

# **Sustainability Report 2015**



**GOODRICKE GROUP LIMITED**



## Our Sustainability Report 2015

Goodricke Group Limited (GGL) is a leading tea producing and marketing company from India with its produce exported to different countries of the world.

The Company is a part of Camellia Plc, an international investment group with interests in Agriculture, Private Banking and Financial Services, Food Services and Engineering. Camellia is the second largest private producer of tea worldwide.

Sustainability is one of the core priorities in responsible business practices both for our parent company Camellia and GGL. It is central to all that we do, in fulfilling our commitments to create shared value for our business, community and society.

### ABOUT THIS REPORT

This is Goodricke Group Limited's first Sustainability Report. It discloses Company's performance in Economic, Social and Environmental aspects for the period January 2015-March 2016.

This also includes highlights from our Corporate Social Responsibility (CSR) initiatives, focussed on thematic work areas of Healthcare, Education & Environment Management.

### Boundary and Scope

The reporting boundary for this disclosure covers our seventeen tea gardens spread over the two states of West Bengal and Assam, one Instant tea plant and two tea blending units.

Except where mentioned specifically, the data and information pertains to the entire organisation. Our 'market' definition refers to activities at the country level including export.

### Contact Us

This report is a reflection of the previous year in Goodricke.

It shares with you our initiatives and how your Company has been constantly striving in fulfilling its triple bottom line responsibilities against the odds of risks and challenges.

We value your feedback on this report and welcome comments at [goodricke@goodricke.com](mailto:goodricke@goodricke.com).

Sustainability In Action	1
Responsible Business	2-5
Marketplace	6-7
Workplace	8-12
Community	12-17
Environment	17-21



### GOODRICKE GROUP LIMITED

Registered Office  
Camellia House, 14, Gurusaday Road  
Kolkata 700 019, India



## Sustainability in Action

We believe that we can succeed in our endeavour to build on our two fundamental business principles of long-term value creation for future generations and commitments towards people and planet by managing our triple bottom line performance – i.e. beyond our own financial performance, taking into account and being responsible for our impacts on the environment, on society and the economy at large.

The Company's overall philosophy is to achieve excellence in all spheres of its operations.



In Serving You Tea  
GOODNESS  
From The Tea People



## Responsible Business

The Company was incorporated in the State of West Bengal, India on 14th June 1977 as a public limited company to cultivate, sell and deal in tea in various forms.

The Company owns seventeen existing tea gardens each having its own processing factory, one Instant tea plant and two tea blending units. The tea gardens are spread over the two states of West Bengal and Assam.

In Goodricke, we work to uphold our core values to act honestly, fairly and with integrity and respect in all our business dealings. As a responsible corporate citizen, acting lawfully and honestly is fundamental to our business philosophy and to contribute to the social good of the nation.

### Economic Value Generated

For the period under report the economic value created is:

Rs in Million	For 15 Month Ending 31.03.2016	For 12 Month Ending 31.12.2014
Direct economic value generated		
Revenues	7560.52	6118.76
Economic value distributed		
Operating costs	4738.42	3658.47
Employee wages and benefits	2751.46	2136.47
Payments to providers of capital	112.51	129.06
Payments to government	17.58	151.93
Community investments	7.57	1.56
Economic value retained	- 67.02	41.27

(Calculated as 'Direct economic value generated' less 'Economic value distributed')

### Planted Area and Production Statistics

		For 15 Month Ending 31.03.2016	For 12 Month Ending 31.12.2014
Area under mature Tea	Hectares	8,567.13	8,529.61
Area under young Tea	Hectares	1,145.24	1,115.78
Total planted area	Hectares	9,712.37	9,645.39
Production – own crop	Kgs. Millions	18.52	17.50





## Corporate Governance

The Board of the Company constituted the Audit Committee and commenced corporate governance in various spheres well before this became statutory. The Company has a well developed system of Internal Controls, Risk Management and other Corporate Internal Systems in compliance with the norms laid down in Clause 49 of the Stock Exchange Listing agreement on Corporate Governance. It also has Sexual Harassment Committee to address the concerns of women employees.

Alongside, the Company has formed and strengthened its governance structure to meet expectations of standards in the stakeholders' interest in creating and managing a responsible business.

The Audit Committee of the Board performs its role satisfactorily and monitors all the key areas of the Company's operations.

## Corporate Social Responsibility (CSR) Committee

Dr. S. Kaul – Chairperson	An eminent administrator, Padmashree award recipient and social worker. She has been associated with a number of National and International Institutions in the field of cerebral palsy and has a number of books and other publications to her credit.
A.N. Singh – Member	Managing Director & CEO of Goodricke Group Limited
K. Sinha – Member	Independent Director

## Ethics & Integrity

The Company believes in the conduct of its business in a fair and transparent manner by adopting highest standards of ethical corporate governance practices.

The Company has adopted a code of conduct for the Board of Directors and Senior Management Personnel. Any actual or potential violation of the code is considered as a matter of serious concern for the Company.

The Whistle Blower Policy has been introduced considering the matter of pointing out any violations of the code by the employees. This policy enables all employees and the stakeholders to raise their concerns internally in a responsible and effective manner if and when they discover information which they believe shows serious malpractice.

## Risk Management

In accordance with The Companies Act, 2013 and the Corporate Governance requirements, an enterprise-wide risk management framework is applied. This Risk Management Policy has been created in furtherance to Company's commitment to build a strong risk management culture.

## Procurement Practice

The Company's procurement practices are based on the principles of ethical, efficient and sustainable sourcing.

We procure from the local communities, from around the country and overseas. Our supplier base is diverse and varied. We follow a prudent practice of assessing quality, cost, timeline commitment, safety, environmental issues, past records of experience, in maintaining our supplier roster.



Strengthening supplier code of conduct and transparency in financial transaction in all our dealings is part of our periodic review and on-going development process.

Our e-procurement platform lets bidders participate concurrently & in real time making the whole process totally transparent.

### Technology Adaption, Innovation and Research

As a Company, we believe in the assets of quality. We are constantly adapting to upcoming technology practices for our improved capabilities to produce products from our state-of-the-art machinery and facilities.

Similarly, innovations to develop, acquire new products and improve upon existing ones are part of our business practice culture.

Research & Development is an essential part in our value chain. Our expenditure in R&D for the period under report has been a total of Rs 17.99 million.

The areas of focus:

- Explore possibilities of using more number of micro-organisms in controlling pest and diseases in tea plantation.
- Large scale production of bio-pesticides.
- Explore possibilities of using solar energy to reduce the fossil fuel consumption.
- New methods for aroma recovery.
- Aroma induced new product development.
- Use of alternative fuel to reduce coal consumption.
- Optimization of irrigation based on scientific data.
- Mechanization of our field operations.

### Research Initiative - Application of Bioscience for Regenerative Agriculture

We're currently involved in an important field research initiative in regenerative agriculture using bioscience.

It's a 3-tier, step-wise approach attempted to bring about enhanced qualitative change by reclamation and nutrient mobilization in the performance of soil & plant and in the process reduction in chemical use, through:

- Integrated soil management
- Plant management
- Integrated pest management

In this respect, we also maintain active participation with industry bodies in tea sector.



#### Tea Research Association

Founded in 1964, the Tea Research Association (TRA) carries out research on all aspects of tea cultivation and processing out of its Tocklai Experimental station, Jorhat the oldest and the largest research station of its kind in the world.

Transfer of technology to its member estates is carried out through its advisory network





### Agriculture for a Green Economy

Our determination to practice responsible agriculture for a green economy is affirmed by our various gardens securing certification accreditations of standards.

This means that the integrity of products grown in our various tea gardens are guaranteed under the sustainable best practices oversight of food safety, environmental, social, economical and ethical criteria of compliances for tea production as accorded by the following global certification agencies.

	Hazard Analysis and Critical Control Points	HACCP is a systematic preventive approach to food safety from biological, chemical, and physical hazards in production processes that can cause the finished product to be unsafe, and designs measurements to reduce these risks to a safe level.
	FSSC 22000 – Foundation for Food Safety Certification	It is a Food Safety Management System (FSMS) Certification Scheme. It defines requirements for integrated processes that work together to control and minimise food safety hazards.
	Rainforest Alliance Certification	The Rainforest Alliance sets standards for sustainability to conserve wildlife, wetlands and promote the well-being of workers and their communities.
	UTZ Certification	This guarantees that the social, environmental and economical criteria for tea production as stated in the UTZ certified code of conduct for tea have been met.
	Organic Certification	Organic Certification verifies that tea gardens comply with the USDA organic regulations.
	Fair Trade Certification	A global certification and verification body, to independently certify fair trade products.
	ETP – Ethical Tea Partnership	This works towards improving the lives of tea workers and their environment.

Most of our gardens are thus certified and few are in the process, as applicable. For garden-wise specifics refer to our website [www.goodricke.com](http://www.goodricke.com).



## Marketplace

The Company's core business is cultivation, production and marketing of tea and it is among the top three producers in India.

The Company has seventeen tea estates in Darjeeling, Dooars in North Bengal and Assam with state-of-the-art modern processing factories. These produce a wide range of premium quality teas for both the domestic and the world markets.

The quality and popularity of teas from the Company are reflected in the prices realized which rank amongst the top in the Industry.

### Revenue from Sales to External Customers \*

	For 15 Month Ending 31.03.2016		For 12 Month Ending 31.12.2014	
	Rs. in Million	%	Rs. In Million	%
Domestic	5605.98	75.52	4733.16	78.94
Export	1817.22	24.48	1262.52	21.06
Total	7423.20	100.00	5995.68	100.00

\* Total Segment Revenue from sales  
Less: Inter Segment Revenue from sales  
Less Excise Duty

## Key Product Forms

### Bulk Teas

CTC and Orthodox teas from the Dooars, Darjeeling and Assam gardens are sold in bulk form packed in paper sacks or jute bags.

The marketing channels used for bulk teas include the public auction system, private and consignment sales, exports and direct sales either in original or blended form.

### Instant Teas

Our Instant Tea Plant at Aibheel Tea Garden in the Dooars is a state of the art, computerised automated plant established in 1994 as an Export Oriented Unit.

Our instant tea, available both in Hot Water Soluble and Cold Water Soluble form, is playing an increasingly important role in the world beverage scene and is a source of supply to leading manufacturers of ready to drink products worldwide.

There is now also an emerging trend for the usage of tea products in the food, confectionery and personal care industries as well.

The variants in this instant category are - Black tea, Oolong tea, Green tea and Darjeeling tea.

### Branded Teas

To satisfy diverse palates and match the expectations of the most discerning consumers, we offer a wide variety of consistent quality tea.





These are either single estate teas sourced from a specific garden like Darjeeling range or exclusively blended to enhance every aspect of an outstanding cup of tea.

We are a major player in the domestic retail market tea segment. Our brand repertoire comprises of:

- Premium Darjeeling, Barnesbeg Green Tea Leaf & Teabags, Turbo Whole Leaf, Darjeeling Roasted
- Black CTC variety – Khaass, Goodricke Chai, Zabardast

### Responsible Marketing

Our tea gardens are certified to the highest global standards of sustainability reaffirming our commitment to produce and market our teas in a socially and environmentally responsible manner.

The certification standards that we comply with are - HACCP, Rainforest Alliance, ETP, FSSC 22000, UTZ, Organic Certified and Fair Trade. For garden specific profile of certification compliances, refer to our website [www.goodricke.com](http://www.goodricke.com)

We work closely with these international standard certification agencies in taking guidance to ensure global norms in product quality, safety, environmental safeguard in our operation and in fairly maintaining social, economic & livelihood well-being of our workers.

### Product Safety & Quality

All our gardens have been assessed and certified as meeting the requirements of Food Safety System Certification under FSSC 22000.

### Packaging & Labelling

We take great care in maintaining statutory standards in matters related to the quality and safety of our products including their packaging.

Simultaneously, we are conscious of ensuring customer safety and not to transgress environmental footprint norms by using any material and process for our packaging operation.

Our teas are packed in Anthraquinone Free paper sacks. The invoice details of the tea are clearly stencilled on the paper sacks for traceability.

### Market Communication

To popularise tea as a category and promote the various brands the Company adapts to various marketing communication channels and formats in a holistic multimedia endeavour.

The communication touch points include:

- Use of conventional mass market media
- Presence in speciality tea lounges / outlets
- Trade fair participation
- Participation in high footfall consumer events
- Institutional tie-ups
- In – film presence



## Workplace

The Company performs following the parent company Camellia Plc's deeply held principle of operating with a human face. The work ethos is entrenched in the management functioning of the Company so as to take responsibility for its employees by providing a fair working environment, through the provision of healthcare, housing, educational, other social welfare measures and facilities for a productive work-life balance.

Thanks to the measures undertaken, Goodricke is a flourishing living entity today, of secured and enthusiastic employees - working with and for each other, they continue to be loyal and committed for the furtherance of company's objectives.

Tea production is a human intensive business. The Company employs over 25000 persons and the garden operations did not face any disruptions in maintaining smooth production and manufacturing of tea operations from all the different estates during the reporting period.

---

### Workforce Diversity & Inclusion

We are an equal opportunity Company with no discrimination made in providing employment and / or other benefits irrespective of nativity, caste, race, religion, political affiliation or ethnic group.

Our garden workers in very early days had migrated to the tea plantations from different parts of the country. Among our workforce of resident population of workers and their dependents, we therefore have a diverse milieu of different background.

There is no forced worker in our gardens, in strict compliance to Child Labor Prohibition & Regulation Act 1986.

### Gender Neutrality

Our workforce population is gender balanced.

	Tea Gardens	Male		Female	
		No.	%	No.	%
Total	17	10318	46	11958	54

We follow the statutory guidelines under the Equal Remuneration Act. There is no discrimination in remuneration on the basis of gender.

### Work Environment

In Goodricke, we strive to create a positive workplace environment by attending to professional development needs of our employees, providing training opportunities, diversity and inclusion.

We believe these differences and our attitude of treating each employee as an individual binds us in a strong culture that makes Goodricke a desirable workplace.

Our forward looking outlook of innovation, modernity and ethical practices allow us to attract a broad talent base reflective of an international company of strong people culture.