



COMPASSIONATE ABOUT OUR PLANET.
RESOLUTE IN OUR ACTIONS.





ABOUT DABUR

Dabur India Limited is a leading Indian customer goods company with interests in Hair Care, Oral Care, Health Care, Skin Care, Home Care and Foods. From its humble beginnings in the bylanes of Calcutta way back in 1884 as an Ayurvedic medicines company, Dabur India Ltd has come a long way today to become a leading consumer products manufacturer in India. For the past 128 years, we have been dedicated to providing nature-based solutions for a healthy and holistic lifestyle.

Through our comprehensive range of products, we touch the lives of all customers, in all age groups, across all social boundaries. And this legacy has helped us develop a bond of trust with our customers. That guarantees you the best in all products carrying the Dabur name .

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 2012-13 and the shorter companion report based on the format suggested by SEBI in its circular is appended to our Annual Report 2012-13 and is available on: <http://www.dabur.com/Annual-Reports-2012-13>. This is our second Business Responsibility Report. The previous one for 2011-12 was released in April, 2012. This report is available on: <http://www.dabur.com/BR-Report-2012-13>.

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.



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THE WORLD TODAY FACES FORMIDABLE CHALLENGES. WHILE CLIMATE CHANGE PORTENDS OPERATIONAL UNCERTAINTY, THE GROWING VOID OF TRUST IN CORPORATIONS AND GOVERNMENTS AS A RESULT OF BURGEONING INEQUALITY HAS FAR AND WIDE IMPLICATIONS THAT MAKES EVEN THE SHORT-RUN BUSINESS ENVIRONMENT UNPREDICTABLE. WE ARE DOING EVERYTHING WE CAN TO PLAY OUR ROLE IN SOLVING THE SUSTAINABLE DEVELOPMENT PUZZLE AND DRIVE FORWARD THE BUSINESS RESPONSIBILITY AGENDA. WE ARE DABUR AND THIS IS HOW WE DO BUSINESS.



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THE DABUR WAY



OUR BUSINESS PHILOSOPHY CONNECTS
GROWTH WITH SUSTAINABILITY

"DEHI ME DADAMI TE"

AS YOU GIVE ME, I GIVE YOU IN RETURN

We, at Dabur, believe that success of our operations is interlinked with the well-being of all our stakeholders, including nature. How responsibly we run our business today will determine the direction our business will steer to in the future. We are committed to adopting the tenets of sustainability across our organisation. We have a long term view of sustainability and this is evident in the approach outlined in our Business Responsibility

Report. This enables us to optimise our business performance and at the same time stand up to growing challenges being faced by us and our peers in today's environment. We always see our efforts as work in progress and continually formulate strategies to create a future fit for us and all our stakeholders.

THE COMPANY'S VOICE



GIVEN THE NATURE OF OUR BUSINESS, SUSTAINABLY MANAGING NATURAL RESOURCES IS CRITICAL TO THE SUCCESS AND SUSTAINABILITY OF OUR OPERATIONS.

To all our stakeholders,

I am delighted and proud to present Dabur's 2nd Annual Business Responsibility Report. This report is an endeavour to communicate to you what sustainability means to us and how we have been defining, adapting and practicing it for the past 128 years of our existence. This report focuses on our performance and achievements on the sustainability front for the year 2012-13.

We are the world's leading Ayurveda and Nature-based Consumer Products Company. Our products focus on our customer's health and wellbeing and deliver simple solutions by bringing the complex science of Ayurveda into their homes. From the smallest of villages to the largest of cities, our products touch the lives of millions of consumers every day. Our state-of-the-art research and development (R&D) and manufacturing facilities ensure that every Dabur product that reaches the hands of our customers is of the highest quality.

In the midst of global challenges of climate change and global warming, we take pride in being an environmentally-sensitive organisation. We acknowledge the impact of our operations (including logistics and packaging) on the environment and continuously invest in new technologies, process improvements and innovations to minimise this very impact. The same is reflected in our stringent environmental targets which we aim to meet and even exceed by 2015. Over the years, we have instituted policies, systems

and practices to manage our environmental footprint. Eleven of our 12 domestic manufacturing units are already ISO 14001 certified for Environment Management Systems. Through our endeavours, last year itself, we were able to reduce our water consumption by 11%, energy consumption by 3% and SO_x release by 52% as compared to the previous year across all our units. Recycling of waste produced during the manufacturing process is actively taken up across all

This report is an endeavour to communicate to you what sustainability means to us and how we have been defining, adapting and practicing it for the past 128 years of our existence.

our units. Similar technological interventions and processes around monitoring and measuring waste, water and energy have also been adopted at our new unit in Sri Lanka.

Accurately measuring our environmental footprint is a precursor to devising any plans and strategies around it. In addition to carbon foot-printing and water audit exercises at our major manufacturing units, we are also undertaking life cycle analysis (LCA) studies for 3 of our major products - Chyawanprash, Honey & Réal. The comprehensive exercise is currently underway and the results will allow us to manage our footprint at the product level as well.

Given the nature of our business, sustainably managing natural resources is critical to the success and sustainability of our operations. Our Bio-Resource Development (BRD) Programme is geared towards identifying environmentally sensitive species that are part of our supply chain and formulates strategies to address the associated sustainability concerns. The programme explores all possibilities of localising the supply chain through contract farming mode and promotes direct engagement with local & small farmers. Our programme reaches out to 650 beneficiary farmers across 750 acres of land spanning 8 states in India. Last year itself saw a 58% rise in the coverage of the programme in terms of acreage.

The times are both challenging as well as exciting for Dabur with new risks to manage and new opportunities to conquer. We have set ourselves the target of achieving a topline of ₹7,000 crore by the end of the 2013-14 and we are committed to achieving the same through responsibly managing our impact on the environment and society. I would like to extend my sincere gratitude to all our stakeholders, each of whose contribution has made it possible for Dabur to flourish and

create enduring value for all of us throughout the 128-year-old journey. On behalf of the Board and employees of Dabur, I solicit your continued support and welcome your thoughts on our approach and performance presented in this report.

Dr. Anand Burman
Chairman
Dabur India Ltd.



OUR BUSINESS



WE ARE DEDICATED TO PROVIDING NATURE-BASED SOLUTIONS TO OUR CUSTOMERS FOR A HEALTHY AND HOLISTIC LIFESTYLE

Dabur India Limited is the fourth largest FMCG Company in India with Revenues of INR 6,146.4 crores. Building on a legacy of quality and experience of over 128 years, Dabur is today India's most trusted name and the world's largest Ayurvedic and Natural Health Care Company with a portfolio of over 250 Herbal/Ayurvedic products. Dabur's FMCG portfolio today includes five flagship brands with distinct brand identities - **Dabur** as the master brand for natural healthcare products, **Vatika** for premium personal care, **Hajmola** for digestives, **Réal** for fruit juices and beverages and **Fem** for fairness bleaches and skin care products.

Dabur today operates in key consumer products categories like Hair Care, Oral Care, Health Care, Skin Care, Home Care and Foods. The company has a wide distribution network, covering over 5.8 million retail outlets with a high penetration in both urban and rural markets.

Dabur's International Business Division (IBD) today caters to the health & personal care needs of customers across different international markets spanning South Asia, Middle East, North & West Africa, EU and US through its brands Dabur, Vatika, Hobby and ORS.

Dabur is a public company with its share listed at premier stock exchanges of country viz. NSE & BSE. The company has been promoted by the Burman Family and is professionally managed by Mr. P. D. Narang, Group Director and Mr. Sunil Duggal, CEO.

Dabur has its manufacturing facilities at 12 locations in India major being at Rudrapur and Baddi and also at overseas locations major being at Ras al-Khaimah, Nepal and Egypt. Dabur's business can be divided into two categories, consumer products manufacturing and beauty products retail.

FMCG BUSINESS

Health Care: The market leader for health supplements in India, Dabur is sworn to its motto of being committed to the health & well-being of every household. With brands like Dabur Chyawanprash, Dabur Honey and Dabur Glucose, Dabur has been at the forefront of innovation & quality in both manufacturing and marketing these products. With these brands, Dabur has also been taking the lead in a variety of community service initiatives to build a stronger and more immune India. Dabur also has, in its portfolio, a range of over-the-counter healthcare products covering areas as diverse as women's healthcare, baby care, cough & cold and rejuvenation, besides a host of ethical medicines.

Digestives: With the country's most popular digestive tablets brand Hajmola, Dabur has been building on the brand's post-meal connect to drive demand and growth. It's among the largest digestive tablets brand in the country with more than 2.5 crore Hajmola tablets being consumed daily.

Hair Care: This vertical comprises of Dabur's hair oil & shampoo businesses and has been one of the key growth drivers for the company. With over 60 million dedicated consumers, Dabur Amla is the largest hair oil brand in the country, while Vatika has been among the few new successful shampoo brands launched in India over the past decade.

Oral Care: Dabur, with its distinct brands like Babool, Red Toothpaste and Meswak, has been among the fastest growing toothpaste companies in the country for four years in running now. The quality of our products continues to be best-in-class and is seen as a benchmark in the industry.

Skin & Body Care: A new vertical for Dabur, our products help breathe fresh life into your skin. Powered by Ayurveda and natural ingredients, these products help your skin glow from within. They are fast emerging as the most preferred skin care remedy for millions of Indians seeking naturally beautiful skin. This range also includes instant fairness products under the brand Fem.

Home Care: Among the fastest growing vertical within Dabur, our products operate in three core areas of mosquito repellents, air care and toilet cleaners and are clear market leaders in their particular categories.

Foods: A pioneer in the packaged juices market in India, Dabur has been at the forefront of innovation – both product development and packaging – with its Réal & Réal Activ range. A validation of our success is that consumers have voted Réal as the 'Most Trusted Brand' for five years in a row. A housewife has succinctly put the essence of Réal saying: "*Réal naam se hi lagta hai real juice hoga*".



RETAIL BUSINESS

NewU: Dabur operates a chain of beauty retail outlets in India under the brand name NewU. The NewU stores offer customers a comprehensive range of beauty products under one roof. Committed to its promise of delivering a world-class retailing experience to consumers across India, the NewU stores offer international quality store environment and product range.

OUR PERFORMANCE IN NUMBERS



HIGHLIGHTS OF ECONOMIC AND ENVIRONMENTAL
PERFORMANCE FOR 2012-13 AS COMPARED TO 2011-12

16%
growth
in revenues

11%
reduction in
water
consumption

52%
reduction
in
SOx release

3%
reduction in
energy
consumption

18.4%
growth in profit
after tax

KEY RISKS AND MITIGATION MEASURES



WE REGULARLY MONITOR OUR RISK EXPOSURES AND TAKE ADEQUATE MEASURES TO SAFEGUARD OUR BUSINESS AS WELL THE INTEREST OF THE IMPACTED STAKEHOLDERS

The business environment today, besides the global and national macroeconomic risks, poses several unique risks pertaining to the FMCG industry and more specifically to the ayurveda-based healthcare space. We pro-actively seek to identify, manage and, wherever possible, mitigate these risks to the extent possible. Our risk management framework allows us to identify risks impacting our business and deploy organisation wide processes for managing these risks. Some of the major risks impacting us and our stakeholders today and the accompanying mitigation measures are discussed below.

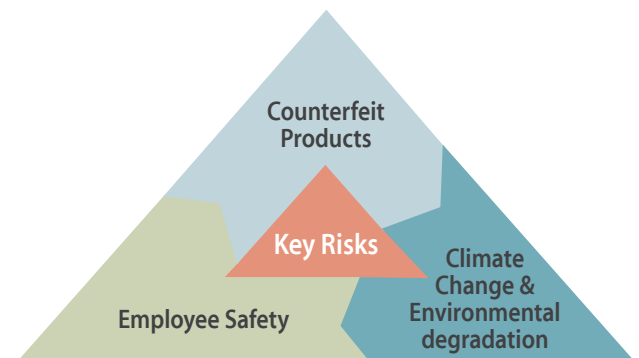
COUNTERFEIT PRODUCTS

The counterfeit products reaching the market constitute a drain on value for the entire economy as it creates an unaccounted-for alternative business channel. These products impinge on our intellectual property rights, create a revenue-loss, possibly degrade the brand value and threaten not only the trust Dabur has built over the years but also the health and well-being of our customers who are vulnerable to the risk of using these poor-quality counterfeit products. According to a 2012 FICCI report², total annual loss of sales to the FMCG (packaged food) sector stands at more than INR 20,000 crores and a corresponding tax loss of INR 550 crores in direct taxes and INR 5100 crores in indirect taxes to the government just from this sector alone. Given the magnitude of the issue and the potential impact on our business, we consider this as one of our prime business risks and actively work towards managing it.

OUR RESPONSE

Round the year we work on devising and executing strategies for targeting fake products and packaging manufacturers and label printers through raids in collaboration with local authorities and network of business associates. The issue of fast growing illicit trade in counterfeits and smuggled goods will require concerted efforts from the entire industry. Through our association with FICCI's Committee Against Smuggling and Counterfeiting Activities Destroying Economy (CASCADE) as members, we are working with our peers to address this issue. The committee works together with government entities like Department of Consumer Affairs, Central Board of Excise & Customs and Economic Offence Wing of Delhi Police along with industry representatives to create awareness and in finding solutions to this problem by providing a platform for effective engagement.

FIGURE 1: KEY RISKS



²

Socio-Economic Impact of Counterfeiting, Smuggling and Tax Evasion in Seven Key Indian Industry Sectors, FICCI 2012 <http://www.ficci-cascade.com/studies.php>



CLIMATE CHANGE & ENVIRONMENTAL DEGRADATION

Our business is closely linked to nature and environment and any risk that threatens these critical elements will invariably have an impact on our business as well. Variation and uncertainty in agricultural patterns by virtue of climate change can cause disruption in our agricultural supply chains. Water as a resource is vital to our operations and any interruption in its availability poses a serious business risk to us. Given the recent regulatory developments (national as well as global) with respect to climate change, it can easily be evinced that future regimes will include restrictions on CO₂ (carbon dioxide) emissions. The ability of companies to effectively minimise their emission intensity will determine their competitiveness in the market.

OUR RESPONSE

To manage environmental risk at each of our locations, we conduct an aspect-impact analysis to assess the potential environmental risks and a management programme is formulated to address the identified significant risk and is executed in time in order to eliminate that risk. Our Bio-resource Development (BRD) Programme helps us in identifying sustainability issues in our supply chain pertaining to rare species of herbs and medicinal plants which are essential ingredients for making our products. We follow a "bush-to-brand" approach and engage directly with local & small farmers. This allows us to revive these endangered species and also promote sustainable agricultural practices in our supply chain.

We have taken various water conservation, process improvement and waste water treatment measures to minimise our impact on fresh water resources. We attained zero waste water discharge status at 9 of our 12 production units and efforts are underway to achieve the same at the remaining 3 units. By efficiently managing our water requirements through conservation and reuse, we are in a better position to manage risk related to water availability.

On the emissions front, we are investing in efficient technologies and process improvements and progressively switching to cleaner fuels to meet our target of reducing our GHG emissions by 35% by 2015 (as compared to 2011-12).

EMPLOYEE SAFETY

Occupational safety is imperative for making the workplace fit for operations. As a manufacturing concern, we face the risk of accidental workplace mishaps every day. This poses a risk to our employees and our business. We address safety concerns at the workplace with utmost care and target to achieve 0 accidents within our premises.

OUR RESPONSE

We are committed to providing a safe and a congenial work environment to all our employees. We consider this as our responsibility and our employee's right and have accordingly framed our Occupational Health, Safety and Environment policy (OHSE) policy. The OHSE policy at Dabur, applicable to all facilities, lays out all aspects of safety to be considered while at work. 9 of our 12 locations are already OHSAS 18001 and ISO 14001 certified and work is underway to get the remaining 3 certified as well. Training sessions on safety are conducted for all employees including contractual workforce on a continuous basis.



OPERATING ETHICALLY



OUR FIRM COMMITMENT TO OPERATE ETHICALLY HELPS US BUILD TRUST WITH OUR STAKEHOLDERS AND RETAIN THEIR CONFIDENCE

Ethics and transparency are fundamental pillars which underline our business conduct. As a responsible and leading organisation, Dabur does its business with utmost integrity. Dabur is committed to meeting its business needs without compromising on ethics and accountability. We exercise complete transparency in communicating decisions that impact our stakeholders.

Our values (figure 2) dictate the way we do business and integrity lies at the centrefold of this code. We have instituted policies which form the foundation of our company's commitment towards ethical conduct at all levels.

ABIDING BY OUR CODE

Dabur has its Code of Ethics & Conducts³ which extends to the Board members, members of the Management Committee and all employees in and above Officers level in all of its offices and units, group companies and SUNDESH (Dabur's CSR ARM). Currently, it does not extend to joint-ventures, suppliers and contractors. It is a must for every employee in all of our business units/subsidiaries to follow

FIGURE 2: OUR VALUES



³ <http://www.dabur.com/en/investors1/Policies/codeofconductslidesnew.pdf>



ethical professional conduct in their day to day activities. All employees have to read and understand this code and agree to abide by it. The code lists out specific professional responsibilities expected from all members of the Dabur family. These include living the Dabur values each day, knowing and respecting existing laws, observing corporate discipline and being accountable to all stakeholders among others.

COMPLETE ACCOUNTABILITY

Our Direct Touch (Whistle-Blower & Protection Policy) policy⁴ is applicable to not just all our employees but also extends to our business associates which underlines our commitment towards robust corporate governance. This policy provides a platform to employees and business associates for reporting unethical business practices at workplace without fear of reprisal and help in eliminating any kind of misconduct in the system. The policy also includes misconduct with respect to discrimination or sexual harassment. A dedicated committee consisting of three senior personnel is responsible for responsibly addressing each complaint raised. The dedicated team makes recommendations on corrective actions to the management which then acts on it immediately. Measures to protect the complainant from harassment have also been incorporated into the system. The functioning of policy is also periodically reviewed by the Audit Committee of the Board of Directors and suitable amendments are made as required. During the reporting period, one complaint was received and was successfully resolved under the provisions of the Direct Touch policy.

UNCOMPROMISING GOVERNANCE PRACTICES

Ethical business conduct is a key ingredient in our recipe to achieve business excellence and optimise long term value. Principles of transparency, accountability and equity govern our business practices. As we grow, our operations and activities will become increasingly more complex and maintaining trust with all our stakeholders will invariably

require sound governance practices. This will also require governance systems that can adapt and support the effective management of multiple complex operations while at the same time retain the core values instituted by the promoter family. Corporate governance systems at Dabur have been designed keeping in mind the above. We look beyond the legal and regulatory requirements and internally work towards strengthening our systems.

Our corporate governance structure ensures that the Board of Directors is well-informed, well-equipped and is empowered enough to perform what is expected from them. 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. The composition of the Board (presented in table 1 below) as on 31st March, 2013 is in conformity with Clause 49 of the Listing Agreement. The promoter family representation on the Board is confined to just 4 members and they provide broader guidance on the direction of the business.

Dabur's management structure is headed by the Management Committee (ManCom) which is tasked with developing and implementing policies, procedures and practices to bring to life the company's vision. The committee also identifies, measures, monitors and controls the risks factors in the business to ensure smooth operations.



⁴ <http://www.dabur.com/en/investors1/Policies/Direct%20Touch.pdf>

TABLE 1: COMPOSITION OF THE BOARD

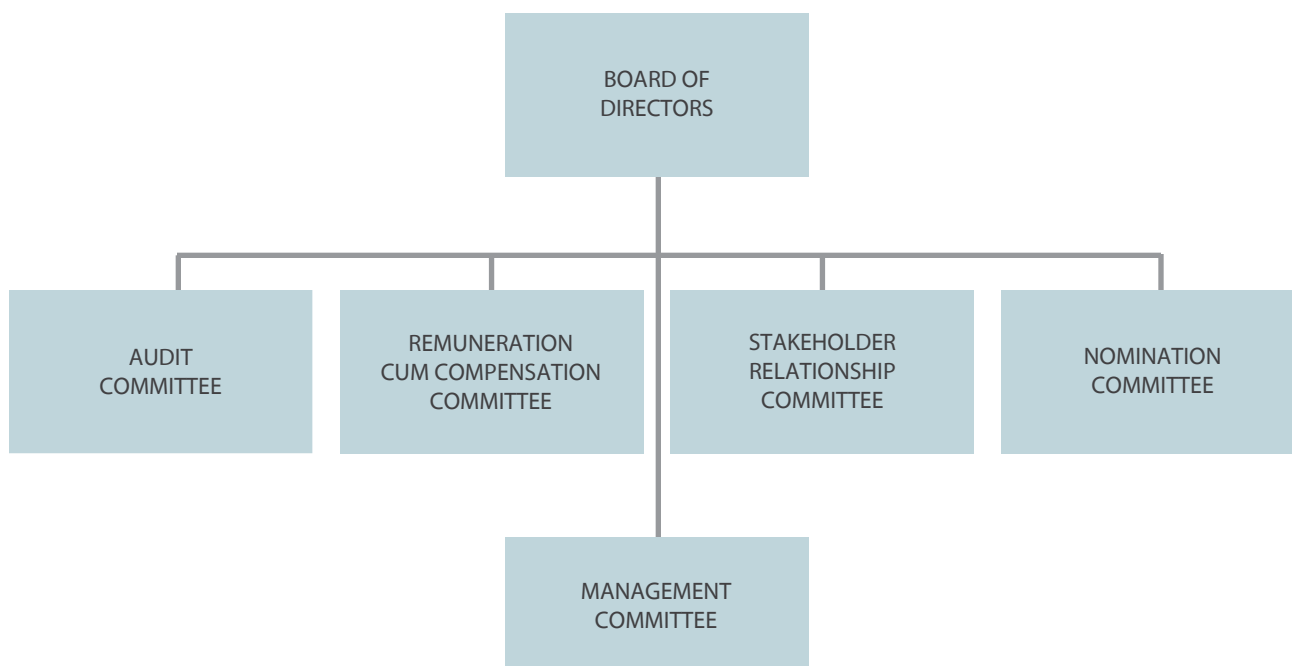
Name	Designation
Dr. Anand Burman	Chairman / Promoter / Non Executive Director
Mr. Amit Burman	Vice Chairman / Promoter / Non Executive Director
Mr. Mohit Burman	Promoter / Non Executive Director
Mr. Saket Burman	Promoter / Non Executive Director
Mr. P. D. Narang	Executive Director
Mr. Sunil Duggal	Executive Director

Name	Designation
Mr. P N Vijay	Independent Director
Dr. S. Narayan	Independent Director
Mr. R C Bhargava	Independent Director
Mr. A. W. Paterson	Independent Director
Mr. Sanjay Kumar Bhattacharyya	Independent Director
Dr. Ajay Dua	Independent Director

Dabur has four Board level committees: a) Audit Committee, b) Stakeholders Relationship Committee, c) Remuneration cum Compensation Committee & d) Nomination Committee. The structure is depicted in figure 2 below. It is the Board’s responsibility to constitute, assign, co-opt and fix the terms of reference for members of various committees. The Audit Committee comprises of four independent directors.

As discussed before, the Code of Ethics & Conducts also extends to the Board members and members of the Management Committee besides the employees. All Board members and senior management personnel affirm compliance with the Code of Conduct annually and the same is certified annually by the Chief Executive Officer in our report on corporate governance (as part of the annual report).

FIGURE 3: STRUCTURE OF THE BOARD



OUR PORTFOLIO OF SMILES



OUR PRODUCTS TOUCH MILLIONS OF LIVES EVERY DAY AND WE ENSURE EACH AND EVERY PRODUCT DELIVERS ON ITS PROMISE SAFELY AND EFFECTIVELY

Our unwavering focus on quality and safety is why consumers have consistently placed their trust in us for over 128 years. From farm to factory, from shelves to our customer's hands, each stage is impeccably executed to ensure our product's safety and optimal resource utilisation for minimising our burden on the environment.

Our brands have become household names across the country and connect with consumers of all generations. Our distribution network takes the Dabur brand to rural villages with population of as few as 3000 people. We strive to sustain and expand our brand footprint by continuing to produce to safe and effective products using sustainable processes. A snapshot of our brand connect is presented in figure 4.

CONTINUOUSLY IMPROVING OUR PROCESSES

We have zero tolerance for any deviation in quality of our products. Our world class research and development (R&D) facilities ensure that every product that comes out with the Dabur seal meets highest level of quality going beyond what is required by the law. We conduct scientific research and third party clinical trials on our products and their ingredients for the purpose of proving efficacy. All the herbs that we use for our ayurvedic products are compliant with standards laid out by the Ayurvedic Pharmacopoeia of India (API). We are also consciously working towards making ayurveda more contemporary and relevant for today's generation through product innovation. Some of the examples are single-dosage sachet of Honitus-non-alcoholic cough syrup and flavoured Chyawanprash which has broken the dichotomy of health and taste and already enjoys market leadership. Our R&D team conducts breakthrough research on natural ingredients and is able to generate patented active ingredients for our unique products. This allows us to market more and more innovative natural products to our consumers.

FIGURE 4: OUR BRAND CONNECT



COMMITTED TO REDUCING THE LIFE CYCLE IMPACT OF OUR KEY PRODUCTS

Environment continues to be our key focus area and we strive to minimise our burden on natural resources through various resource efficiency initiatives. We started conducting Life Cycle Analysis (LCA) of our products from last year in order to obtain clear and comprehensive information about our product’s ecological footprint. We started with 3 of our major products i.e. Chyawanprash, Honey & Real. Cradle-to-Cradle LCA is underway for these products and going forward we are targeting carbon-neutrality for these products. Energy, water and raw material consumption figures in the reporting period for these products are provided in the table 2 below:

TABLE 2: PRODUCT WISE RESOURCE USE

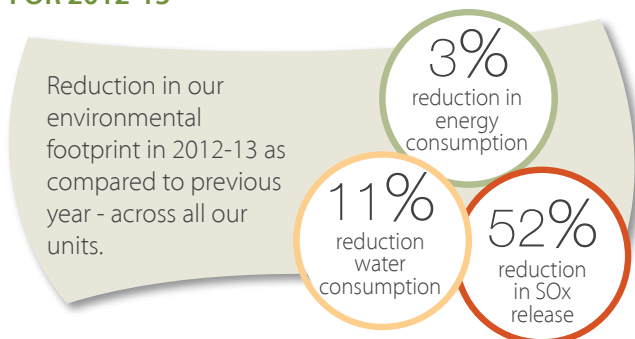
	Chyawanprash	Honey	Real Juice
Production (MT)	17,088.3	4,448.1	31,669.1
Energy Consumed (GJ)	10,814.86	8,838.88	27,536.71
Water Consumed (kL)	140,294	19,086	95,784
Raw Material (MT)	22,000 (Amla)	11,000 (Raw Honey)	19,368 (Fruit pulp)

The study is underway and the results from this year will serve as a baseline for future targets.



As an environmentally conscious company, we continue to innovate and use efficient technologies to bring down our strain on ecology. Through various initiatives and efforts we were able to reduce our water consumption by 11%, energy consumption by 3% and SOx release by 52% in the reporting year as compared to last year across all our units in India. We have achieved this despite our increasing production figures.

FIGURE 5: ENVIRONMENTAL PERFORMANCE FOR 2012-13



For our Real brand of juices, increasing the stack height of juice packs during transportation resulted in reducing the fuel consumption per MT of product during distribution thereby reducing our carbon footprint in 2012-13. Also, through our partnership with "Tetra Pak," we have been recycling packaging material post consumption.



We have taken several initiatives for reducing the environmental impact of our operations through modifying our packaging practices as well. We reduced the amount of plastic used by more than 100 MT in 2012-13 by reducing the PET jar weight for Hajmola jars and reducing the thickness of low density shrink films used as secondary packaging for oral care products. We also saved around 105 MT of paper board in 2012-13 by reducing the size of carton packaging for our Babool brand of toothpaste.

GOING SMALL, GOING LOCAL – OUR BIORESOURCE DEVELOPMENT PROGRAMME

Through our Bio-resource Development (BRD) Programme, we try to identify environmentally sensitive species being used in our supply chain and develop methodologies to address their sustainability concerns. Our BRD teams explore all avenues for domestication and contract farming mode for the identified species. For procuring these rare species of herbs and medicinal plants which are essential ingredients for making our products like Dabur Chyawanprash, we follow a "bush-to-brand" approach and engage directly with local & small farmers. Our engagement with small farmers not only allows us to revive these endangered species but also secure our supply and provides a sustainable source of livelihood to these forest based communities. Local farmers also gain through continuous transfer of scientific knowledge through training programmes, workshops and field demos. By directly engaging with the farmers instead of through middlemen, Dabur can more effectively engage them in sustainable resource management. We have been pursuing this contract farming model for many years in Nepal and India.

In India, our agronomical endeavour spread over 8 states, stretched over an area of 750 acres which is around 58% higher than the previous year. It involves over 650 beneficiary farmers who have been linked to our program via contract farming mode. State wise summary of number of farmers involved under contract farming projects and

the respective area under cultivation is given in the table 3 below:

TABLE 3: STATE-WISE SUMMARY OF CONTRACT FARMS

S.No.	State	Area (acres)	No. of farmers
1.	Himachal Pradesh	156	164
2.	Maharashtra	102	89
3.	Rajasthan	161	74
4.	Tamilnadu	41	38
5.	Uttarakhand	85	134
6.	Uttar Pradesh	182	115
7.	West Bengal & Arunachal Pradesh	23	41
	Total	750	655

During 2012-13, the programme has added Hedychium spicatum (used in Vatika Hair oil and other Ayurvedic Medicated oils) to the list of “self-sufficient” herb. With this addition, the company has captive resources to cater to 100% volumes for 6 species of herbs now. The farming projects mobilised over 250 MT of medicinal projects spanning across 14 species (raw-material entities) IN 2012-13. On a weighted average basis, the BRD programme contributed 29% of total volumes for these species.

In addition to the contract farming projects, the BRD programme at Dabur has taken-up development of sustainable supply chain for wild medicinal plants. Under this component, the BRD scientists undertake capacity building programmes on Sustainable harvesting/ resource management practices for wild medicinal plants. Eventually, these communities will enter into direct business association with Dabur. We are collaborating with grass root level collectors/ Van Suraksha Samiti (VSS) in Odisha under

GREEN HOUSE PROJECTS

Dabur has established two state of the art green houses in Nepal (Banepa) & India (Pantnagar) dedicated exclusively toward production of elite quality planting material (QPM) for medicinal plants. The Green house complex at Nepal was established almost a decade ago & has been successfully producing commercial batches of QPM. The unit has attained a major breakthrough in developing commercially viable propagation technology for two

A brief account of our efforts is tabulated below:

Location	Area under cultivation (ha.)		Farmers
	Own	Contract	
Marpha and Birgunj	41	13	255
Birgunj, Sarlahi, Kavre	2	2	12
Ramechhap, Dolakha, Rasuwa, Sankhuwasabha, Okhaldhunga, Terhathum	--	9	350

The green house complex in India was commissioned in November, 2011 and Commercial scale operations for QPM production at this unit commenced during 2012-13. The unit delivered a total of 2.2 million saplings/

critically endangered & regulated medicinal plant, viz. Chirata (Swertia chirata) & Talispatra (Taxus wallichiana).

Dabur Nepal has been pursuing cultivation projects for three commercially important herbs in Nepal. These herbs are being cultivated at 11 different locations adding up to an area of 67 hectares. More than 600 farmers are actively participating in this programmes.

seedlings during 2012-13. This production volume includes 0.80 million healthy plants of Ateech (Aconitum heterophyllum), a critically endangered species.



OFSDP (Odisha Forestry Sector Development Project). The project spans across eight forest divisions and covers 180 VSSs. Under this multi-dimensional project, the company has created avenues for fair-trading and direct business association for the communities. The first phase of this programme comprising of capacity building workshops on sustainable collection & resource management were held

for VSS members in 6 forest divisions in the state of Odisha was completed during the FY 2012-13. These community groups shall enter into business tie-up with Dabur for supply of 6 more species in the year 2013-14.

Some other unique projects undertaken in 2012-13 are presented in the box on the right.

COMMUNICATING RESPONSIBLY

Dabur displays additional information on product label to ensure safe and correct usage by consumers. Only scientifically verified information and claims are conveyed on the label. The additional information on the product label relates to various active ingredients contained in the product, their proven clinical benefits, customer grievance redressal mechanisms, directions for use (including pictorial depiction), safety, caution etc. and varies from product to product. Customers can also log in to Dabur's corporate website (www.dabur.com) to share their feedback or complaints or seek answers to any query regarding our products or general ailments.

COLLABORATION WITH WORLD WIDE FUND (WWF)

A project was instituted in 13 acres of land areas (Kotabagh Region, Dist. Nainital) in the buffer zones of Jim Corbet National Park. These zones are classified under High-conflict zones wherein, the wild animals tend to stray into agricultural fields of villagers and cause economic losses to the farmers and they in turn retaliate and cause harm to the wild animals. Hence, these villagers needed crop systems which cannot be adversely damaged by the wild

animals. In collaboration with World Wide Fund (WWF) sensitive zones were identified and three medicinal crops were introduced. The farmers (a total of 23 farmers participated in this project during the year) were satisfied with the initial outcomes. The project also identified two more species for introduction in these buffer-zone villages - during the Year 2013-14.

DEMO FARMS IN UTTAR PRADESH

In another similar project, an opportunity was spotted to make use of free spaces in Mango orchards of UP State. The company, in collaboration with National Medicinal Plants Board, has initiated a study to examine the feasibility and to identify the correct species for this purpose. A research-

cum-demo site is being developed in 7.5 acres of mango orchards at Village Rataul in dist. Baghpat. One round of orientation programme has already been organised for the farmers from the surrounding villages.

OUR PEOPLE, OUR STRENGTH



THE EFFORT OUR PEOPLE PUT IN EVERYDAY IS WHAT MAKES IT POSSIBLE FOR US TO CONSISTENTLY DELIVER ON OUR COMMITMENTS

We value our employees and recognise that our success as a business is directly linked to their well being. We are fully committed to doing all that is necessary to make Dabur the best place to work for. We will continue investing in our people, improving our workforce diversity, ensuring employee satisfaction and maintaining constructive relationships with labour unions.

At Dabur, we are proud to have a dedicated and an inspired workforce of more than 4000 in India and about 2100 in our overseas operations (table 4). In addition, we employ about 5600 people on a contractual basis. Our Human Resources (HR) team takes continuous guided efforts in nurturing talent, inculcating business acumen and skills in employees and ensuring their growth into well-rounded and motivated individuals.

TABLE 4: NUMBER OF EMPLOYEES

Total number of employees	6154
Total number of employees hired on temporary/ contractual/ casual basis	5617
Total number of permanent women employees	380

GROOMING OUR FUTURE LEADERS

We place a strong emphasis on identifying and developing tomorrow's leaders. Dabur's talent management strategy is focused on creating an in-house talent pool of well equipped potential business leaders of tomorrow. Our Career Development Centre (CDC) has been specifically instituted for providing career development and advancement opportunities for Dabur employees. CDC works like a training cum assessment process carried out by panel of internal and external members wherein the candidates nominated by line managers undergo a set of trainings and simulated practical tests. CDC helps us identify and reward talent and allows us to look internally for filling senior level positions rather than laterally which is a common practice across the industry. The process runs with complete transparency and feedback sessions are organised for both successful and unsuccessful candidates.



REWARDING OUR EMPLOYEES

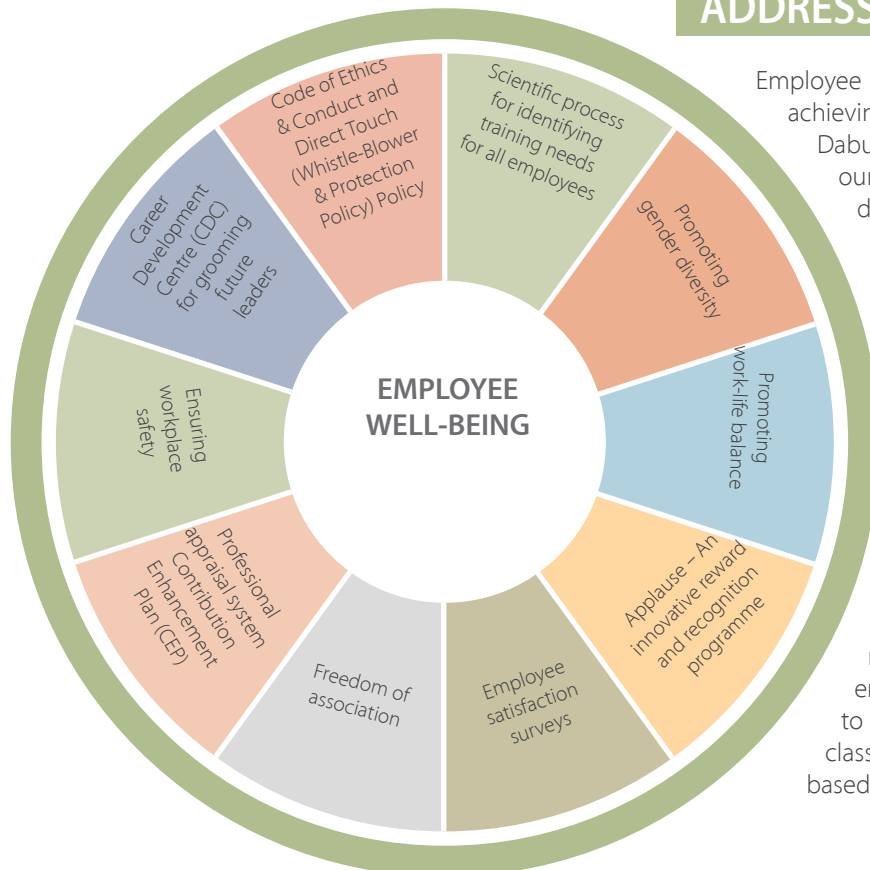
Our HR team works in collaboration with business operations and helps in designing and enhancing performance parameters for each employee across our organisation. We have put together a system to undertake professional appraisal of our employees known as the Contribution Enhancement Plan (CEP). The CEP aims at establishing formal individual objectives in the beginning of the year and subsequently reviewing and measuring individual contribution at the end of the year, with emphasis on feedback to reinforce successful behavioural attributes and to plan training and development activities. The success of the system lies in its ability to trigger a candid and professional discussion between the reviewer

and reviewee where areas of strength, improvement and achievement are clearly communicated.

Through our reward and recognition programme called 'Applause', we intend to further motivate our employees to innovate and improve their performance by providing immediate recognition to their efforts beyond normal monetary rewards. Various awards presented under this scheme are listed below:

- ◆ **Rising Star:** Most promising new comer award.
- ◆ **Trailblazers:** Employee of the half-year.
- ◆ **Honors Club:** Employee of the year.
- ◆ **SPOT Recognition:** On the spot recognition for wonderful job done.
- ◆ **Eureka:** An Idea Generation Award

FIGURE 6: **EMPLOYEE WELL BEING FRAMEWORK**



IDENTIFYING AND ADDRESSING TRAINING NEEDS

Employee development and training is key to achieving an environment of excellence at Dabur. We give a lot of emphasis on helping our new as well as existing employees to develop the talent, knowledge and ability required to meet their professional development goals.

We follow a scientific process for identification of training needs, which emphasises linkage between performance assessment and training delivery. Training needs are identified through self assessment, identification by immediate superior, programmes with business linkages and using Critical Incidents methodology. Keeping in mind the needs of different trainee groups, we employ a mix of diverse delivery media to deliver training to our people like classroom training, outbound training, web based training and audio visual training.

The training programmes are customised to cater to the needs of staff across levels and functions. Some of the major training programs are as follows:

- Functional knowledge enhancement trainings like Brand Enhancement
- Programmed interventions for continuous improvement which involves undertaking business improvement projects in small teams focusing on employee skill utilisation and development.
- Functional and behavioural Skills training for our sales force through SPORT module which stands for- Solution selling, Pro-activeness, Objectivity, Relationship & Trust
- Train the trainer programmes for creating ownership among line managers for training delivery
- Cross functional training for management trainees through ‘Young Managers Development Program’
- Executive Development Programs for senior management

STRIKING A BALANCE

We recognise the need to create a work place that respects a healthy work-life balance and take complete responsibility of ensuring a work environment that is conducive to employees being able to give their best. We have designed certain work rules that provide flexibility to our workforce especially our female colleagues. These rules include:

- 5-day working week at the corporate office
- 2nd & 3rd Saturday off in Zonal offices
- Maternity benefits for all Women employees
- Special approval is given on case-to-case basis for working women in case of any special requirement pre and post-delivery
- Employees are also entitled to take special occasion leave on account of marriage anniversary/birthday
- Male employees can take paternity leave on birth/ adoption of child

These rules allow our employees to better manage their responsibilities outside of work and maintain a healthy work-life balance.

PROVIDING A SAFE WORK PLACE

Occupational health and safety is a basic yet critical element that makes the workplace fit for operations. The Occupational Health, Safety and Environment policy (OHSE) policy at Dabur, applicable to all facilities, ensures this message is conveyed throughout the organisation. 9 of our 12 locations are already OHSAS 18001 and ISO 14001 certified and work is underway to get the remaining 3 certified as well. Training sessions on safety are conducted for all employees, details of which are given in table 5 below:

TABLE 5: % OF EMPLOYEES GIVEN SAFETY TRAINING IN 2012-13

Permanent Employees	60%
Permanent Women Employees	100%
Casual/Temporary/Contractual Employees	20%

PROMOTING GENDER DIVERSITY IN OUR WORKFORCE

At Dabur, we believe strength lies in diversity and are continually implementing measures to ensure diversity in our work force and equal opportunities for all employees irrespective of their gender. We are dedicated to identifying obstacles in attracting and retaining women employees and address these in a participative manner. As a company, we have experienced great deal of value addition by ensuring diversity in our workforce and in order to continue growing, we have taken several steps towards encouraging women and enhancing workforce diversity including our initiatives on work-life balance focused on women.



Currently more than 6% of our permanent employees are women and majority of our brand managers across categories are women.

PROMOTING A CULTURE OF MUTUAL RESPECT AND EQUALITY

At Dabur, every individual is expected to treat his/her colleagues with respect and dignity. This is enshrined in our values and in our Code of Ethics & Conduct. Our Direct Touch (Whistle-Blower & Protection Policy) policy provides a platform to all employees for reporting unethical business practices at workplace without fear of reprisal and help in eliminating any kind of misconduct in the system. The policy also includes misconduct with respect to discrimination or sexual harassment. In 2012-13, we did not receive any complaint relating to child labour, forced labour, involuntary labour, sexual harassment.

We provide the freedom of association and collective bargaining to our employees. We recognise and constructively work with the employee associations registered under "Trade Union Act - 1926" in Kolkata and Birganj (Nepal).

LISTENING TO WHAT OUR EMPLOYEES HAVE TO SAY

We benefit manifold by listening to what our employees have to say about us an employer and what more can we do make Dabur the best place to work at. We conduct employee satisfaction surveys on an annual basis through an independent third party.

ENGAGING WITH OUR CONTRACTUAL WORKFORCE

As almost half of our employees work with us on a contractual basis, we are equally committed to them as we are to our permanent employees. Our contractual workforce is entitled to the same standards as their permanent counterparts with respect to safety, compensation, training and capacity building. They are expected to abide by our code of conduct and are also entitled to utilise the Direct Touch policy. Our training and development programmes also cater to our contractual workforce.



ENGAGE AND THRIVE



WE DEPLOY EFFECTIVE STAKEHOLDER ENGAGEMENT STRATEGIES THAT CREATE VALUE FOR OUR STAKEHOLDERS AND FOR OUR BUSINESS

Our progress is invariably linked with the welfare of our stakeholders both as a cause and as an effect. We therefore recognise the need to identify and engage with all our stakeholders to understand their needs and concerns and commit to creating long-term value for them.

The trust that our stakeholders place in us is an invaluable asset and is vital to our existence as a company. Our consistent efforts to effectively engage with our stakeholders go a long way in creating and sustaining this trust. We conduct our business in a responsible manner and exercise complete transparency in our communications. We are 100% accountable to our stakeholders and continuously strive to develop our capability for fostering mutual growth that is both inclusive as well as enduring.

We have mapped our internal and external stakeholders and recognise our employees, communities surrounding our operations, business associates (network of suppliers, stockists and dealers), customers, shareholders/investors and regulatory authorities as our key stakeholders (figure 6). We have installed robust mechanisms to continuously engage with all our stakeholders (internal and external). This helps us in identifying their needs and priorities and allows us to serve these needs accordingly. We are committed towards pro-actively engaging with all our employees, communities, business associates and customers who may be disadvantaged, vulnerable or marginalised.

OUR EMPLOYEES

Our employees form the DNA of the company and are an integral part of who we are. The growth in our human capital stock in terms of quality and quantity is necessary to ensure we achieve our target of achieving a topline of INR 7,000 crore by 2013-14. Our engagement with employees is meant to strengthen their ties with the organisation by operating as a family and to grow as professionals and individuals to be able to excel in their respective roles. Through outcome driven trainings, fair and attractive rewards/appraisal system and career development initiatives and other informal modes of engagements (fun and recreational events), we make sure our employees stay driven and engaged and are able to play their roles in Dabur's growth story.



FIGURE 7: OUR STAKEHOLDERS



COMMUNITIES SURROUNDING OUR OPERATIONS

Through our CSR arm - Sustainable Development Society or SUNDESH, we strive to have a positive impact on the communities that surround our operations. We develop and deploy need-based community programmes in the areas of health, education, skill development, sanitation, livelihood, financial inclusion and empowerment through formation of Self Help Groups (SHGs), village development and veterinary services. All our businesses and manufacturing units continuously engage with these communities through surveys and focused meetings. This is done to gauge the needs, priorities and expectations of the local community. Initiatives are thus designed and delivered in a transparent manner in line with inputs from the community itself.

OUR BUSINESS ASSOCIATES

Our business associates – suppliers, stockists and distributors - are the backbone of our value chain. We have instituted both formal and informal channels to engage with our business associates to ensure mutual growth which is critical for the inclusive growth story we are trying to write. Our Direct Touch policy provides a platform for our business associates to report unethical business practices at workplace without fear of reprisal. We regularly organise training sessions, meets, corporate events, reward

programmes to continuously stay in touch with our business associates. This ensures a two-way communication wherein we can inform them about company level updates and they can inform us about their needs and concerns. We roll out our quarterly newsletter - Connexions - which provides us an additional avenue to stay engaged with our business associates. We have also undertaken several concrete IT initiatives to improve the ease of doing business with Dabur for our business associates

Our supply chain also includes small and marginal farmers of rare herb species in through contract farming. We engage with these farmers directly through field visits, training programmes etc.

IT initiatives for stockists

We have provided hand-held devices to stockist sales force to improve the efficiency of order booking process by providing real-time information on purchase trends of outlets.

We also launched a web-based claims submission system – Nivesh, to improve our claim settlement processes as it directly impacts our stockists. Nivesh has resulted in increasing the speed of claim settlement by more than 30%.

OUR SHAREHOLDERS/ INVESTORS

As a leading listed consumer goods company, we are cognizant of our responsibilities to our shareholders. Our relationship with them is built on trust and transparency and the same is reflected in our practices while engaging with them. Our business growth trajectory is determined



by our sound and holistic growth strategy – “Accelerate & Globalise” which allows us to deliver on our promise of creating wealth for all our investors. We have a dedicated committee to look into shareholder complaints and grievances regarding issues like transfer or credit of shares, non-receipt of dividend/notices/annual reports, etc. Such robust systems allow us to identify, prioritise and address the needs and concerns of our shareholders to continuously improve investor relations and further solidify the trust that binds us. Our transparent disclosures in the form of our Annual Report, quarterly results, press reports of key management decisions, disclosures to stock exchanges, updates on the “Investor centre” section of our website etc. keep our investors well informed about Dabur’s performance and outlook. We encourage our retail investors to reach out to us through Annual General Meeting (AGM) or by simply through the investor centre via email (investors@dabur.com). Ever since our listing, we have also been conducting an online Investors Satisfaction Survey⁵ to understand our investor’s requirements and satisfaction levels. This helps us in improving our standards of service, communication and disclosures to our valued investors.

OUR CUSTOMERS

Meaningful engagement with our customers helps us communicate the message and purpose of our brands more clearly and also keeps us on the pulse of what the consumer wants. As part of our stakeholder engagement strategy, we engage with our customers throughout the year via various initiatives like our mass awareness campaigns (Immune India, pan India oral hygiene awareness mission

etc), informative sessions and other promotional events. We also provide one-click solution to our customers’ ayurveda related queries through our web-based platform “Live Veda”. We also utilise social media platforms to engage with our consumers. We have created pages for various brands (figure 8) where consumers can interact with other consumers and also learn more about the product itself. This enhances the overall consumer experience with the brand. We also organise customised education programmes for our B2B customers like beauty parlors, ayurvedic doctors etc.

FIGURE 8: FACEBOOK PAGES OF OUR BRANDS



We have a dedicated customer cell to resolve any customer concerns or queries related to our products. We also conduct customer satisfaction surveys and blind product tests to stay on top of our customer’s needs.

REGULATORY AUTHORITIES

Our engagement with regulatory authorities gives us an opportunity to both promote as well as protect the interest of our stakeholders and our industry at large. We are a member of several industrial and trade bodies and through these bodies we actively contribute to relevant public policy matters. In the past, we have participated in forums pertaining to themes like corporate governance, consumer interest and counterfeiting.

⁵ <http://www.dabur.com/Investors%20Relation-Corporate%20Governance-Investors%20Satisfaction%20Survey>

COMMITTED TO PROTECTING HUMAN RIGHTS



THE RESPECT FOR HUMAN RIGHTS IS EMBEDDED AND ENCOURAGED ACROSS OUR VALUE CHAIN

We recognise the need to protect basic human rights of all our stakeholders across our operations and also the role that businesses can play in enforcing this protection at a scale that goes beyond the walls of our company. This is empanelled in our code of conduct and in our company's culture.

At Dabur, issues related human rights are covered under the Code of Ethics & Conduct and the Direct Touch policy (Whistle Blower & Protection Policy). The Direct Touch policy applies not just to employees (employees in and above Officers level) of the group (including SUNDESH, the CSR arm of Dabur) but to business associates (suppliers, stockists and dealers) as well. We do not deal with any supplier/contractor who is in violation of human rights and we do not employ any person below the age of eighteen as per our recruitment policy. We also prohibit the use of forced, compulsory and child labour at all our units and discourage the same with our business associates. Our Code

of Ethics & Conduct lists out general moral imperatives that embody the importance of respecting and protecting each other's rights. We are committed to providing a safe and a congenial work environment to all our employees. We consider this as our responsibility and our employee's right and have accordingly framed our Occupational Health, Safety and Environment policy (OHSE) policy applicable to all our facilities. 9 of our 12 locations are already OHSAS 18001 and ISO 14001 certified and work is underway to get the remaining 3 certified as well.

The Code of Ethics & Conduct and the Direct Touch policy discourage violation of human rights and provide a fair and a transparent mechanism for reporting any such violation. The Direct Touch team consists of three senior personnel who investigate the complaint and recommend a corrective action to the management within 30 days of receipt of disclosure. The management acts immediately based on the recommendation. In case of non-response, the employee or business associate can directly approach the chairman of the Audit Committee. The system is designed to ensure confidentiality and protect the complainant from being victimised. False allegations are also dealt with disciplinary action in accordance with company rules, policies, and procedures. The Direct Touch team maintains a log of all disclosures received and reports the summary of such disclosures and action recommended/taken to the Audit Committee on a quarterly basis.

We did not receive any complaint pertaining to human rights violation from our stakeholders during the reporting period (2012-13)

EXCERPTS FROM OUR CODE OF ETHICS & CONDUCT

"As employees of Dabur, we will...
... Contribute to society and human well-being

This principle concerning the quality of life of all people affirms an obligation to protect fundamental human rights and to respect the diversity of all cultures.

- ... Avoid harm to others
- ... Be honest and trustworthy
- ... Be fair and take action not to discriminate

The values of equality, tolerance, respect for others, and the principles of equal justice govern this imperative. Discrimination on the basis of race, sex, religion, age, disability, national origin, or other such factors is an explicit violation of this code.

- ... Practice integrity in our inter-personal relationships
- ... Honour confidentiality"



WORKING TOWARDS A GREENER TOMORROW



WE RELY ON NATURE'S BOUNTY TO MAKE OUR PRODUCTS AND SEE IT AS OUR DUTY TO MINIMISE OUR IMPACT ON THE ENVIRONMENT

Being in the business of nature-derived products and given our dependence on rare herbs and medicinal plants, we have been practising responsible ecological management for years. Managing natural resources sustainably comes naturally to us and we encourage the same across our value chain. Our policies, systems and practices are all geared towards continuously monitoring, assessing and managing our environmental footprint and in figuring out innovative ways to return back to nature the value it lends to us

Climate change, global warming and environmental degradation pose unique challenges as well as opportunities for Dabur. We take pride in positioning ourselves as an ecologically sensitive organisation. We are continually investing in new technologies, implementing process improvements and innovating. To make progressive strides and guide us in our endeavour, we have deployed a dedicated team for devising and implementing strategies for managing these risks and opportunities. As a result of their efforts, 11 of our manufacturing units are already ISO 14001 certified for Environment Management Systems. We have also set concrete targets (figure 9) that we aim to fulfil by 2015.

FIGURE 9: TARGETS FOR OUR ENVIRONMENTAL PERFORMANCE

TARGETS FOR 2015

To reduce our GHG emissions by 35% considering 2011-12 (1,11,112 MT CO₂e) as the baseline

To achieve carbon-neutrality in the life cycle of Chyawanprash, Honey & Real Juice

To increase our renewable energy portfolio by 25% as compared to 2011-12

To improve energy efficiency by 20% as compared to 2011-12

To distribute 10% of our product through rail

To increase use of bio friendly material in packaging by 25% as compared to 2011-12

MANAGING ENVIRONMENTAL RISK

Our Environment & Pollution control policy outlines our commitment towards managing and minimising our environmental impact. This is further reinforced by sound environmental management systems practiced across our manufacturing units.

We do aspect-impact analysis at our manufacturing units to assess the potential environmental risks and Management programme is formulated to address the identified significant risk and is executed in time in order to eliminate that risk.

The process to identify potential environmental risks is presented below:

STEP-WISE PROCESS FOR IDENTIFYING POTENTIAL ENVIRONMENTAL RISKS IS

- ❑ Consider all operations of the department
- ❑ Consider the process flow of each such operation and divide it into different activities, so that each activity can be considered separately for identifying the releases & discharges, land intake, visual impact, resource consumption, health & safety risk
- ❑ While dividing operations into activities, consider:
 - Activities-for eg. handling of hazardous materials, receiving, storage, processing, disposal etc.
 - Services-for eg. transportation, maintenance, washing, conditioning, etc.
- ❑ Classify activities into "Direct" and "Indirect"
 - Direct: Those which are under the direct control of the organisation
 - Indirect: Those which are not under the organisation's direct control, but over which it can be expected to have an influence
- ❑ Identify aspects of each activity by considering the following inputs:
 - ❑ Use of raw materials, consumables, etc. (in case of natural resource), use of a non bio-degradable material (for possible material substitutions)
 - Use of water
 - Use of energy

The above steps will result in a score and if that score is above 100 then that risk is considered as significant.

LEVERAGING TECHNOLOGY

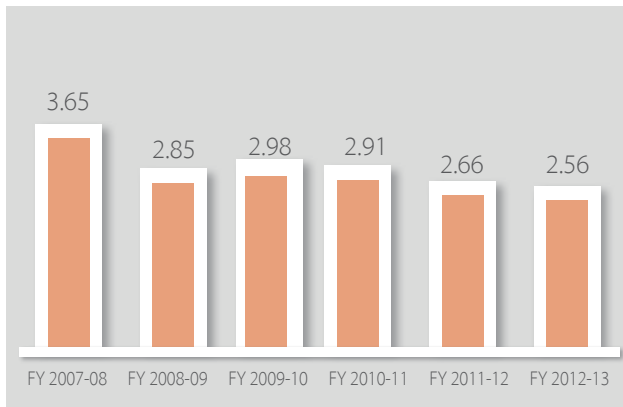
Being a leading responsible company, we strive to be at the forefront of investing in efficient technologies and process improvement measures that prove to be a fit for achieving our targets. We are in the process of switching to cleaner fuels and have already started using it in many of our operations. Currently, at our Sahibabad factory, all the energy requirements are being met through piped natural gas (PNG). Methane gas generated from our effluent treatment plants (ETP) is used as a cooking fuel in canteens. We also use agro based waste as a fuel in some of our

units for steam generation. In the process of active content extraction from herbs, we have improved our efficiency by 25% as compared to last year, resulting in more output per ton of herbs.

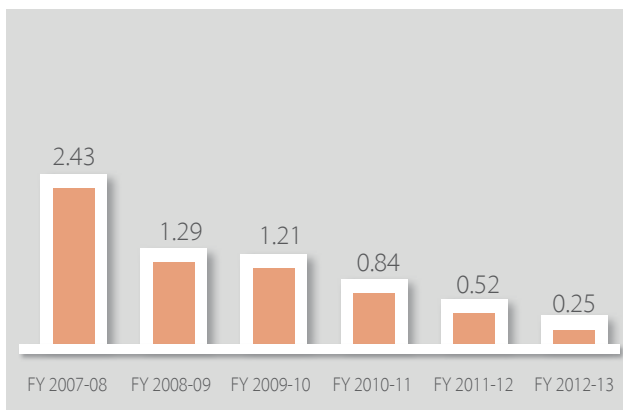
It is because of these initiatives and various other energy efficiency initiatives, we have been able to achieve significant reduction in our absolute energy consumption (3%) and bring down our SOx emissions (52%) across units despite the increase in production. It is an ongoing process for us and we continue to implement our learning across all our manufacturing units.



ENERGY CONSUMPTION (GJ/T)



PRODUCTION Vs Sox



Some of the key energy efficiency initiatives taken in the reporting period are:

- Replacement of old less efficient air compressor with new energy efficient compressor
- Use of solar light for street light
- Replacement of electrical exhaust fans with Air ventilators
- Dissolved oxygen system installation in ETP
- Replacement of forced draft cooling tower with natural draft cooling tower
- Installation of magnetic resonators in steam boiler and D.G. set
- Installation of LED tube light in place of FL tubes

- Installation of transparent roof sheet
- Replacement of Vapour Street Light to CFL Light
- Introduction of wind ventilator in herbal boiling section

We are also seeking opportunities in the field of solar and wind power energy in order to achieve our renewable energy targets.

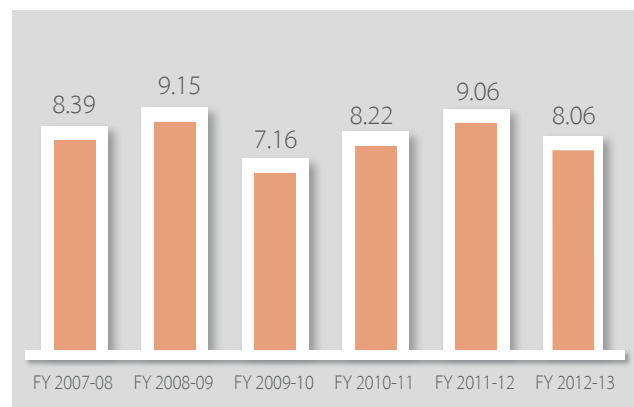
MANAGING OUR WATER CONSUMPTION

Water is essential for our business and its sustainable supply is key for sustaining our operations. Water is an increasingly scarce and shared resource and it is an extremely critical natural resource not just for us but also for the community. We realise its criticality and continue to take necessary steps to address water related challenges.

We have taken various water conservation, process improvement and waste water treatment measures to minimise our impact on fresh water resources. We attained zero waste water discharge status at 9 of our 12 production units and efforts are underway to achieve the same at the remaining 3 units. We have got effluent treatment plants installed at all our units and recycled more than 1,90,000 m³ of wastewater across our production units last year. Most of the water that we recycled was reused within the manufacturing units. Also, through our rain water harvesting projects, we were able to conserve 63,000 m³ of water last year

Through the above initiatives we were able to reduce our water consumption per tonne by 11% in 2012-13.

WATER CONSUMPTION (m³/T)



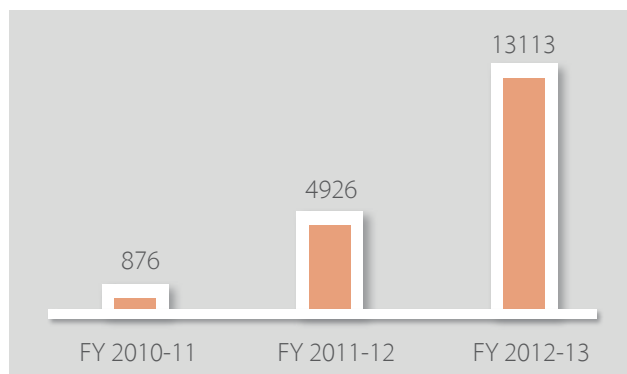
REDUCE-REUSE-RECYCLE

Our Environment & Quality policy outlines our focus on - reduce, reuse and recycle. Recycling of waste generated during production is taken up actively across all our production units. We regularly seek opportunities to increase the use of recycled materials as production inputs.

As far as packaging material is concerned, we are working in partnership with our packaging supplier Tetra Pak and are recycling post consumption discarded products. The packs are first emptied, collected and bundled and are then sent for recycling to the paper mill. No chemicals are added during the process. Of all used tetra packs picked by the pickers for recycling, around 60% are of Real juice.

Also, non-hazardous waste generated during production is recycled and reused within the plants as fuel for boiler, which reduces the fossil fuel consumption. In the reporting period, more than 13,113 MT of non-hazardous waste was recycled and reused across our production units.

AMOUNT OF NON-HAZARDOUS WASTE (MT) REUSED



Some of the initiatives that we undertook last year are:

- We utilise herbal waste after converting it into bio briquettes as a fuel for boilers. In the reporting year, we used 13,113 MT of herbal waste as compared to 4,926 MT in the previous year. This has reduced our dependency on conventional fuel and also brought down our greenhouse gas (GHG) emissions.
- We installed a biogas plant to generate methane from waste which is then used in canteen as fuel.

- We attained zero waste water discharge at 9 of 12 of our production units and efforts are underway to achieve the same at the remaining units. We also got effluent treatment plants installed at all our units and recycled more than 1,90,000 m³ of wastewater across our production units last year. Through our rain water harvesting projects, we were able to conserve 63,000 m³ of water last year.

MEASURING OUR IMPACT

We have been undertaking carbon footprint assessment for our major units since 2009 and preparing a roadmap for us to become a carbon neutral enterprise in years to come. We started conducting Life Cycle Analysis (LCA) of our products from last year in order to obtain clear and comprehensive information about our product's ecological footprint. We started with 3 of our major products i.e. Chyawanprash, Honey & Real. Cradle-to-Cradle LCA was undertaken for these products and going forward we are targeting carbon-neutrality for these products. We have already conducted water audit in one of our units and have implemented the recommendations made. We are also in the process of conducting water footprint study in several other units to further improve our water management.



PLAYING OUR ROLE IN POLICY ADVOCACY



AS A RESPONSIBLE COMPANY, WE BELIEVE IT IS OUR DUTY TO PLAY AN ACTIVE ROLE IN POLICY MATTERS THAT CAN POSITIVELY IMPACT OUR STAKEHOLDERS

As Dabur, we recognise the role we can play in larger policy debates to drive change for the greater good. We contribute responsibly to relevant public policy discourses by being members/ signatories to several trade and industry associations. Through these bodies, we actively engage with regulatory authorities along with our industry peers on issues and policies to both promote as well as protect the interest of our stakeholders and our industry at large.

Dabur is a member of several industrial and trade bodies like Confederation of Indian Industry (CII), Federation of Indian Chambers of Commerce and Industry (FICCI), Associated Chambers of Commerce and Industry of India (ASSOCHAM), PHD Chamber of Commerce and Industry (PHDCCI) and Indian Beverage Association (IBA). We are part of various task forces and forums within these industrial

and trade bodies. We actively participate in these forums on issues and policy matters that impact the interest of our stakeholders. We prefer to be part of the broader policy development process and do not practice lobbying on any specific issue. In the past, we have participated in forums pertaining to corporate governance, customer interest and tackling counterfeiting. Dabur is represented on task forces, committees and governing councils of these bodies by its senior management.

As members of FICCI's Committee Against Smuggling and Counterfeiting Activities Destroying Economy (CASCADE), we are trying to address the issue of fast growing illicit trade in counterfeits and smuggled goods. This impacts not only us, the industry and the economy but also our customers who are vulnerable to the risk of using poor-quality counterfeit products. The committee works together with government entities like Department of Consumer Affairs, Central Board of Excise & Customs and Economic Offence Wing of Delhi Police along with industry representatives to create awareness and in finding solutions to this problem by providing a platform for effective engagement.

Dabur is a subscriber member of IBA which is a coalition of industry players with direct and allied interest in the non-alcoholic beverage industry. IBA acts as an additional interface for us to voice our opinion on relevant policy issues to governments, regulatory institutions and similar bodies including industry chambers. The association also provides us an avenue to frame and disseminate good practices related to environment, quality, technology etc which allows the industry as a whole to provide greater value to customers.

SUPPORTING INCLUSIVE GROWTH



WE ARE COMMITTED TO LEAVING A POSITIVE IMPACT ON ALL THE COMMUNITIES WE SERVE

The world today is faced with challenges that unequivocally leave the marginalised and disadvantaged communities more vulnerable than they already are. What is articulated as the sustainable development puzzle can only be solved by concerted efforts by one and all. We are trying to play our part by ingraining the sustainable development philosophy in our business vision. Dabur supports the principles of inclusive growth and equitable development through not just its corporate social responsibility (CSR) initiatives but through its core business as well.

Our business approach puts “Planet, People and Profits” at the core and this essentially forms the keystone of everything we do. We leverage our business activities as well as our CSR activities to deliver on our commitment to sustainable development. This approach is summarised in figure 9.

Linked to our business we run awareness campaigns linked to our brands. We also work closely with small and marginal farmers who supply rare herbs for our products. Through our CSR arm - Sustainable Development Society or SUNDESH, a voluntary non-profit organisation registered under the

Society Registration Act 1860, we strive to enhance the lives of communities that surround our operations. The initiatives driven through SUNDESH focus on - Health, education, livelihood-linked skill development, financial inclusion and empowerment through formation of Self Help Groups (SHGs), village development and veterinary services.

FIGURE 10: APPROACH TO INCLUSIVE GROWTH



BRAND LED INITIATIVES

As a company that promises to develop and sell nature-based products contributing to a healthy lifestyle, we consciously launch promotion campaigns and awareness initiatives that enhance the health status of the beneficiaries.



Through our brand led initiatives, we continuously aim at delivering our commitment to health & well being of every household we impact. We run campaigns on strengthening immunity (Immune India initiative linked to our brand Dabur Chyawanprash), awareness on harmful impacts of mosquito bites ("Say no to mosquito" campaign linked to our brand Odomos) and school health programmes on dental hygiene (linked to our brand Dabur Red). These brand led initiatives embrace the business approach cited before.

IMMUNE INDIA

The annual campaign linked with our leading healthcare brand Dabur Chyawanprash is now in its 3rd year and was launched with the objective of creating awareness around immunity development through ayurvedic system of medicine. In its inception year, conferences headed by a cohort of ayurvedic doctors were organised to inform the general public about preventive measures for tackling rising incidence of infections and diseases acquired through pollution, germs, viruses and even seasonal change. Over the next year, this was supplemented with an intensive approach of targeting schools. This approach allowed us to focus on kids (along with their teachers and parents) and educate them about enhancing their body's immunity system. We partner with doctors and health experts for conducting workshops on immunity building across our target schools. The reach of the programme now extends to schools in rural and urban areas select across Delhi-NCR, Uttar Pradesh, Bihar, Jharkhand, Punjab, Maharashtra, West Bengal, Madhya Pradesh and Rajasthan.



In rural areas, our campaigns also include free health checkups, interactive games, movie screenings, spot sales, events with brand ambassadors and mobile clinics. We also engage local health workers and village sarpanch to ensure effective transfer of the campaign message to the grass root entities.

This year, the brand ran a nationwide campaign - Immune India School Challenge 2012 to promote healthcare in schools. Details are provided in figure 11.

FIGURE 11

IMMUNE INDIA SCHOOL CHALLENGE 2012

Dabur under its flagship health supplement brand Dabur Chyawanprash launched the nationwide campaign in 2012 to drive the healthcare agenda for children in schools. The campaign aimed at awarding the healthiest schools in the country along with healthiest wards in these schools and create awareness amongst parents, children and teachers on the need for strong immune system to resist against infections and diseases owing to changing season, pollution, germs & viruses. 1,500 schools were approached over 3 months for enrolling in the campaign and for collecting data on various parameters like attendance, medical facilities available in the school, drinking water facility, basic health and hygiene standards, sanitation facilities etc. Schools were accordingly rated and the short listed schools were visited by a team of doctors from Fortis Healthcare for a health checkup. The top 50 schools and the recognised in a national immune India conference in Delhi. Prizes were also distributed to top 3 schools and all the 50 immuno-champs.



SAY 'NO TO MOSQUITO' CAMPAIGN

Mosquito-borne diseases can be fatal in their impact as is evidenced in the outbreaks of diseases like dengue over the past few years. Dabur's Odomos - the leading personal application mosquito repellent brand is a clinically proven product that offers effective protection from mosquitoes and is the only mosquito repellent endorsed by the National Integrated Medical Association (NIMA). Dabur runs an awareness campaign to educate the masses on why mosquitoes are harmful and the effective prevention methods. In rural areas where people are more prone to mosquito bites owing to practices like sleeping out in the open, our campaign utilises a mix of audio-visual aid, street plays and other awareness generation activities. We have also extended the campaign to schools and have reached out to around 5 lakh students. In the past we have extended the campaign to Mumbai and are planning to conduct a self-assessment survey in partnership with Fortis Healthcare on preparedness of Residential Welfare Associations (RWAs) in the national capital region (NCR). The detailed report of the survey would be submitted to Municipal Corporation of Delhi for further action on the same.

OTHER BUSINESS-LINKED INITIATIVES

Our green house projects for procuring rare species of herbs and medicinal plants directly from small and marginal farmers not only allow us to secure our supply of endangered species of herbs but also provide a sustainable source of livelihood to these forest based communities. These projects entail additional benefits of capacity building of farmers through trainings on sustainable farming methods by our research and development wing and preservation of biodiversity by avoiding unmanaged collection and exploitation of these rare and endangered herbs.

We also work towards targeting fake and counterfeit products available in the market as these pose a serious risk to our customer's well being as well. We also run other promotional events throughout the year for the benefit of the society. Details of our "Dil Se Dua" campaign 2012 are provided in figure 12.





FIGURE 12

RÉAL'S "DIL SE DUA" CAMPAIGN 2012

Dabur presented 24,000 packs of Réal Fruit beverages (4,800 litres) to the Delhi Food Banking Network for distribution amongst underprivileged children in New Delhi. The campaign ran during the Diwali season encouraging people to sign on a pledge to support these kids and against each signature, we committed to give one pack of Réal fruit beverage. 24,000 such goodwill signatures were collected in 3 days and accordingly we donated 24,000 packs of Réal's fruit beverages to the Delhi Food Banking Network. These packs will be able to meet the nutritional needs of around 2,000 undernourished children for a period of about 3 months.



SUNDESH'S INITIATIVES

SUNDESH, our CSR arm, has been working with communities around our operations for their socio-economic development since 1993. SUNDESH's genesis stems from the ideology embodied in the words of our founder Dr. S.K. Burman – "What is that life worth which cannot bring comfort to others?"

For almost 20 years, SUNDESH has been building social capital in these locations and transforming the lives of the vulnerable sections of the society – women, children, illiterate and unemployed. All our programmes are developed by

engaging with communities through surveys and focused meetings to gauge their needs, priorities and expectations. Initiatives are thus designed and delivered in a transparent manner in line with inputs from the community itself. We also try to create sustainable infrastructure/programmes through institution building (SHGs, Joint Liability Groups (JLGs)).

SUNDESH operates in locations around our manufacturing units in Ghaziabad and Gautam Budh Nagar districts in Uttar Pradesh, Rudrapur district in Uttarakhand and Baddi in Himachal Pradesh. For delivering programmes through SUNDESH, we often collaborate with external NGOs like Care India, World Health Organisation (WHO), Women and Child Development Department, District Rural Development Agencies (DRDAs) etc and private foundations as well.

Although as a country we have made great strides in overall economic growth, we have moved rather slowly in making this growth inclusive and in closing down the inequality gap that is evident in our society especially in rural India. It can be evinced from India's position on the human development scale⁶ that much more needs to be done when it comes to our citizen's education, health and wealth status. The key focus areas (figure 13) of our community development programmes reflect this very fact.



⁶ India's Human Development Index rank 2012: 136 <http://hdrstats.undp.org/en/countries/profiles/IND.html>

FIGURE 13: FOCUS AREAS OF OUR COMMUNITY DEVELOPMENT PROGRAMMES



- Eye Care Camps with support from Chunni Lal Medical Trust and Lions Eye Hospital (Kavi Nagar, Ghaziabad)
- Awareness camps and vaccination drives including dental camps, general health check-up camps, blood donation camps, Hepatitis-B vaccination camp and women health camps focused on expecting mothers.
- Implementation support to the Care India-sponsored Integrated Nutrition and Health Project for reducing infant mortality and child malnutrition among 6-28 month old kids.
- Sexually transmitted diseases and HIV/AIDS awareness campaigns especially for migrant population through our programme - Reducing Vulnerability Among Migrant Population (REVAMP)
- Sensitisation workshops with support from District Health Department on prevention of female foeticide for community-based Asha workers.
- Providing clean drinking water supply to schools.

HEALTH

Creating awareness and mobilising resources to provide access to much needed healthcare services and enabling the communities to avail these services is what we aim to achieve from our healthcare focused programmes. We provide both curative and preventive healthcare services through our initiatives, which include:

- Community health posts in association with Chunni Lal Medical Trust (CLMT) and Care India at village Chouna, Gautam Budh Nagar district, Uttar Pradesh. The health post provides quality health services at an affordable price. For expecting mothers, it is ensured that they avail minimum 3 health check-ups, consume 100 tablets of Iron/Iron Folic Acid (IFA) during pregnancy, take 2 Tetanus Toxoid (TT) injections and undertake institutional delivery. Health workers at the post also impart essential health related knowledge and skills to the locals.
- Mobile medical vans to cater to under-served and unserved areas.

EDUCATION

Our programmes on education aim at improving the education related infrastructure, and making learning more engaging and education a more attractive proposition for both young and adults in the communities surrounding our plants. Some of our interventions include:

- Non-formal education centres for undertaking classes for underprivileged children (6-14 years age group) to encourage them to either join back or enrol for the first time in a formal school to pursue their higher education. These centres also cater to the aged folks from these communities.
- Adult literacy centres for girls/ women (15-35 years of age) with no access to formal education setups because of absence of such setups or due to social barriers. The programme imparts basic education (like rudimentary arithmetic skills) to these women.
- Primary School Support Program for providing infrastructural assistance to government schools.



LIVELIHOOD-LINKED TRAINING

Our training programmes around livelihood are focused on women and aim at delivering capability enhancing skills for availing income generation opportunities. We run training programmes in areas like cutting & tailoring, Mehandi application and beautician services. These programmes allow women to either join existing establishments or start their own small enterprise. By providing this choice to women, these programmes also address the issue of gender inequality prevalent in these areas to some extent.

VILLAGE DEVELOPMENT PLAN

The objective of running a village development plan is to engender integrated development comprising of all

sides of human development – economic, literacy and health. Such programmes not only aim at setting up of infrastructure but also at creating the right environment for driving the local economy. This holistic strategy impacts all aspects of development – infrastructure, livelihood, education, health, drinking water supply, access to credit. Some of our activities in 2012-13 included:

- Distribution of subsidised seed storage tanks under Krishi Rog Niyamtran Yojna. The seed storage tank allows the farmer to better manage risk by storing the seeds using proper facilities till the time of planting.
- Setting up of biogas plants on a subsidy basis. Biogas plants not only provide fuel but also promote efficient utilisation resources.
- Village plantation drive for poplar trees. We assisted farmers for taking up plantation of poplar trees by providing financial support on a 50-50 basis. As a result, farmers get ₹2,500 per tree in 5 years from an investment of ₹11.

FINANCIAL INCLUSION & EMPOWERMENT THROUGH SHGs

Lack of credit is one of the primary impediments to getting back the rural economy back on track. The issue of debt trap inflicted by local lenders is also a common obstacle faced by almost all small-sized entrepreneurs (especially farmers) across the country. Our financial inclusion programme aims to build the capacity of locals around our plants by making them finance literate and by organising them into self help groups (SHGs) and joint liability groups (JLGs). With support from National Bank for Agriculture and Rural Development (NABARD) and District Rural Development Agencies (DRDAs), we are linking these groups which belong to both above poverty line (APL) & below poverty line (BPL) families with formal sources of credit for undertaking economic activity. The beneficiaries have utilised these loans for productive purposes like setting up dairy units, grocery shops, mobile repair units, medical stores, poultry units, dhabas, shoes-making units, adhesive units, bangle shops and other small outlets.



VETERINARY SERVICES

We also provide healthcare services for livestock which are often an integral part of rural economy. We offer veterinary services through a veterinary health post which

provides services like health check-ups and free medicines. Awareness campaign are also organised to educate the farmer on issues related to cattle health and cattle feed quality.

Few highlights of our different programmes across our focus areas are presented in the graphic below:

FIGURE 14: ACHIEVEMENTS OF OUR COMMUNITY DEVELOPMENT PROGRAMME



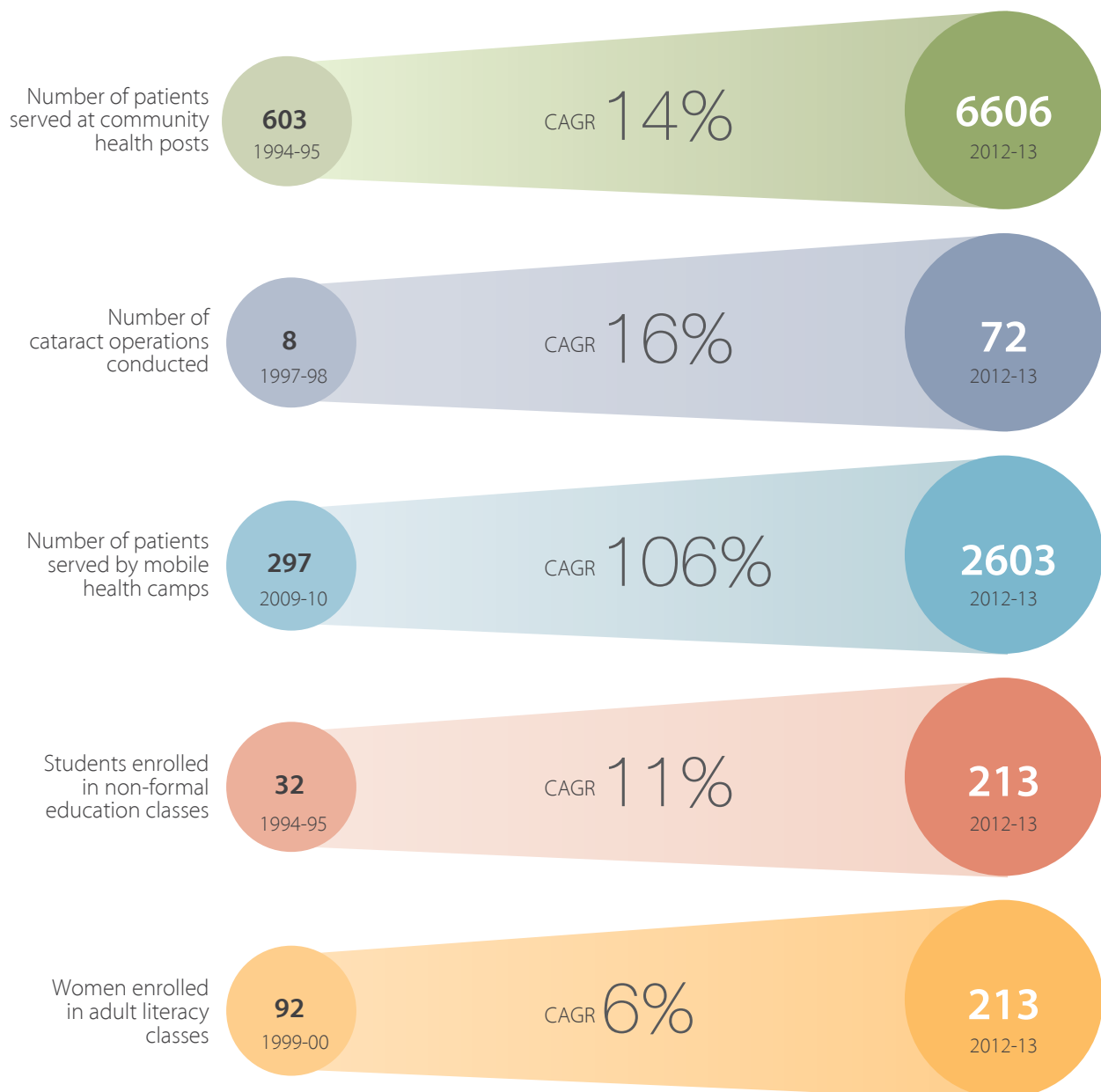


PROGRESS OVER THE YEARS

SUNDESH has been involved with community development work since 1993 and the scale of our work has consistently been on the rise. It has always been our endeavour to bring

about an enduring change to the lives of the people we engage with. We were awarded the Aaj Tak Care Award for our environment initiatives in 2012 and the Amity Global Business School CSR Award for efforts towards Poverty Alleviation. The growth in scale of our work is evident in some of the indicators presented below:

FIGURE 15: EXPANSION OVER THE YEARS



CREATING VALUE FOR OUR CUSTOMERS



CUSTOMERS LIE AT THE HEART OF OUR BUSINESS AND THEIR WELL-BEING UNDERSCORES EVERYTHING WE DO

The very nature of our business enables us to place customer well-being at the core of our operations. From designing products that promote healthy lifestyles to marketing them responsibly, we ensure that our processes are aligned towards delivering maximum value to our customer. We have put in place mechanisms to continuously hear what our customers are telling us about what we sell and how we sell it and feed that back into improving the overall customer experience.

THE BUSINESS OF CONSUMER CARE

We manufacture world-class ayurveda and nature-based customer products across diverse categories like health care, oral care, hair care, skin care, packaged juices and home care. Our brands have been voted by customers as being amongst the most trusted brands in the industry. Each of our products takes us closer to our commitment towards the health and well-being of every household. Our signature products based on the principles of ayurveda

are known for their efficacy and have stood the test of time for over a century. We thrive to put safe and effective natural solutions into the hands of our customers and that is how we have gained their trust over the years. Dabur Research & Development Centre (DRDC), our research and development wing is well equipped with state-of-the-art modern research facilities and more than 125 highly qualified scientists (ayurvedic doctors, chemists and phytochemists, botanists, agronomists, clinical pharmacologists, microbiologists, food technologists, bio-technologists, oil technologists, oncologists etc.). DRDC conducts stringent trials and authentication of processes to ensure that only the best and safest products reach into the homes of our customers.





FIGURE 16: ACCOLADES FROM CUSTOMERS

Dabur ranked most trusted leader in Healthcare category in the Brand Trust report 2012



Dabur has been voted by consumers as Indian Power Brand 2011-2012

Dabur, Hajmola, Babool ranked among Top 100 Most Trusted Brands of 2011, By Economic Times Brand Equity



Réal bags Reader's Digest Trusted Brand Gold Award 2010 in F&B (Juice) category for 6 years in a row

RESPONSIBLE LABELLING

Dabur displays product information on the label for the benefit of the customer and for creating awareness, over and above what is mandated by local laws like Bureau of Indian Standards (BIS) Act and Drugs and Cosmetics (D&C) Act. This additional information is provided to enhance the value customers can derive from the product and to ensure safe and appropriate use. Only scientifically verified

information and claims are conveyed on the label. The additional information on the product label relates to various active ingredients contained in the product, their proven clinical benefits, customer grievance redressal mechanisms, directions for use (including pictorial depiction), safety, caution etc. and varies from product to product. An active customer cell contact number, email address and physical correspondence address are also printed on the packaging for customers to contact Dabur in case of any clarifications, queries or complaints. We also actively inform customers

about how to differentiate between genuine and fake products and how to identify damage in sealed products.

ENGAGING WITH OUR CUSTOMERS

As part of our stakeholder engagement strategy, we engage with our customers throughout the year via various initiatives. Through our mass awareness campaigns like

Immune India, pan-India oral hygiene awareness mission, "Machar Mukti Abhiyan" etc we seek to educate the public on issues like immunity building, oral hygiene, infant health, protection from mosquito bites etc. From time to time, we also host sessions to inform customers about various active ingredients in our products and their clinically proven benefits. We also organise events/contests linked to our brands around sports and talent to promote healthy lifestyles amongst our target customers.

FIGURE 17: SOME CUSTOMER ENGAGEMENT EVENTS FROM 2012

DABUR GLUCOSE D COOLING ENERGY CHAMPIONS

A 2-month long cricket tournament was organised in West Bengal in which 30,000 students participated. The winning teams got a chance to interact with Glucose D brand ambassador Saurav Ganguly.



DABUR BABOOL DABANG DAANT CONSUMER CONTEST

Under the Pan India Oral Hygiene Awareness Mission, a contest was organised in Bhopal. Participants had to undergo dental check-up and further tasks and the winner got a chance to appear in the TV ad for Babool.



DABUR HOMMADE HOME STAR CONTEST

A national culinary contest was organised to identify hidden culinary talents in Indian homes. The winner was awarded a win a trip to New York.





FIGURE 18: RESPONSIBLE LABELING

Odomos (a personal application mosquito repellent) - Apart from the mandatory label requirements. We provide additional information on safety aspects of the product. Information on certification by paediatricians including reference to the journal / publication is provided on the label. This allows the consumer to access additional information on the safety studies done on the product.



Oral Care products - Red, Meswak, Promise and Babool (Tooth paste & powder): We provide information on herbal ingredients & their mode of action, history of herbs, direction of use & information about clinical tests conducted.



Sani Fresh (Liquid toilet cleaner): We provide pictorial information on direction of use. We also inform the consumers about the safety of the product for use in septic tanks and provide explanation for the guaranteed germ kill claim made on the label.



Odonil (Air freshener in the form of sprays and blocks): We provide pictorial information on direction of use to ensure that consumer derives maximum utility from the product.



We also provide one-click solution to our customers' ayurveda related queries through our web-based platform "Live Veda". The portal provides easy access to information on common ailments and diseases. Customers can also post online queries to an expert and share experiences with other customers. The portal also provides facilities like "locate the nearest doctor" and "locate the nearest ayurveda store". We also utilise social media platforms to engage with our consumers. We have created pages for various brands where consumers can interact with other consumers and also learn more about the product itself. This enhances the overall consumer experience with the brand.

We also organise customised education programmes for our B2B customers like beauty parlours, ayurvedic doctors

etc. We partner with qualified beauticians and conduct training programmes for beauty parlour staff around Dabur's line of beauty products. We also provide the parlours with a video recording (through DVDs) of the training session which allows them to use it for training future personnel. On the same lines, we also engage with ayurvedic doctors through workshops and educate them about Dabur's ayurvedic medicines. We also operate a web-portal – Mediclub (<http://daburmediclub.com/>) which functions as a platform for medical practitioners share knowledge about wide range of topics related to ayurveda including Dabur's ayurvedic products. The portal provides access to clinical studies and also allows practitioners to post their queries which are then responded to by experts.

FIGURE 19: LIVEVEDA





FIGURE 20: DABUR MEDICLUB



HEARING BACK FROM OUR CUSTOMERS

Dabur engages with its customers on an ongoing basis and conducts methodical research on their satisfaction with respect to our products and advertisements. These surveys are conducted through established third party market research firms. We undertake regular brand tracking exercises to assess brand preference scores and impact of our advertisements. Blind product tests are also conducted to gauge customer satisfaction vis-a-vis products of our competitors. Similar research is also conducted with our sales channel that includes professional partners like ayurvedic doctors, beauty parlour owners etc.



PROTECTING CUSTOMERS FROM COUNTERFEITS

The counterfeit products reaching the market pose a threat not only to the trust Dabur has built over the years but also to the well-being of our customers. Round the year we work on strategies for targeting fake products and packaging manufacturers and label printers through raids in collaboration with local authorities and network of business associates. We see this as a key risk to our business environment and actively participate in forums like FICCI's CASCADE committee (of which we are a member of) to work together with the industry in devising solutions for this issue.

competitive behaviour during the last five years and pending as on end of financial year 2012-13 are provided in the following table:

TABLE 6: CUSTOMER GRIEVANCE REDRESSAL RECORD

	No. of cases filed in the last five years	No. of cases pending as on end of financial year 2012-13
Unfair trade practices	3	1
Irresponsible advertising	10	0
Anti-competitive behaviour	0	0

GRIEVANCE SETTLEMENT RECORD

We have a dedicated customer cell to resolve any customer concerns or queries related to our products. Information on cases filed by any stakeholder against the Dabur regarding unfair trade practices, irresponsible advertising and/or anti-

2 cases related unfair trade practices and all 10 complaints related to irresponsible advertising were successfully resolved in our favour. No complaints were received on account of anti-competitive behaviour. With regards to customer complaints, 27% of customer complaints (8 in number) are pending as on the end of financial year (2012-13). A total of 30 customer complaints were received during 2012-13 and 22 of these were successfully resolved.



THE ROAD AHEAD...



WE WILL CONTINUE ON OUR SUSTAINABILITY PURSUITS AND STRIVE TOWARDS OUR GOAL OF ATTAINING MARKET LEADERSHIP IN CONSUMER HEALTHCARE SPACE

Under our 4-year vision, 'Accelerate & Globalise', we have set ourselves the target of achieving a topline of ₹7,000 crore by the end of the 2013-14 fiscal. At the same time, we have also taken up targets for our environmental performance which we intend to meet by 2015.

Our commitment to well-rounded responsible growth is reflected in our targets. We will continue to investigate opportunities for making our operations even greener. We are seeking opportunities in the field of solar and wind power energy to power our operations at plants and offices. We started conducting Life Cycle Analysis (LCA) of our three major products - Chyawanprash, Honey & Real, in order to obtain clear and comprehensive information about our product's ecological footprint. We will utilise the results from this study to set future targets for further reducing the life cycle impact of our products. We will further expand our Bio

Resource Development programme to revive endangered herbs and plants and positively impact the lives of the associated marginal farmers and forest based communities. As our operations grow, we will continue to replicate the lessons and achievements from our existing units in our new endeavours. With our recently commissioned plant in Sri Lanka, we have taken every step to incorporate environmental concerns at the construction stage itself. Our CSR arm, SUNDESH will continue to work closely with the communities surrounding our operations and generate invaluable social capital in the process. SUNDESH will expand the coverage and scope of its interventions and positively impact the lives of the communities who we consider as our key stakeholder.



ENVIRONMENTAL PERFORMANCE TARGETS FOR 2015



RECOGNITION OF OUR EFFORTS



FEW AWARDS BESTOWED ON DABUR IN 2012-13 ARE A TESTIMONY TO HOW OUR BUSINESS STRATEGY INCORPORATES SUSTAINABILITY

Three product pack designs of Dabur bag INDIASTAR 2012 awards for excellence in packaging in India

Dabur moves up 11 places, in ET500 (Economic Times) list of India's Biggest Companies for 2012

Dabur bags People's Choice Corporate Green Star Award for 2012 for its environment focused initiatives

Hajmola & Dabur among the Top 100 Most Trusted Brands in India by ET-Brand Equity

Odonil voted as a Superbrand for 2012

Dabur's Baddi (Chyawanprash) unit bags the first prize in Manufacturing Today Award for Excellence in Innovation

Dabur moves up 9 places; ranked 53 in list of World's Top 100 Beauty Companies

Dabur India Ltd. bags the Aaj Tak Care Award for its environment initiatives

Dabur stands Third in list of Asia's Best Investor Relations Companies

Dabur India Ltd. is amongst the Top 3 Green Business Leaders in the FMCG industry

Dabur named as Most Trusted Health Care, Ayurveda brand in India

Réal amongst Top 100 Most Exiting Brands in India



Dabur Group Director Mr. P. D. Narang honoured with Capital Foundation Society Award 2012 for excellence in Corporate Governance

Dabur India Ltd. CEO Sunil Duggal ranked amongst the Top 10 Best CEOs for Investor Relations in India

Dabur ranked 153 in FE-500 (Financial Express) list of India's Finest Companies

Dabur moves up 15 places, ranked 186 in Fortune India 500 list

Dabur moves up 14 places, ranked 13 in BS-1000 (Business Standard) list of India's Best Performing Companies

Dabur Chyawanprash's campaign Swasthya Chetna Abhiyan bags two Rural Marketing & Communications awards

Dabur awarded Amity Global Business School CSR Award for its efforts towards Poverty Alleviation

Dabur listed amongst 'Best of India' in Health & Wellness category

Dabur moves up 3 places to take 69th position in Business India's latest Super 100 list

Dabur India Ltd bags Golden Peacock Award For Excellence in Corporate Governance 2012 in FMCG Sector

Dabur ranked 33 in list of India's 100 Most Valuable Brands 2012

Dabur Uveda range of Ayurvedic skin care products among '30 New Beauty Finds' by India Today Woman

SUCCESS STORIES

**JYOTI ARYA**

Age: 20

Village: Nidhawali



“Education gave me the power to pursue my dreams”

Jyoti belongs to a poor labourer family. The meager income earned by her father was barely enough to make ends meet for this family of eight and providing basic education to the 6 children was never a priority. “I always wanted to study and my most-cherished childhood dream was to become a Doctor. But we could never attend a formal school as there was never enough money to pay the fees. When I got to know about the Non-Formal Education Centre run by SUNDESH, I decided to join it to pursue my dream,” says Jyoti.

After successfully completing her basic education at the Centre, Jyoti was linked to a formal school and went on to complete her Class 12th. While she still harbours the dream of becoming a Doctor, Jyoti has, in the interim, enrolled for a nursing course and is preparing to become a trained medical Nurse.

“I come from a poor family and I know how difficult it is for poor people to get access to quality medical service. I want to start working as a Nurse and save my earnings to pursue MBBS. I want to do it on my own and not burden my family members with the cost of my studies. And I am confident that I will achieve this dream one day,” adds Jyoti.

6 “Education will be my greatest gift to society”

Munesh Singh belongs to a family of agriculture labourers. Despite being unlettered themselves, Munesh’s parents always wanted their kids to pursue education and have a bright future. However, their sparse income meant that they could only meet the family’s basic needs and not afford to send the four kids to school. Stepping inside a school always remained an unattainable dream for Munesh till the family met SUNDESH representatives in their village.

The SUNDESH representatives encouraged Munesh to join their Non-Formal Education centre in his village. After

completing his basic education at the centre, Munesh was linked to a formal school from Class 5.

“Given our financial situation, I could have never even imagined seeing a school from inside. But today, I am in the final year of my Graduation. After completing my graduation, I want to take pursue Bachelor of Education (B. Ed.), become a teacher and ensure that no other kid in the village has to go without education for monetary reasons. Education will be my greatest gift to my village and to the society,” said Munesh.



MUNESH SINGH

Age: 21

Village: Nidhavali



“I want to be the first Engineer from our village”

As a 10-year old, school and education was the last thing on Nitin's mind. He, like his parents and siblings, were more occupied with supplementing their household income. It was around this time that representatives from SUNDESH visited their home and encouraged his parents to send Nitin and his brothers & sisters to their Non-Formal Education centre in village Nidhawali.

“I was excited about going to school. Though it was a non-formal school, I was excited about learning to read and write,” says Nitin.

A quick learner, Nitin soon finished his basic education at the centre, passed with flying colours and was enrolled with a formal school in the neighbourhood. Today, Nitin is pursuing Engineering. “Had it not been for SUNDESH, I would never even have had the chance to see a school from inside. I want to be the first Engineer from our village and I will fulfill this dream,” says Nitin.



NITIN KUMAR

Age: 20

Village: Nidhawali





SHEHNAZ

Age: 28

Village: Rawli Kala

“I could never have imagined myself as an earning member”

Born into a poor family of agriculture labourers, Shehnaz had always wanted to study. However, the financial condition at her house never let her pursue this dream.

“Studying just remained an unfulfilled dream for me. When I grew up, I got married and moved in with my husband Fazruddin and his family. It was here that I first saw my long-cherished dream coming true. My husband had studied till Class 8 and his other family members had also completed their basic education. They encouraged me to pursue education,” says Shehnaz.

Soon, Shehnaz enrolled with SUNDESH’s Adult Education Centre and soon completed her basic education at the

centre. “I used to go back to my maternal village and appear for exams there. Within a few years, I cleared my Class 8 exams and it was this basic education that helped me land a job as an Aanganwadi worker in the year 2009,” she adds.

Today, she has ensured that her kids get proper education. After completing their basic education at SUNDESH’s Non-Formal Education Centre, all her four children have been aligned with formal schools. “Even I want to continue my education. I want to appear for my Class 10 exams now. Had it not been for this education, I could have never even dreamt of finding a decent job,” says a cheerful Shehnaz.

**SURAIYA**

Age: 19

Village: Basola



“I got back my confidence to face the world”

Suraiya was barely in her teens when tragedy struck their family. Her mother, the one person who she was very close to succumbed to an illness. The sudden demise of her mother pushed Suraiya into a cocoon and she even quit school.

“Nothing interested me. I just used to be at home, not speak much and just helped in the kitchen while my father worked in the fields. It was around this time that representatives from SUNDESH visited our house and encouraged me to step out,” says Suraiya.

She enrolled herself with SUNDESH's Stitching & Tailoring centre. After completing the course, she has now started taking up tailoring work from women in her village and is now supplementing her household income. “I have got back my confidence to face the world. I now get orders to stitch about 15-20 salwar suits a month for my neighbours and other village folks. During festive season, the orders double. I am happy,” she adds.

6 I have become an example for girls who want to follow their dreams”

A 19-year old girl from shastrinagar area, Rekha is today pursuing her Graduation. Agriculture has always been the main source of income for her family but the earning was never enough to fulfill all the needs of the family. At a village meeting, Rekha came to know about the various vocational training centres being operated by Sundesh in her village.

Despite stiff resistance from her parents, mainly for monetary reasons, Rekha decided to get herself enrolled with the centre and take up Cutting & Tailoring training at one of the centres. A quick learner, Rekha graduated from this centre and was soon stitching garments for her neighbours and, thereby, earning additional income for the family.

Enthused by her interest, Rekha’s parents encouraged her to join Beautician training & Handicraft training also at the SUNDESH Skill Development Training Centre.

She completed all the courses sincerely and is today. She is today using these skills to generate additional income for the family. She is stitching cloths for everyone in her family and also for other villagers. She is also running a Tailoring Centre, Beautician Centre & Handicraft Training Centre simultaneously at her residence. With these activities, she is now earning approx ₹6000 per month.

“I feel empowered and elated that I am helping my parents. I am grateful to SUNDESH for opening the skill development centre in my village. Now, I have become an example for many girls in my village who want to follow their dreams,” says Rekha.



REKHA RAWAT

Age: 19

Village: Bindu Khatta



“I am running my own business today”

Gudiya was a regular homemaker, happy with taking care of the small shop owned by her family. It was during one of the routine community meetings in her village that Gudiya met SUNDESH representatives who informed her about the various vocational training programmes being run at their centre in Baddi.

“For the first time, I started thinking of setting up my own business. I was thinking of doing something and achieving something in life,” says Gudiya.

Soon, she got enrolled in the Beautician course being offered by SUNDESH. After learning the trade, she went on to redesign her family store and converted it into a beauty parlour. Gudiya’s parlour has, in fact, become the preferred beauty and makeover destination for all brides-to-be in her village.

“Today, I offer all kinds of beauty-related services at my parlour, from threading and hair cutting to bridal make-up. Today, we earn anywhere between ₹5,000 and ₹6,000 per month from the parlour. It gives me great pride to think that I am running my own business today,” she adds.



GUDIYA

Age: 27

Village: Lodhimajra



SUNITA KANDPAL
 Age: 21
 Village: Bindu Khatta

“Whatever I am today is because of SUNDESH”

A 21-year old Shastrinagar area, Sunita Kandpal was thrilled to know about the various vocational training courses being run by SUNDESH at its centre in her village. “For the first time in my life, I was getting an opportunity to acquire some skills. I didn’t want to let go of this opportunity as I knew these skills will help me in days to come,” says Sunita.

With this mind, Sunita joined the Cutting & Tailoring course at the centre. After finishing this, she took up Beautician training and Handicraft making training at SUNDESH’s Skill Development Training Centre. After completing these

courses, Sunita decided to share her knowledge with more girls in her village and from neighbouring villages. “It would serve the twin purpose of empowering girls and also helping me earn some money,” she says.

Sunita went on to set up a Handicraft Training Centre along with Beautician school in Bindu Khatta. Today, 30 women are enrolled at her handicraft centre and Sunita earns between ₹2,000 and ₹4,000 every month from the centre. “I am happy to be known as the girl who is empowering other girls. Whatever I am today is because of SUNDESH,” she adds.



SUNITA SAMMAL

Age: 19

Village: Bindu Khatta



“SUNDESH filled my daughter’s life with happiness & confidence”

Sunita Sammal was hearing and speech impaired since birth. Her father is a farmer and was the only earning member of the family. Given her condition, Sunita used to spend most of her time at her home, helping her mom with the routine household chores.

When SUNDESH volunteers heard about Sunita from other villagers, they paid the family a visit with an intention to mobilize her family members to let Sunita learn some new skills. They encouraged Sunita to join the Cutting & Tailoring Centre run by SUNDESH. Initially her family opposed the idea. “What will she do after getting this training? It is worthless for her,” said Sunita’s father. Despite the poor initial response, the SUNDESH volunteers continued to

regularly visit her house and sought to convince her family. Sunita’s father finally agreed and enrolled her at the Cutting & Tailoring Training Centre.

Despite her physical condition, Sunita was dedicated in her pursuit and soon finished the 6-month training course. Sunita’s parents also noticed the visible changes in Sunita and the higher levels of confidence in their daughter after finishing the course. Soon, she started taking up stitching assignments in her village and was supplementing her household income.

“I am happy that SUNDESH did not give up after my initial refusal and continued to persuade me to allow Sunita to enroll for the course. This course has changed my daughter’s life. I have never seen her more confident and happier. I can’t thank SUNDESH enough for what they have done for me and my daughter,” says her father.





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