.

The CSR Policy has been approved by our Board of Directors. The Board reviews all the activities undertaken by the Company and may consider other areas or activities for inclusion in this policy. The CSR department provides regular progress report and updates to the CSR Committee of the Board. The committee is also given a detailed report of the activities undertaken each quarter, along with targets and reasons for variance, if any.

CSR Activities

As a responsible Corporate Citizen, we strive to build an inclusive society by helping to improve the well-being of the community. To achieve this, we have been organizing and implementing various initiatives, in partnership with the communities. The initiatives have been finalized community after a thorough understanding of the specific requirements of each community through stakeholder dialogue and engagement.

The following section provide details of the activities undertaken by Dabur during 2016-17 in our focus areas.

ERADICATING HUNGER, POVERTY & MALNUTRITION

Despite being listed amongst the most powerful emerging economies in the world today, India is also ranked high when it comes to the number of people living in extreme poverty. On the Global Hunger Index 2015, India was ranked at 80 among 104 emerging economies. Fighting hunger, undernourishment and mortality among children remain major challenges in the country. The Global Human Development 2015 report released by the United Nations Development Programme (UNDP) ranked India at 130 out of 188 countries on the Human Development Index.

Dabur has put in place several interventions to uplift the poor and underprivileged sections of the society. Our interventions in this segment are focused on addressing key issues such as Sanitation and Malnutrition.

Promoting Sanitation

In the recent years, the government’s Swachh Bharat Mission has played a key role in catalyzing the conversation around sanitation, right from the streets to the boardrooms of corporate India. While a growing number of companies have joined this mission and are pulling all stops to improve the sanitation standards in the country, a lot still needs to be done. What’s needed today is a holistic approach to sanitation, that goes...
beyond just building infrastructure and focuses on changing ingrained behaviour and social norms.

Dabur had started working on sanitation in 2014-15, and has over the years joined hands with like-minded organizations to bring about this behavioural change to promote health and hygiene in public places. The community, both in urban and rural India, are sensitized about the benefits of hygienic living through street plays, group interactions and communication literature. We have also undertaken activities towards maintenance of public toilets.

A team of volunteers are positioned in the urban slum areas to encourage and inculcate the habit of using toilets, especially among the kids. Banners and posters are also placed at strategic locations in these camps to disseminate the message that a clean and germ-free surrounding is a basic hygiene need of a human being for leading a healthy life and to safeguard from common diseases.

The key thrust of our sanitation initiative has been towards building an Open Defecation Free (ODF) India by ensuring that all households and schools in the villages where we operate have access to clean toilets. This initiative had commenced in 2014-15 with a need assessment and baseline survey in 2 villages in May 2014 and it emerged that access to proper sanitation was a big issue faced by residents of these villages. Nearly 50% of the households in these 2 villages did not have household toilets and even the toilets in schools were in a dilapidated condition, rendering them useless.

The scope was soon extended to cover more villages and a Baseline Survey was conducted across districts in three states, which helped us identify 26 villages. This covered Hapur and Ghaziabad districts of Uttar Pradesh, Rudrapur in Uttarakhand and Baddi in Himachal Pradesh. In the first year, Dabur, along with its CSR arm SUNDRESH, helped construct 67 household toilets. The exercise gathered pace and in the first full year (2015-16), we constructed 1,022 household toilets in the three states.

In the year 2016-17, Dabur extended the scope to cover 39 villages and had set a target of ensuring construction of toilets in 1,200 households. We have exceeded this target and have ended the year with 1,254 household toilets. Till date, we have helped construct 2,343 household toilets across these villages.

The following chart shows the distribution across the three states.

<table>
<thead>
<tr>
<th>State</th>
<th>No. of households covered till 2015-16</th>
<th>No. of households covered in 2016-17</th>
<th>Total No. of household toilets constructed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Uttar Pradesh</td>
<td>942</td>
<td>1,009</td>
<td>1,951</td>
</tr>
<tr>
<td>Uttaranchand</td>
<td>121</td>
<td>185</td>
<td>306</td>
</tr>
<tr>
<td>Himachal Pradesh</td>
<td>26</td>
<td>60</td>
<td>86</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,089</strong></td>
<td><strong>1,254</strong></td>
<td><strong>2,343</strong></td>
</tr>
</tbody>
</table>
Our efforts bore fruit with four of these villages – Nagla Uday Rampur, Nagla Kashi and Siwaya (in Hapur district of Uttar Pradesh) Jatti Majra (in Himachal Pradesh) – achieving Open Defecations Free status during the year. In addition, Fagauta (in Hapur district) achieved Open Defecation Free status in April 2017. A special function was organized at two of these villages to celebrate their achievement of Open Defecation Free status, where government officials and Dabur representatives spread awareness about the need for maintaining hygiene and also encouraged the households to adopt proper sanitation and hygiene techniques. A specially designed toilet cleaning kit was also distributed free of cost to all households at the function.

Like all our development programmes in the past, the sanitation initiative too was planned and implemented as a participatory manner where the household was an equal partner and the woman of household, as the primary beneficiary of the initiative, were chosen as the driver of this whole programme. To ensure complete and whole-hearted participation from the households and to make the initiative sustainable, we asked the households to construct the toilets in a 50:50 partnership, wherein half the cost towards constructing the toilet will be borne by the individual household and the balance by Dabur. On a case-to-case basis where the households were unable to fund even 50% of the construction cost, Dabur agreed to extend additional support towards construction of toilets. Also, the financial support was given in two instalments – the first part when the pit digging was completed and the second part at the end of construction.

After identifying the individual households, we sought request letters from the woman of the household along with an identity card and bank account details. The community members who did not have bank accounts were linked to the Pradhan Mantri Jan Dhan Yojna and new bank accounts were opened for them. After authenticating the request of the beneficiary regarding unavailability of toilet and willingness to construct a new toilet in their household, we started supporting them. The entire construction activity was monitored at every stage. Once the toilet construction was complete, a message related to health and sanitation with the logo of Dabur India Limited & SUNDRESH was painted on the wall of toilets, along with a unique identification number (UIN). This UIN helps us keep track of each toilet and conduct period surveys to ensure that these toilets are not only being utilized but also being maintained by the respective households.

This year, we have completed renovation and construction of toilets in five schools — four in Rudrapur (Uttarakhand) and one in Baddi (Himachal Pradesh)

The success of this initiative can be gauged by the fact that several households that were initially reluctant on building individual toilets are now joining in, encouraged by the overall development in households that have constructed toilets.
Alongside our mission towards constructing toilets in rural households, we are also moving forward on ensuring that school students in the hinterland have access to proper and hygienic sanitation facilities. Our community discussions revealed that a large number of girls drop out of schools for lack of sanitation facilities, especially once they attain puberty. Even during the normal course of the day, these girls are forced to take a break from school and return home to answer nature’s call. Through a detailed survey, along with the local community leaders, we have identified five schools for renovating existing toilet blocks and constructing new blocks, with separate facilities for boys and girls and an independent hand-wash area.

This year, we have completed renovation and construction of toilets in five schools — four in Rudrapur (Uttarakhand) and one in Baddi (Himachal Pradesh). The schools covered are Government Primary School Tilpuri No. 1, Government Primary School Kopa Kripali, Government Primary School Kheda and Government Primary School Block Resource Centre (all in Rudrapur), and Government Primary School Manakpur (Baddi). Together in these five schools, we have completed construction of 21 toilet blocks for boys and girls. Around 1,307 students studying in these five schools will benefit from this initiative, which will also go a long way in reducing the drop-out ratio among girl students in rural India.

Under the sanitation drive, special awareness rallies were organized in villages, awareness camps held in villages and schools to educate kids about proper hygiene and need for washing hands with soap. Dustbins were also distributed in rural schools and kids educated against throwing garbage in the open.

Addressing Hunger & Malnutrition

Cooperation and working together with local development agencies, while sharing value are indispensable for realizing a sustainable society. At Dabur, we have been supporting several programmes run by individual NGOs in schools, slums, hospitals and villages to help the poor and to ensure that every person gets to live a healthy life.

Rolled out along with the local NGOs, these programmes seek to spread awareness about the need for a balanced diet and strive to meet the nutrition-related needs of people from underprivileged sections of the society. The beneficiaries of these programmes are identified by the particular NGO in each city/state. They also act as a bridge between the Company and the community, and helps direct our efforts towards the people in need.

PROMOTING HEALTH CARE

As an organization, Dabur is sworn to its motto of being ‘dedicated to the Health and Well-Being of every household’. For the past 133 years, our products have been delivering holistic health and well-being to billions of consumers, every day. With our community development initiatives, too, we have been working towards promoting health and preventing diseases with a series of interventions, including action to address social determinants and health inequity.

Our activities under Promoting Health Care seek to empower people to increase control over, and to improve, their health through a variety of health literacy and awareness efforts and focused action on increasing healthy behaviour. Our health initiatives have been chalked out with a clear focus on women and children.

We also engage health care professionals to spread awareness, and work with local authorities and community members to implement measures to prevent disease and promote health. Instilling healthy behaviour and practices during youth, particularly in school settings, is highly effective. Given this, several of our initiatives like creating awareness on the need to build immunity to fight flu and viruses, teaching children about proper oral hygiene, prevention from mosquito-borne diseases, etc. are implemented through schools.
Dil Se Dua
As part of our community development initiatives, Dabur runs a series of programmes for the poor and marginalized sections of the society. The ‘Dil Se Dua’ programme specially caters to the street children living in shelter homes run by Prayas Juvenile Aid Centre Society across Delhi and has been designed to meet their nutrition needs.

Through this initiative, we also strive to generate awareness about the matter by involving the public in our mission, thereby ensuring sustainable development of the society. We also encourage them to pledge their support for our mission of spreading health and happiness in the lives of these marginalized kids.

During the festive season, our representatives meet shoppers in busy market places and raise awareness about this programme. While educating the public about nutrition needs of street children, we also seek their signatures and pledges in support of the programme. Against the total number of signatures/pledges received, Dabur donates an equivalent or higher number of juice packs to meet the nutrition needs of these kids. This initiative is not linked to any product purchase and we purely seek the public’s support by way of a signature or a pledge.

During the year 2016-17, we collected over 15,000 pledges and signatures through this drive, and distributed 30,136 packs (15,736 pieces of 200ml packs and 14,400 pieces of 1 litre packs) of juices among the children staying at the various shelter homes run by Prayas. The initiative helped us meet the nutrition needs of over 6,000 kids living in shelter homes in Yamuna Bazar, Jahangirpuri, Tughlakabad, Delhi Gate, Shadipur Depot, Pandav Nagar, Kirti Nagar, Vivek Vihar, Vasant Vihar, Motia Khan, Lahori Gate, Peeragarhi, Bangla Sahib, Nabi Karim, Azadpur, Kucha Pandit etc.

Immune India
One of our longest running programmes, Immune India seeks to drive awareness among school going kids on the need for boosting your body’s internal immunity system to remain healthy in today’s fast-paced life. Through this programme, we have been reaching out to schools across the country and educating students, teachers and even the parents on how good immunity can help battle the host of diseases and recurring ailments spread by these germs, viruses, and other organisms during the change of season.

During the year, 2016-17, we organized special programmes in schools in Ghaziabad, Pune, Patna, Indore, Lucknow and Jaipur, and felicitated the schools and students who were ranked as the Most Healthy and Immune schools following a mammoth exercise in 2015-16.

We seek to empower people to increase control over, and to improve, their health through a variety of health literacy and awareness efforts
At these sessions, we also sought to build awareness and educate the schools children about various ways to boost their immunity, like eating good nutritional food, including fruits and vegetables like carrots, beans, oranges and strawberries in their daily diet, ensuring good hygiene, exercise and proper sleep.

**Dengue Fighter**

Global incidence of mosquito-borne diseases, particularly Dengue and chikungunya has drastically increased in the last few years. According to the World Health Organization (WHO), around 390 million cases of Dengue fever are reported worldwide. India also saw a doubling up of cases of Dengue from 2014 to 2015 with Delhi being the amongst the worst hit cities with over 1,800 cases of the fever. The year 2016 saw a significant increase in Dengue and Chikungunya cases in the country.

At Dabur, we believe that awareness and education about prevention from mosquito bites coupled with elimination of mosquito breeding areas are the most helpful interventions in preventing the spread of these deadly diseases. Moving forward on this mission, Dabur rolled out a series of interventions under its 'Dengue Fighter' programme that are aimed at educating people, particularly slum dwellers and schoolkids, about mosquito breeding and prevention from mosquito bites.

Dabur joined hands with Health & Environment Safety Workforce (HESW) & South Delhi Municipal Corporation, to organize a Dengue Awareness Drive in New Delhi to sensitize the locals on the threats of Dengue and Chikungunya and educate the local populace on the importance of cleanliness in the surrounding and means of protecting themselves from Dengue. Along with a session on Dengue awareness, the camp included live demonstration of Dengue Specimen (dengue larvae, mosquito, pupa) and on-site visits to check the presence of dengue-causing mosquitoes.

Dabur also organized rallies in schools along with New Delhi Municipal Council (NDMC) to raise awareness among school-going children. A special training session was also organized for NDMC school Principals & Nodal Officers to sensitize them on the growing Dengue menace. The programme included various interactive sessions where the participants also shared their experiences and learnings.

Similar awareness drives were organized across 13 cities in Delhi-NCR, Uttar Pradesh, Punjab, West Bengal, Maharashtra, Tamil Nadu, Karnataka and Andhra Pradesh, reaching out to nearly 700,000 children in 538 schools. With these initiatives, Dabur stepped up its fight against Dengue and Chikungunya to create a healthy and mosquito-free environment in government schools and offices.

**Oral Hygiene Camps**

Tooth decay or cavities is a common problem that people across age groups face today. The problem is more prominent among children, particularly from lower income families as they do not receive timely treatment for tooth decay. Such untreated cavities can lead to multiple problems, including difficulty in concentrating on learning and absence from school, affecting their quality of life.

Taking the onus of promoting oral hygiene among school children, particularly in the hinterland and those from local income families, Dabur has been organizing a series of programmes to raise awareness about oral health. Dabur has joined hands with Society for Oral and Dental Care (SODC) to organize dental hygiene camps across schools in the country. At these camps, experienced dentists were engaged to raise awareness about oral hygiene and teach the kids best oral care practices. Free oral health check-ups were also conducted by dentists and toothpaste samples distributed amongst the students to inculcate the habit of brushing their teeth daily.
During the year 2016-17, Oral Hygiene Camps were organized in schools across 12 states like Uttar Pradesh, Madhya Pradesh, Maharashtra, Andhra Pradesh, Telangana, Karnataka, Tamil Nadu, Jammu & Kashmir, Himachal Pradesh, Haryana, Uttarakhand and West Bengal. The initiative covered 1,317 schools and reached out to 5.25 lakh students.

Health Camps

Even after decades of Independence, the country is still struggling with basic health services for its people with health care facilities, particularly in rural India, few and far between. Dabur works for the cause of some of the poorest and most vulnerable communities around the country as they struggle for their health rights. Moving forward on this mission, we have been organizing Health Camps across the country to help the poor and needy get access to good quality health care.

These multi-disciplinary Health Camps provided curative, preventive, promotive and referral healthcare services to the people residing in remote rural and tribal areas. At these camps, people were offered free diagnosis, Ayurvedic medicines and care. Special yoga sessions were also organized at some of these camps as part of our attempts to provide holistic health care to the community.

The objective of conducting these health camps was to create awareness of general health among the people, providing general health care services and counseling them, on basic healthcare and hygiene. These camps focused on preventive healthcare programmes, with a special focus on women’s healthcare and baby care. Lady doctors are also present at these camps to reach out to a large number of women in the selected intervention areas. The uniqueness of the model lies in its comprehensive approach where health promotion and prevention are given equal importance while curative care is administered.

On National Ayurveda Day (Dhanvantri Jayanti), Dabur joined hands with National Ayurveda Students and Youth Association to host the AyurMarathon, a Marathon for Ayurveda awareness in Bhopal. In addition, special Ayurveda Health Camps were also organized on the occasion. A total of 907 health camps were organized across 16 states during 2016-17, where over 100,000 patients were examined free of cost.

Dabur also runs a Wellness Centre in the walled city area of Delhi offering health check-ups and subsidized medicines to public, particularly from the minority community. The doctors stationed at the Centre offer free medical checkups for walk-in patients, besides offering treatment and answering health queries online and over the phone.

Addressing Health Care Needs

Moving forward on our mission towards ensuring health and well-being for the poor and needy in India, Dabur has joined hands with local NGOs across India and has been working towards meeting the healthcare needs of people from underprivileged sections of the society. The beneficiaries of this programme are identified by the local NGOs in each city/state. We join
Malnutrition is responsible for much of the suffering among the poor across the world today. While better nutrition empowers people, we believe that the process through which malnutrition is reduced can also empower communities. Community-based solutions are the need of the hour to tackle the problem of malnutrition among the poor, particularly in rural India. Food insecurity coupled with lack of awareness about proper nutritional diet are the biggest concerns that need to be addressed to tackle issues of malnutrition in the hinterland. As part of our community development initiatives, Dabur has been holding regular interactions with the community members and organizing malnutrition screening camps in villages. These camps threw up an alarming figure that nearly half the kids examined at these camps suffered from malnutrition. Their parents were surprised that despite having proper meals, comprising rice and pulses, the kids were facing malnutrition issues.

Most parents were ignorant of the fact that adding fruits and vegetables in their daily diet was necessary to get the required nutrition. Some said the high prices put the fruits and vegetables beyond their reach, while marginal farmers did not want to use their small farmlands for growing vegetables and preferred crop that yielded better returns.

Understanding their need, Dabur initiated these families into the concept of Kitchen Gardens, or *Ghar Ki Bagiya*, where they could grow vegetables for their own consumption. We also organized awareness sessions for these families educating them about the various fruits and vegetables and how adding them to the daily diet would reduce the risk of diseases among their children.

This forms the backbone of the Environment Sustainability initiatives at Dabur. As an organization, we recognize the importance of evaluating our value chain’s use of ecosystem elements, and have been rolling out a series of initiatives that seek to manage the natural resources sustainably while addressing issues of climate change.

### Protecting Endangered Herbs

Dabur has been working towards protecting endangered herbs and plant species in India and Nepal. We have joined hands with NGOs and universities across India to undertake a host of interventions to not just protect rare medicinal and aromatic plants, but also enhance the livelihood of local farmers and tribal communities in the process. Details of these initiatives undertaken during 2016-17 have been covered earlier in the Environment section of this report.

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We organize awareness sessions for families, educating them about various fruits and vegetables and how adding them to the daily diet would reduce the risk of diseases among their children.
We then supported these families by giving them seeds of essential fruits and vegetables free of cost and trained them on sustainable cultivation of these plants. In 2016-17, 390 families were encouraged to take up plantation of necessary vegetables in their kitchen gardens through this initiative. Seeds of fruit trees and plants were distributed free of cost to these families in 24 villages of Ghaziabad and Rudrapur. In addition, 5,758 saplings of fruit trees like Jamun, Mango, Pomegranate and Lime were distributed among 759 farmers in 21 villages of Uttar Pradesh, Uttarakhand and Himachal Pradesh.

Promotion of Solar Energy

Seventy years after Independence, several villages across India continues to live in darkness. Erratic power supply and massive power blackouts continue to be a reality in several parts of rural and urban India, forcing several households to still use kerosene lamps and candles at night. The public area in these villages continue to be shrouded under the curtains of darkness, forcing the residents to avoid these places after sundown. These have been hurting the quality of life in several villages.

Generating clean renewable electricity is crucial for India where nearly 300 to 400 million people live without access to electricity. According to The World Bank, India is today one of the lowest per capita consumers of electricity in the world. Given the country’s projected economic growth and the increase in population, the demand for energy in India is expected to double by 2040. Harnessing the energy of the Sun, we feel, can a go a long way in not only lighting up these villages but also in improving the quality of life for millions of people residing in villages across India.

In the year 2015-16, Dabur had undertaken a pilot project, providing high quality, affordable solar solution in 683 households in seven villages of Uttar Pradesh, for their daily use. These lamps, equipped with LED lighting technology, can be fully charged by sunlight in 8 hours and can be used the whole night by individual households. To ensure proper care and maintenance of these lamps, the beneficiary households were asked to contribute a token amount towards their procurement. This year, 30 solar lamps were distributed to households.

Given of the success of this initiative, we have now taken this project to the next level and have started installing solar street lamps in villages in Uttar Pradesh. During the year 2016-17, Dabur, along with SUNDESH, first established a demo site with 12 solar street lamps within the SUNDESH premises to help the nearby villages experience the benefits of the system as also understand the maintenance requirements. Following the establishment of this demo site, several neighbouring villages approached us for installation of these street lamps in their villages.
In the first year, we have shortlisted three villages in Hapur district of Uttar Pradesh – Nagla Uday Rampur, Nagla Gajju and Narayana – for installing these solar street lamps. During the year, 120 street lamps were installed in these villages, which have also been declared Open Defecation Free with our sustained efforts, in a participatory model with the households also contributing to the cost of the lamps. The poles for the street lamps were erected inside the premises of individual households to ensure proper maintenance and security. In the second phase, we are targeting an aggressive ramp-up by adding more villages. In all, 837 households have benefited from this initiative.

Water Conservation

Conserving a precious natural resource as water has become a major global issue. There is growing recognition of the importance of community-level programmes towards water conservation. During the year 2016-17, Dabur rolled out a pilot water conservation programme in Rajasthan. The intent was to improve the sustainable livelihood of the poorest and excluded communities in the area by strengthening their access to water and technology as well as management capacities. The project has helped increase the water table in the region, while ensuring around the year availability of water for farmers in 3 villages in the state. Details of this project have been provided earlier in the Environment section of this report.

Building Capacities of Small Farmers

As part of our initiative towards capacity building of small farmers, Dabur has been running programmes – particularly in Bihar and West Bengal – to train farmers on beekeeping. These initiatives not only help maintain biodiversity in the region but also provide sustainable livelihood to many small and marginal farmers. Details of this project have been provided earlier in the Environment section of this report.

VOCATIONAL SKILLS TRAINING

Youth, particularly girls, in villages across India faces serious problems of unemployment and underemployment. Limited access to employment opportunities and skills have long played a spoiler for these young girls, forcing them to take up daily wage work in the informal sector with inadequate social safety nets and poor living conditions.

At Dabur, we believe that Skill Development is a powerful agent of social transformation. Providing vocational training, we feel, will not only bridge the gap between skilled and unskilled labour but also help the rural youth with better employment and self-employment opportunities.

With the intention of reaching out to the youth in remote villages and provide them with an opportunity to grow in life, Dabur has been running vocational training programmes. These programmes, devised after detailed discussions with the community members and keeping in mind their specific needs and sensitivities, focus on developing soft skills that can help girls in these villages set up small businesses and become local entrepreneurs.

Nari Shakti Kendras

Through SUNDESH, Dabur today operates skill development centres – christened Nari Shakti Kendras – in the three states of Uttar Pradesh, Uttarakhand and Himachal Pradesh. In the year 2016-17, Dabur established seven new centres, taking up the total number of Nari Shakti Kendras under its fold to 12. These centres offer soft skills training programmes to girls residing in these villages. The girls in these villages are encouraged to take up these income-generation training programmes to become financially independent or supplement their household income.

We have been running courses on stitching-tailoring, beautician training, handicraft and soft toy making at these centres. This year, we have added a course on Computer Education to the list of courses offered at these centres.

The women are awarded certificates after completion of the course. Some of the more enterprising girls are lent a helping hand in establishing small businesses in their villages. Several women who had undergoing training at our centres have now established small tailoring centres-cum-boutiques and beauty parlours-cum-cosmetic outlets and are doing brisk business, earning between ` 5,000 and ` 25,000 a month from these ventures.

This programme has not only helped several women emerge as small entrepreneurs, but also helped address the issue of gender inequality prevalent in these areas. During the year 2016-17, a total of 510 girls successfully completed training in various courses at our centres.
The following chart shows the number of beneficiaries across states and vocational training courses.

<table>
<thead>
<tr>
<th>State</th>
<th>Cutting-Tailoring</th>
<th>Beautician Training</th>
<th>Handicraft Making</th>
</tr>
</thead>
<tbody>
<tr>
<td>Uttar Pradesh</td>
<td>183</td>
<td>54</td>
<td>--</td>
</tr>
<tr>
<td>Uttarakhand</td>
<td>63</td>
<td>50</td>
<td>37</td>
</tr>
<tr>
<td>Himachal Pradesh</td>
<td>65</td>
<td>38</td>
<td>20</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>311</strong></td>
<td><strong>142</strong></td>
<td><strong>57</strong></td>
</tr>
</tbody>
</table>

Through SUNDENSH, Dabur has also been promoting vermicomposting in our project villages in Uttarakhand. We have been training farmers and encouraging them to take up vermicomposting, both to be used in their own fields and to sell it to greenhouses and other farm-related entities to earn additional income.

Awareness drives are also held at regular intervals in villages to promote the use of vermicompost in their fields. Our sustained efforts have resulted in several villagers, who were earlier using chemical fertilizers in their fields, completely shifting to the organic vermicompost and have been reaping rich dividends. A group of farmers who took up vermicomposting as an income generation exercise have been selling their excess vermicompost to companies in the neighbouring markets and have been earning over ₹ 500,000 a year from this activity alone.

**PROMOTION OF EDUCATION**

The importance of education is undeniable for every individual. At Dabur, we believe that education is both the means to a better life and a key to ensure overall development of the society. While the efforts by successive governments in India have resulted in a significant improvement in primary school enrollment in urban India, enrollment levels are still low among children of migrant workers who reside in urban and semi-urban slums. And in rural India, the school dropout rates continue to be high.

Our Education programmes – run along with SUNDENSH – form a key pillar of our development agenda. On the one hand, we have been sensitizing people living in urban and semi-urban slums on the need for education and encouraging them to enroll their children to formal schools. On the other hand, we work towards improving the infrastructure in schools to uplift their learning experience.

**Gyan Deep Kendras**

Encouraging out-of-school kids to get back into formal education system, we feel, is half the battle won. Through SUNDENSH, Dabur runs eight non-formal education centres – called Gyan Deep Kendras – in Uttar Pradesh and Uttarakhand, providing basic education to out-of-school underprivileged kids between 6 and 14 years of age.
These kids, who belong to poor migrant families and live in urban and semi-urban slums, are given basic education at the centres and then encouraged to get into the formal schooling system. On completing the basic education course at our centres, these kids are linked to formal schools. During the year 2016-17, 253 kids were enrolled at our centres to pursue basic education, and 144 of them were put into formal schools. The following chart gives details of students at our various centres.

<table>
<thead>
<tr>
<th>State</th>
<th>No. of students at NFEs</th>
<th>No. of students linked to formal schools</th>
</tr>
</thead>
<tbody>
<tr>
<td>Uttar Pradesh</td>
<td>233</td>
<td>133</td>
</tr>
<tr>
<td>Uttarakhand</td>
<td>20</td>
<td>11</td>
</tr>
<tr>
<td>Total</td>
<td>253</td>
<td>144</td>
</tr>
</tbody>
</table>

**Gyan Arjan Kendras**

Along with SUNDESH, we also operate remedial education centres – called *Gyan Arjan Kendras* – to support weaker students by offering them special tuition classes. During our regular review and community interactions, it was found that some children were poor performers in schools because of the low literacy level of their parents, impacting their self-confidence. To mitigate these issues, we started the remedial education centres, which have helped enhance their ability to comprehend things being taught and improved their confidence as well as their grades.

These centres, operational in Uttar Pradesh and Uttarakhand, have helped bridge the knowledge gap and improving the quality of education for the school-going children from weaker sections of the society. During the year 2016-17, 115 children have attended classes at the remedial centres run by Dabur and SUNDESH. The following chart gives details of students at our various centres.

<table>
<thead>
<tr>
<th>State</th>
<th>No. of Centres</th>
<th>No. of beneficiaries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Uttar Pradesh</td>
<td>3</td>
<td>81</td>
</tr>
<tr>
<td>Uttarakhand</td>
<td>1</td>
<td>34</td>
</tr>
<tr>
<td>Total</td>
<td>4</td>
<td>115</td>
</tr>
</tbody>
</table>

**Adarsh Paathshala**

While access to schools and quality education continues to be the primary stumbling block for many children in rural India, the complete lack of proper infrastructure in village schools act as another major deterrent. Most schools in rural India may have a solid structure, the infrastructure within doesn’t encourage students to attend classes. With the classrooms in a dilapidated state, teaching equipment nonexistent, sanitation facilities rundown, these schools can hardly provide the best learning environment for kids.

As part of our Education programmes, Dabur and SUNDESH have been supporting schools in the villages with the aim to improve the infrastructure and make a difference in the life and future of rural children. Under this initiative, called *Adarsh Paathshala*, we provide basic infrastructure to these schools by way of solid wood desks and benches for students, potable water facilities, dustbins etc. We are also constructing separate toilet blocks for girls and boys in select schools as part of our sanitation programme. A total of 632 sets of desk-benches were distributed in 17 schools during 2016-17, benefiting 1,879 students in rural India. This initiative covered nine schools in Uttar Pradesh and four each in Uttarakhand and Himachal Pradesh.

Due to the lack of basic desks and benches, students are forced to sit on hard cemented floors during extreme winters, which proves to be a health hazard. This had led to a sharp dip in attendance during the winter months. Following our intervention, we have seen a marked improvement in the attendance levels even during the winter months.
Since schools are specialized spaces for learning, we have been innovatively using all available space inside the school, particularly the classroom walls, for Building as Learning Aid (BaLA) paintings to create a range of educational aids. The classroom walls, for instance, are painted with pictograms, mathematical tables etc. to enable students to learn. These double up as learning situations and provide a unique learning experience for the child. This also helps create a child friendly learning environment in schools. The outside walls of the classrooms, corridors, outdoor spaces and pillars are utilized to paint hygiene and general health awareness messages. During the year, BaLA paintings were undertaken in seven schools, benefiting 495 students.

The year 2016-17 also marked the extension of our School Support programmes to Assam through Jivanti Welfare and Charitable Trust. Following a detailed survey, Dabur identified two schools in Tezpur – Dhekidol LP School and Sessa Panbari LP School – and a host of activities have been planned after discussions with the school authorities and community members. As a first step, we have initiated the revamp of Dhekidol LP School in March 2017, refurbishing the classroom and donation of teaching equipment, dustbins, almirah etc. to the school. A tree plantation activity was also organized at the school to create awareness on environment protection. Going forward, a host of initiatives, including construction of toilets, BaLA painting etc. have been planned in both the schools.

WOMEN EMPOWERMENT

Basic literacy, we feel, is essential for eradicating poverty, reducing child mortality, curbing population growth, achieving gender equality and ensuring sustainable development. Illiterate adults, especially women, struggle to find a voice in their communities, and suffer severe gender discrimination. Despite their maximum efforts, unlettered women are unable to contribute to their family.

Dabur is dedicated to empowering women and adolescent girls, particularly those belonging to weaker sections of the society, through various interventions and initiatives. On the one hand, we sensitize the menfolk in the villages and have been working towards bringing about a change in their mindset and approach towards women. Alongside, we have been working towards empowering women through education and financial literacy, helping them set up micro enterprises and emerge as successful small scale entrepreneurs who help supplement their household income and, at times, even lend a helping hand to the men in the villages in matters of finance.

Bahno Ki Paathshala

Through SUNDESH, Dabur has been working towards empowering women from the underprivileged sections of the society with functional literacy and an
understanding of their basic rights and responsibilities. Together, we operate Adult Literacy Centres, called Bahno Ki Paathshala, in Uttar Pradesh and Uttarakhand. With planned interventions and sustained efforts, we have made considerable progress in improving the literacy levels among women in the villages in these two states.

We run one-year basic education course, targeting women in the age group of 15-35 years. Regular classes are conducted for Hindi, English and Mathematics through a planned curriculum. The programme has improved the self-confidence among woman in the villages and enabled them to read & write, calculate their expenses and even operate their own bank accounts and sign cheques. A total of 393 rural women gained education at our 8 Adult Literacy Centres during the year 2016-17. The following chart gives details of number of beneficiaries in each state.

<table>
<thead>
<tr>
<th>State</th>
<th>No. of Centres</th>
<th>No. of beneficiaries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Uttar Pradesh</td>
<td>6</td>
<td>346</td>
</tr>
<tr>
<td>Uttarakhand</td>
<td>2</td>
<td>47</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>8</strong></td>
<td><strong>393</strong></td>
</tr>
</tbody>
</table>

**Financial Inclusion**

SHGs or Self-Help Groups are novel and innovative organizational set-up in India for women upliftment and welfare. This set-up forms the second important pillar of our women empowerment programme. Coming from conservative backgrounds, most of these women have faced social sanctions all their lives, and have little or no knowledge about the formal banking system.

Through SUNDESH, we have been providing financial literacy to these women, organizing them into SHGs and Joint Liability Group (JLGs), and even organizing training and capacity-building programmes for these groups. These training sessions help women analyse their potential and the role they can play within the community. The women are also trained to identify business opportunities, prepare micro-plans for business development and undertake credit planning.

Members of these groups make small regular savings contributions over a few months until there is enough capital in the group to begin lending. Funds may then be lent back to the members or to others in the village for any purpose.

With support from NABARD and District Rural Development Agencies, we have been linking these groups, belonging to both Above Poverty Line (APL) and Below Poverty Line (BPL) families, with formal sources of credit for undertaking economic activities. A total of 156 SHGs are operational today, benefitting 1,872 families. In addition, 28 JLGs are operational, benefiting 140 landless farmers.

What’s most encouraging is the fact that these SHGs and JLGs, which are completely run and managed by women, have started giving loans to the menfolk in their villages for setting up new ventures. The success of this initiative can be gauged by the fact that there’s hardly been any default in repayment of bank loans. This initiative has gone a long way in raising the self-esteem of women in the hinterland.

**PROMOTION OF SPORTS**

Sport has emerged as an important component of socio-economic development of a country. Active participation in sports is known to have a multiplier effect, from improving community health and productivity to imbibing discipline in character and enhancing social cohesion. This would have the spillover effect of kids choosing sports as a career and winning competitions at various levels.

At Dabur, we feel that mere inclusion of sports in school curriculum is not enough for improving the condition of games and sports in the country. There is a need to evangelize sports to the society so that people appreciate its values in improving the quality of life and change their outlook towards sports other than cricket.

*Ab Daudega Hindustan*

The year 2016-17 saw Dabur undertake a mega initiative ‘Ab Daudega Hindustan’, which sought to identify young and capable sporting talent in the field of athletics, and nurture them in their pursuit for success. Under this initiative, a series of on-ground initiatives were conducted across cities in Bihar, Uttar Pradesh, Andhra Pradesh, Odisha and West Bengal to identify the talented athletes. Around 350 athletes were shortlisted from across the country and invited to participate in a national camp held in Delhi.

A team of experts, headed by former Indian athletics champion Ashwini Nachappa, judged the shortlisted candidates and selected the Top 7 athletes from the group. These seven deserving athletes then sent to a coaching camp at the Ashwini Nachappa Foundation for professional coaching and training under the guidance of Ashwini Nachappa. The idea of this initiative was to identified athletic talent, train them and help them excel at National and International sports competitions.
Dabur has always been taking care of the interests of its stakeholders, and our efforts have not gone unnoticed. Dabur has won countless awards, some of which are mentioned below:

The ICSI National Award for Excellence in Corporate Governance for 2016, by The Institute of Company Secretaries of India

Award for Best Risk Management Practice in the FMCG category, by CNBC TV18

Ranked among India’s Super 50 Companies that generate high returns for investors, by Forbes India

Investor Relations Award under ‘Best Expectations Management’ category, by IR Society

Ranked 38 in list of World’s Top 100 Beauty Companies, by WWD Beauty Inc