SUSTAINABILITY REPORT 2021
Sustainable development has always been the core ethos of all our operations and business decisions. We are proud to release the Second Annual Sustainability Report of Nitta Gelatin India Limited (NGIL) which brings together the details of our sustainability approach and performance across all aspects of our organization and value chain. This report contains performance information for the Financial year which ended on 31st March 2021 (FY 2020-21). We have also included historical information for certain parameters. Moreover we have attempted to make this report in line with the Global Reporting Initiative (GRI) Standards.

This report contains information concerning NGIL’s operating units (Corporate Office, Gelatin Division and Ossein Division) in Kerala, India. From next year onwards, we will be covering Reva Division, Gujarat and also the subsidiary company Bamni Proteins Limited, Maharashtra. The information has been sourced from our robust internal data management systems and the same has been reviewed by the Senior Management of the company. This has ensured the accuracy and completeness of the information, disclosed in this report.

We welcome your feedback and comments on this report, which will help us enhance our future sustainability communications. Please reach us by writing to Mr Prakash Chandra, Head – Business Excellence at be@nittagelindia.com
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</tbody>
</table>
Nitta Gelatin released its first Sustainability Report in 2020 showcasing its sustainability activities till 2019. With the learnings from our first report, I am happy to share with you all the second edition of the report for FY 2020-21. Tremendous emphasis and focus are being bestowed on the alignment of the relationship between business growth and sustainability by the corporate world across the globe. I believe the success of the organization is fulfilling its stakeholder expectations and outstanding organizations consistently do this with priority given to principles of sustainability and responsible corporate governance.

At NGIL, we have embraced sustainability initiatives as the major focus area in our Corporate Business Strategy. Our goal is to set an example for the Gelatin Industry in India in particular, and industry in general for world-class sustainability practices. The raw material sources for Gelatin and Collagen Peptide are the by-products from the meat and farmed fish processing industries, which are generally considered as well-managed, natural, and renewable resources. Collagen and its derived products are pure, natural proteins made from animal raw materials and contain neither preservatives nor other additives. They are thus natural and healthy food with a clean label that optimally meets consumer needs in terms of application and sustainability. As such, Gelatin can be considered as a product with a positive impact on overall sustainability since it is part of the circular economy of the Meat Industry.

Sustainable development is an integral part of our business strategy, and we ensure that it is built into the complete business cycle - product development, new markets, capital projects, operational management, and ultimately product end-use. Health and safety, social and governance issues are built into all stages of the asset life cycle, which help in serving our customers and all stakeholders over a longer term, wherever they are, across the world.

I thank all the employees and the leadership team who have taken the ownership of this journey in NGIL. We will continue to work together with all our stakeholders in our continuous endeavor to create value for them in a responsible way.

SAJIV K. MENON
MANAGING DIRECTOR
HIGHLIGHTS OF THE YEAR 2020-21

PEOPLE AND SOCIETY

- 400 Employees
- 2531 Mandays of training
- ₹1.55 Mn spend on Corporate Social Responsibility
- 2000+ Families benefitted from CSR projects

PLANET

- 42% Reduction in water utilization in 5 years
- 230 KWh Power reduction/MT of Gelatin from 2017-18
- 2069 MT Carbon footprint reduction from 2017-18
- 3155 Million Kcal Energy used from Biogas
- 34508 KWh Solar Energy Used

MARKET AND FINANCIAL

- ₹1516 Mn Market Capitalization
- ₹440.8 Mn EBITDA
- 12% Market Share (domestic)
- 52% Export Revenue
Nitta Gelatin India Ltd (NGIL), incorporated in 1975, is a joint venture of Nitta Gelatin Inc., Japan and Kerala State Industrial Development Corporation Limited (KSIDC). NGIL is listed on the Bombay Stock Exchange (BSE). Nitta Gelatin Inc (NGI) is one of the reputed business houses in Japan with its headquarter in Tokyo and listed on the Tokyo Stock Exchange. NGI is one of the acknowledged global players in the collagen business and has manufacturing locations in various countries including Japan.

NGIL is a pioneer in the field of manufacturing pharmaceutical grade Gelatin and Collagen Peptide. NGIL uses collagenous materials generated by meat processing and fish processing industries, which do not find any alternate productive application as raw materials to generate high value-added products. NGIL strongly believes that the conversion of byproducts (which would otherwise degenerate into a social nuisance) into these high-value delivering products is its the biggest commitment and responsibility to mankind, society, and the environment. The Company has complied with the corporate governance requirements under the Companies Act, 2013, and as stipulated under the SEBI (LODR) Regulations.

Corporate Governance ensures high standards of transparency, accountability, ethical operating practices, and professional management thereby enhancing the shareholder’s value and protecting the interest of the other stakeholders such as suppliers, customers, and employees. The company is committed to the achievement of high standards of Corporate Governance by ensuring integrity in financial reporting, disclosure of material information, continuous improvement of internal controls, and sound investor relations.
NGIL’s business centers around “Collagen” protein. Collagen is a protein derived from animal sources like Bovine Hide & Bones, Fish Scales & Skin. NGIL extracts collagen protein from the above raw materials sourced from meat and fish industries and converts them into value-added products like Gelatin, Collagen Peptide and so on. NGIL has four manufacturing locations in India. Two are located in Kerala and one each in Maharashtra and Gujarat. Bamni Proteins Limited (BPL), the unit in Maharashtra is a subsidiary of NGIL.

Three out of four manufacturing locations produce Ossein, the intermediate product in Gelatin manufacturing, while one manufacturing location, the Gelatin division located in Kochi, Kerala manufactures Gelatin and Collagen Peptide.

Due to its versatile functional properties, Gelatin has various end use in Pharma, Food and Industrial applications. NGIL supplies its Gelatin for Pharmaceutical applications like the manufacturing of Hard Capsules, Softgels, Tableting, Blood Plasma expanders and so on.

Collagen Peptide is the hydrolyzed form of Collagen. Consumption of Collagen Peptide is proven to have various health benefits like support to bone and joint health, skin health, cognitive health, blood glucose management etc. Collagen Peptide is a popular health ingredient in the food and nutraceutical industry. NGIL manufactures Collagen Peptide from Bovine Bones, Hides, Fish Scales & Skins. During the manufacturing process of Gelatin from bovine bones, the mineral part of bones is separated and converted to Dicalcium Phosphate (DCP). DCP is a popular mineral feed ingredient for Poultry Industry.
Manufacturing Process

NGIL contributes to the circular economy by producing value-added products from byproducts of the processed meat and fish industry which do not find any productive use otherwise. The bones & hides from the meat industry, fish skins & scales from the fish industry are the basic raw materials for its manufacturing process. Modeled on the facilities of its parent company Nitta Gelatin Inc., Japan, its manufacturing facilities at Kochi, Kerala uses a state-of-the-art technology for the production of Gelatin and Wellnex Collagen Peptide meeting, the international regulatory and quality standards.
**Sustainability is Natural in Gelatin’s DNA**

The raw materials for Gelatin and Collagen Peptide are by-products from the meat and farmed fish processing industries, generally considered as well-managed, natural, and renewable resources. Within the complete value chain of the meat and fish processing industries, Gelatin and Collagen Peptide production create value for the community at large by converting by-products into higher value protein products, greases, and minerals, thus reducing the environmental impact and enhancing the social and economic dimension of the meat and fish industries. As such, Gelatin can be considered as a product with a positive impact on overall sustainability since it is a part of the circular economy of the meat industry.

Furthermore, technical improvements of the manufacturing process itself have led to a decrease in fossil fuel usage, water use, and CO2 emissions – despite a simultaneous increase in production volume. The by-products from the production and refining processes of Gelatin and Collagen Peptide undergo further processing. This makes good economic sense considering that the volume of the by-products is about two times the volume of the Gelatin and Collagen Peptide products. The by-products can be divided into three groups.

High-quality proteins, for example, are used as ingredients for pet food to enhance its nutritional value, while especially high purity fats are used as raw material in the oleo chemistry industry or for biodiesel production, which in turn helps reduce CO2 emissions.

The minerals are the preferred choice of the feed ingredient for poultry. The process residue (sludge) is utilized for generating biogas, a valuable product that is then used in the process as an energy source. Good use is also made of the sludge: all residual solid waste is filtered out and used in agriculture as lime sludge, a fertilizer that is full of nutrients and contributes to an environmental friendly agricultural sector and helps it to break away from chemical fertilizers.

Gelatin also helps to extends the shelf life of various foods such as fresh sausage or meat products by acting as a barrier to oxygen and thus contributes to the reduction of food waste.
4 FINANCIAL PERFORMANCE

At NGIL, we focus on capitalizing on opportunities to grow our market presence and product portfolio. This enables us to deliver long-term, sustainable returns for our shareholders. Our relentless emphasis on effective and efficient management of working capital inspires us to generate and maintain healthy cash flow. The efficient capital allocation also allows us to retain investor confidence, thereby promoting our business expansion and growth plans. We consider capital appreciation and returns for our shareholder community as measures of our financial success.

We strive to maintain a strong and healthy balance sheet to efficiently fund our strategic initiatives. We also aim to reduce debt and improve operating cash flow to further strengthen our balance sheet and successfully navigate uncertainties in our operating environment.

To ensure optimum utilization of our financial capital, it is imperative to ensure cost optimization & productivity enhancement across the organization. Accordingly, we undertake various initiatives such as process automation, reducing specific consumption, water & energy consumption reduction, waste reduction, energy efficiency, debottlenecking projects etc. These initiatives are undertaken by various Cross-Functional Teams (CFTs) and Small Group Activity teams (SGAs). These initiatives play a significant role in ensuring the sustainable growth of the bottom line.

A brief summary of our financial performance including direct economic value generated, distributed, and retained is provided in the table below:

<table>
<thead>
<tr>
<th>SN</th>
<th>Financial Performance Details</th>
<th>2018-19</th>
<th>2019-20</th>
<th>2020-21</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Direct Economic Value Generated</td>
<td>2619</td>
<td>2978</td>
<td>3589</td>
</tr>
<tr>
<td>B</td>
<td>Economic Value Distributed</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Operating Cost</td>
<td>2095</td>
<td>2312</td>
<td>2771</td>
</tr>
<tr>
<td></td>
<td>Employee Wages and Benefits</td>
<td>326</td>
<td>347</td>
<td>358</td>
</tr>
<tr>
<td></td>
<td>Payment to providers of Capital</td>
<td>102</td>
<td>89</td>
<td>72</td>
</tr>
<tr>
<td></td>
<td>Payment to Government</td>
<td>12</td>
<td>-8</td>
<td>42</td>
</tr>
<tr>
<td></td>
<td>Community Investment (CSR)</td>
<td>5</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>C</td>
<td>Economic Value Retained (A-B)</td>
<td>80</td>
<td>236</td>
<td>344</td>
</tr>
</tbody>
</table>

Values in Million Rupees

Further details of our financial performance are available in our published Annual Report for FY 2020-21 and are available online at our website [www.gelatin.in](http://www.gelatin.in)
GOVERNANCE

Our governance extends beyond regulatory and legislative requirements, as we strive to emphasize an enterprise-wide culture of good corporate governance with an endeavor to ensure that decisions are taken in a fair and transparent manner while considering their impact on all stakeholders. Our Board of Directors is accountable to the shareholders and other stakeholders and is responsible for setting and implementing sound corporate governance practices throughout our operations. Our Board of Directors is committed to assure adherence to the highest standards of corporate governance in the conduct of business. The nomination of the Directors, which is the basis of their overall expertise and experience, qualifications, and other positive attributes, and their remuneration is governed by the Company’s Nomination and Remuneration Policy.

The Independent Directors of the Company have given the declaration and confirmation to the Company as required under Section 149 (7) of the Companies Act, 2013 and Regulation 25 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 confirming that they meet the criteria of independence and that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

There are various committees to focus on:

- Handling a greater number of issues with better efficiency by having experts focus on specific areas
- Developing subject-specific expertise on areas such as compliance management, risk management, and financial reporting
- Enhancing the objectivity and independence of the Board’s judgment

Governance Standards
ISO 9001 | ISO 14001 | ISO 45001 | ISO 50001
ISO 37001 | FSSC 22000
We at NGIL are committed to conducting our business in an honest and ethical manner and in compliance with all applicable laws and regulations. Regulatory and Compliance, Sustainability (including Safety, Health, and Environment) related activities and interventions across the Company.

- Sustainability, including environmental management and water conservation
- Workplace safety and hazard elimination
- Workplace health and wellness;
- Regulatory and other compliance.

Risk Management

The world today, is marked by uncertainty and volatility and as a result, a robust and effective risk management strategy is necessary for businesses to grow and thrive. Our success not only depends on our ability to minimize impact but also on our aptitude to transform challenges and uncertainties into opportunities to expand and establish our presence. To this end, we have an enterprise-wide function backed by a qualified team of experts with deep domain knowledge and extensive industry experience.

NGIL is fully aware of the need for continuously monitoring the surroundings and business environment to pick up the early signals for initiating proactive measures promoting the sustainability and growth of the business. NGIL had engaged M/s. Avalon Consulting, a strategy & management consulting firm based in India with operations across Asia, to identify various business risks associated with our business. With the support of the firm we have prioritized the following risk mitigation areas.

- Effluent Discharge
- Water Consumption
- Sludge Disposal
- Raw material sustainability
- Limited feasible applications for major by-product – DCP
- Social influence interrupting the operations

We have formed various Cross-Functional Teams (CFTs) and Small Group Activities (SGAs) to have a focused drive in mitigating the risks identified. The progress is periodically monitored at the senior management and board level.
Contributing to sustainable development has always been and has become even more important an element of our overall corporate strategy. We are and will continue to be increasingly focused on sustainable and socially responsible corporate behavior in everything we do. We have committed ourselves once again to take the path of Profitable, Sustainable, and Socially Responsible Growth, keeping in mind the interests of all our stakeholders as our central objective. We aim to grow and achieve higher returns and in the process we will ensure an increased positive impact on the environment and the society at large.

We continuously endeavor to enhance our performance and optimize efficiency across the environmental, social, and governance aspects. Simultaneously we encourage involvement from all stakeholders and ensure that our sustainable framework policies are well communicated, implemented, monitored, and reviewed regularly.

In order to or effectively manage all our material topics, we have implemented the following:

- Robust governance and review mechanism, starting at the Board Level and cascading down to the location level.
- Documented policies and procedures relevant to all the locations of the Company
- Goals and targets to be achieved
- Resource allocation and Responsibility matrix

<table>
<thead>
<tr>
<th>Material Topic</th>
<th>Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governance</td>
<td>HR, Legal and Secretarial</td>
</tr>
<tr>
<td>Economic Performance</td>
<td>Sales, Marketing, Operations, R&amp;D</td>
</tr>
<tr>
<td>Energy</td>
<td>Operations</td>
</tr>
<tr>
<td>Environmental &amp; Climate Change Compliance</td>
<td>Environmental, Health and Safety (EHS)</td>
</tr>
<tr>
<td>Local Communities</td>
<td>Human Resources</td>
</tr>
<tr>
<td>Occupational Health &amp; Safety</td>
<td>Environmental, Health and Safety (EHS)</td>
</tr>
<tr>
<td>Product Safety &amp; stewardship</td>
<td>Product development, Operations</td>
</tr>
<tr>
<td>Water</td>
<td>Operations</td>
</tr>
</tbody>
</table>

Objective criteria for measuring our performance in each of the material topics have been adopted and we regularly review our performance, and this which is communicated to our stakeholders through;

1. Integrated Annual Report
2. Sustainability Report
3. Returns as per statutory norms
STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT

Stakeholder engagement is an important aspect of formulating our business strategy. It is important for us to understand all our stakeholders and their expectations in order to achieve an agreement containing solutions on complex issues and large projects. We aim to achieve outcomes that are beneficial for stakeholders across the business spectrum. Our continuous interactions, communication, and consultations with stakeholders enable an exchange of opinions and views, helping us in creating shared value and positive outcomes. To further strengthen our relationships, we participate in CSR activities, community development projects, and viable environmental initiatives through various social platforms to foster effective communication and better engagement with stakeholders.

In an endeavor to conduct our business in a transparent and ethical manner, we have established a robust and all-inclusive stakeholder engagement process that helps us to develop a long-term mutually profitable relationship. Our identified stakeholders, mode of engagement, and frequency are presented in the table below:

<table>
<thead>
<tr>
<th>Stakeholders</th>
<th>Interaction forum</th>
<th>Frequency</th>
<th>Engaged by</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer</td>
<td>Customer survey</td>
<td>Annually</td>
<td>Marketing Head</td>
</tr>
<tr>
<td></td>
<td>Customer meets</td>
<td>As and when required</td>
<td>Managing Director/Marketing Head</td>
</tr>
<tr>
<td></td>
<td>Technical Meetings</td>
<td>Once in six months</td>
<td>Technical service/Marketing Team</td>
</tr>
<tr>
<td>NGI</td>
<td>Global Meeting</td>
<td>Quarterly</td>
<td>Managing Director and Senior Management team</td>
</tr>
<tr>
<td>KSIDC</td>
<td>Board meetings</td>
<td>As and when required</td>
<td>Managing Director</td>
</tr>
<tr>
<td>Public</td>
<td>Shareholder, Annual General Meeting</td>
<td>As and when required</td>
<td>Company Secretary</td>
</tr>
<tr>
<td>Supplier</td>
<td>Supplier meeting</td>
<td>As per the Annual plan</td>
<td>Materials Head</td>
</tr>
<tr>
<td></td>
<td></td>
<td>As per schedule</td>
<td>Technical Service, Quality Assurance, Production</td>
</tr>
<tr>
<td>Society</td>
<td>Informal/formal discussions</td>
<td>As and when required</td>
<td>Human Resource (HR) team</td>
</tr>
<tr>
<td>Regulatory/Govt agencies</td>
<td>Formal communication and meetings</td>
<td>As and when required</td>
<td>Human Resource (HR) team</td>
</tr>
<tr>
<td></td>
<td>Formal communications</td>
<td>As per schedule</td>
<td>Division/Functional heads</td>
</tr>
<tr>
<td></td>
<td>Employee engagement survey</td>
<td>As per schedule</td>
<td>Team of Business Excellence, Human Resource, and Department heads</td>
</tr>
<tr>
<td>Employees</td>
<td>Employee Interaction scheme</td>
<td>Annually once with all employees</td>
<td></td>
</tr>
</tbody>
</table>
**Dividend Payment**

NGIL takes a balanced approach in managing the surplus generated, by judiciously investing a part of it in the business and sharing the balance with the investors in a sustainable manner.

**Vendor/Suppliers**

NGIL ensures sustainable relationships with Suppliers in line with NGIL values of “customer focus, connect, agility, innovation, ethical and respect”.

**Quality Rating and Vendor Improvement programs:**

As a major raw material purchaser, NGIL tries to maintain a good relationship with crushed bone (CB) suppliers. Vendor evaluation rating is done based on quality parameters of the raw material supplied during the period. The feedback is provided to the vendors for improving their products and services.

**Customers**

NGIL conducts the customer feedback survey based on the Kano model and arrives at the customer satisfaction score. This Kano Model-based survey helps us to understand the needs of customers, the relative importance of each of the product feature and their needs, NGIL vs Competitor benchmarking, the brand image of NGIL, industry trends, and customer expectations. The feedback survey is being done yearly.
We provide a wide canvas where people are encouraged to unleash their innovative spirit to make the business win and grow. It is our continuous endeavor to attract the right talent, support them in developing the right capabilities and skills, and encourage them continuously. This is achieved by providing them the right culture and work environment so that they are inspired to bring out their best for achieving the professional goals of the company as well as those of their own.

We believe that our people are an essential asset to the overall performance of the company. The Human Resource (HR) function has been playing an important role in this endeavor. This function has ensured that the foundation of NGIL’s human resource management strategy is sustainable in the long term and leads to a profitable business growth. We continue to maintain this by creating a progressive work environment, bringing together the right people who are energetic, ethical, and believe in giving their best even in the most challenging situations, and by keeping them engaged and motivated. Broadly we focus on the following aspects:

- Build a Safe, Healthy, and Secure workplace with the involvement of all employees.
- Implement a robust, fair, transparent, and non-discriminatory process to attract, develop, and retain the talent needed for business delivery and growth.
- Uphold and respect Human Dignity, Equality, and Human Rights at the workplace.
- Provide continuous learning opportunities for the growth and development of all employees.
- Ensure continuous two way communication, participation of employees, respect their views and opinions and involve them in decision making.
- Establish meritocracy without any bias or discrimination in connection to performance evaluation, career progression, rewards, and recognition.
- Pay for performance based on internal and external parity.
- Create an engaged work environment of teamwork for responsible execution and excellence.

We ensure compliance to the law of the land related to wages and social security as mentioned below:

- Employee's Provident Fund & Miscellaneous Provisions Act 1952
- Employees State Insurance Act 1948
- Maternity Benefit Act 1961
- Workmen’s Compensation Act 1923
- Kerala Labour Welfare Fund Acct 1975
- The Payment of Wages Act, 1936
- The Minimum Wages Act 1948
- The Payment of Bonus Act, 1965
- The Payment of Gratuity Act, 1972
Employee Categories & Diversity

NGIL employs 400 people on a regular basis and engages about 40 contract workers on a continuous basis. They are utilized in activities like fabrication, housekeeping, and other miscellaneous works as and when required.

Genderwise Employees Strength

<table>
<thead>
<tr>
<th></th>
<th>Men</th>
<th>Women</th>
</tr>
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<tbody>
<tr>
<td>Executives</td>
<td>17</td>
<td>100</td>
</tr>
<tr>
<td>Non Executives</td>
<td>30</td>
<td>253</td>
</tr>
</tbody>
</table>

Number of Employees Level Wise

<table>
<thead>
<tr>
<th>Level</th>
<th>Executives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level 1</td>
<td>10</td>
</tr>
<tr>
<td>Level 2</td>
<td>25</td>
</tr>
<tr>
<td>Level 3</td>
<td>82</td>
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<tr>
<td>Non Executives</td>
<td>283</td>
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</tbody>
</table>

Number of Employees Based on Qualification

<table>
<thead>
<tr>
<th>Qualification</th>
<th>Number</th>
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<tbody>
<tr>
<td>Non-ITI</td>
<td>54</td>
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<tr>
<td>ITI/Diploma</td>
<td>148</td>
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<tr>
<td>Diploma Technical</td>
<td>39</td>
</tr>
<tr>
<td>Non-Technical Graduates</td>
<td>37</td>
</tr>
<tr>
<td>Non Engineering Professionals</td>
<td>59</td>
</tr>
<tr>
<td>Engineering Professional</td>
<td>63</td>
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</tbody>
</table>

Number of Employees - Tenure Wise

<table>
<thead>
<tr>
<th>Tenure</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;5 Years</td>
<td>42</td>
</tr>
<tr>
<td>5-10 Years</td>
<td>142</td>
</tr>
<tr>
<td>10-20 Years</td>
<td>116</td>
</tr>
<tr>
<td>20-30 Years</td>
<td>100</td>
</tr>
<tr>
<td>&gt;30 Years</td>
<td>10</td>
</tr>
<tr>
<td>&lt;30 Years</td>
<td>65</td>
</tr>
<tr>
<td>30-40 Years</td>
<td>151</td>
</tr>
<tr>
<td>40-50 Years</td>
<td>120</td>
</tr>
<tr>
<td>50-60 Years</td>
<td>74</td>
</tr>
</tbody>
</table>
**Employee Benefits**

We understand that providing fair compensation to employees is not enough. It is the continuous focus on the needs and well-being of employees while providing suitable benefits that induces improved employee productivity and build a strong retention rate. Benefits to employees include Group Medical Insurance, Personal Accident Insurance, Leave, Contribution to superannuation, Festival advances, Leave travel allowance, Medical bill reimbursement, Free Transportation, Canteen Facility, Uniform, and other Social Security benefits, Home loan interest subsidy, Vehicle loan interest subsidy, etc.

The Company Medical insurance scheme voluntarily covers all employees and their immediate families under a Group Medical scheme. All employees including trainees and employees on probation are covered under these policies. In addition to other employee benefits, we also extend social security benefits to its employees which include employer’s contribution to Provident Fund, Pension scheme, and ESIC coverage for employees who are not covered under group medical reimbursement scheme. All employees (i.e. both management staff & workmen) are provided with work uniform every year and it is compulsory that everyone must wear it. It helps to promote togetherness, unity, pride, and fosters team spirit.

We also pay Gratuity under the Payment of Gratuity Act, 1972 to our employees. We provide all the employees working at our manufacturing units with uniforms, safety shoes, and other Personal Protective Equipment (PPE) every year. We also ensure that all labour or workers of contractors are also provided safety shoes and other Personal Protective Equipment. Employees can also avail free transportation facilities from the nearest public transportation access point to the unit location. To facilitate better work-life balance and encourage punctuality and discipline in the regularity of attendance, we have an established leave policy for availing leave as per the entitlement.

**Remuneration**

Good performance is encouraged and rewarded at NGIL. There is no disparity between the salaries of men and women employees. We are an equal opportunity employer without any sexual discrimination based solely on the category of the work performed and in line with the Equal Remuneration Act, 1976. We have in place a Nomination and Remuneration Policy pertaining to the nomination and remuneration of Directors, Key Managerial Personnel (KMP), Senior Management Personnel, and other Employees in accordance with the requirements of the provisions of Section 178 of the Companies Act, 2013 and Listing Agreement.
Performance Management and People Development

We recognize the value of performance-based organizational culture that promotes employee productivity, engagement, and development by aligning individual and team performance goals with the Company’s mission, strategic goals, and objectives. The concept of normal distribution and relative evaluation is followed for the performance evaluation of all our employees. The annual organizational targets and strategic objectives derived through the strategy development process are deployed to all employees and are part of the Individual Key Result Areas (KRAs).

As a process, all executives receive performance feedback during mid-year review and final appraisal. Quarterly and Mid-term reviews are being conducted to make necessary course correction. Just after the end of the financial year i.e. March, an annual performance assessment is carried out.

The following Company policies are in place in this regard:

- Guideline on Performance Management System and Deployment
- Performance Evaluation and training need assessment
- Long Term Settlement with workers

Mentoring Programme

It is an initiative to build today, the leaders of tomorrow. As a result, the selected successful leaders of the Company are appointed as Mentors who are assigned to identify mentees for building the leadership pipeline. The identified mentees are given specific programmes, both technical and behavioral, during the reporting period.

NGIL has been selected among the Top 50 companies for People Managers by GMI survey
There is no discrimination based on race, color, gender, age, language, property, nationality or national origin, religion, ethnic or social origin, caste, economic grounds, disability, pregnancy, belonging to an indigenous people, trade union affiliation, political affiliation or political or other opinions. As part of this commitment, all employees are expected to treat their colleagues fairly at all levels with mutual respect, and without harassment. We treat all personnel with dignity and respect and do not engage in or tolerate the use of corporal punishment, mental or physical coercion, or verbal abuse of personnel.

During the reporting period, no incident of discrimination were reported from the sites of the Company.

We celebrate togetherness. From festivals to conferences and ceremonies, we never miss an opportunity to celebrate social occasions, including Independence Day, Festivals and birthday celebrations of employees. We extend our relationship with the employees and their families beyond work. Meritorious children of our employees are annually recognized across locations.

We believe in the protection of the young and the child population of the country and are committed not to employ child labor as per the local law based on a minimum age for work.

**Labor- Management Relations**

We recognize the fact that employees have the inherent right to collective bargaining. We respect the rights of all our employees to form associations in accordance with the local laws as applicable to achieve a form of workplace democracy.

**Women Empowerment**

We have an established guideline on the Prevention of Sexual Harassment at the workplace especially for women to ensure that we conduct business ethically and in a manner that is respectful to women. We have participated in varied initiatives for promoting education, social entrepreneurship, and women empowerment.
Training and Development

We recognize the need to keep our people updated with the changing market requirements and believe that as the organization grows, employees grow with it and thus the training and development need to change along with continuous updating of skills. Company’s growth cannot be delinked from employee growth.

Since we understand that sustainability can be achieved through high employee engagement, professional and leadership development, and effective succession planning, we have designed highly customized competency development programmes after assessing the competency level.

As a part of the learning and development, the individual training needs are identified, and an annual training plan is prepared for each individual site. In order to gauge the learning reception, training feedback is also taken from the managers as a part of training effectiveness evaluation, and we have adopted the Kirkpatrick Model for the same. We ensure that employees are given sufficient exposure to know the organization in detail, through job rotations. This gives opportunity to executives to grow within the organization. We have been following competency mapping and competency development programme for executives and skill development programmes for non-management employees.
Employee Engagement Practices

NGIL has been providing various opportunities for showcasing the achievements of employees and demonstrating the interests and capabilities of the employees, as part of promoting an excellence culture in the organization. Every year we conduct an exhibition named “PRISM FAIR”. PRISM is the brand name of our business excellence initiatives. The PRISM exhibition gives opportunities to employees to experience the various initiatives and their purpose and progress. Also, the exhibiting teams can showcase their achievements to all employees. Various activities like 5S, Kaizen, CFTs, and SGAs ensure employee involvement, teamwork, and problem-solving. These initiatives are platforms where employees can work in areas outside their functional area and role.

Rewards and Recognition

- 5S score-based rewards
- Kaizen rewards
- Best Employee Awards
- Excellent department award
- Annual Cash award for significant contributions
- Safety-near misses/unsafe
- Winners of Drishyam projects, CFTs, SGAs
- External competition winners
- Rewards in the form of tour packages, Gold Coins, and Meals

Various rewards and recognitions are in place to motivate employees at all levels of the organization. The company has a strong steady system to monitor and recognize employees on time. This encourages employees to participate in various initiatives. Company ensures that its senior level executives are engaged in high-level cross-functional teams to drive projects to achieve its strategic objectives. These projects are formed under an initiative called “Drishyam”. Every year new projects are launched which run for 12-18 months and successful teams are recognized and given attractive rewards like tour packages, gifts, etc.
Driving excellence initiatives through people engagement

Kaizen
- Continuous improvement
- 100% Employee Participation

5S
- Eliminate 7 wastes
- 80% Executives Participation

CFT/SGAs
- Problem Solving, Team building

TPM
- Zero BAD

Kaizen Numbers
- 2017-18: 2788
- 2018-19: 3013
- 2019-20: 2300
- 2020-21: 2400

5S Score
- 2016-17: 48
- 2017-18: 60
- 2018-19: 70
- 2019-20: 71
- 2020-21: 73

CFT Numbers
- 2018-19: 14
- 2019-20: 32
- 2020-21: 56

Significant Achievement Award

Health Check-up
We undertake projects and schemes for the social and economic development of the communities in and around the areas where our plants are located. Our Corporate Social Responsibility (CSR) initiatives successfully fulfil our role as a responsible corporate. We continue to promote sustained growth by inspiring and enhancing the creation of value in the society and in the community where we operate.

- Ensure an increased commitment at all levels in the Company, to operate its business in an economically, socially and environmentally sustainable manner, while recognizing the interests of all its stakeholders.

- Directly or indirectly take up programs that enhance the quality of life and economic well-being of the local populace in and around its plants

- Generate, through its CSR initiatives, a community goodwill for the Company and help reinforce a positive and socially responsible image of the Company as a corporate entity.

Our CSR model is based on the following principles:

- Community Participation – All our projects are identified and implemented in collaboration with the public, local panchayats and involve the mutual contribution of the people

- Self-Sustenance – The programmes are self-sustaining - be it skill development or environmental protection, and;

- Strategic partnership building – We partner with specialized agencies to ensure effective and efficient implementation of our projects
Need Assessment and Implementation

We follow a holistic development approach that involves an intensive and deep level of engagement, which includes the identification and delineation of the needs and aspirations of our stakeholder communities in our locations. NGIL identifies the needs of the community through surveys, interactions, community representatives and designs the necessary projects to address the needs. The focus of CSR activities is to build an ecosystem that addresses the welfare of all stakeholders of the communities near the company. The focus area and stakeholders include the Local Panchayat, the welfare of women, senior citizens, etc. To maximize the benefit to the community and ensure that beneficiaries get the intended benefits, we engage reliable partners for implementation. These partners include prominent religious communities, Kudumbashree, Youth/Sports Clubs, Local Community Committees, Schools/ANGANWADIS, etc. Finally, the impact of these initiatives will be monitored within a reasonable interval.

CSR Committee

The CSR policy, programmes, and activities are implemented, managed, and supervised by the CSR Committee. The Top Management demonstrates commitment and leadership as follows:

- Taking accountability for the effectiveness of the CSR activities and reviewing the company’s objectives and functional objectives;
- Taking all decisions which are compatible with the CSR guidelines;
- Ensuring that the resources needed for implementation of CSR activities are available;
- Ensuring that the CSR team achieves its intended results and verifying the same with the help of internal audits and objective reviews;
CSR INITIATIVES

Environment - Organic Farming Promotion
- Develop irrigable land - Lift Irrigation Schemes
- Promote use of Organic Fertiliser
- Develop the market for Organic Produce
- Spread awareness of modern farming practices

Project Shiksha
- Noon Meal and Study Materials
- Nitta Nanma Programme
- JEC Training for ITI students
- English classes for High School students

Healthcare
- Medical Aid Programme for financially backward
- Medical camps
- Emergency Vehicle for Palliative Care Centre
- Covid prevention Awareness programmes
- Covid Masks/PPE distribution

Sustainable Farming

Reduce productivity pressure on land
- Encourage Organic Farming

Increase irrigable land
- Make organic fertiliser competitive and attractive
- Build local market for organic produce

Lift Irrigation Projects
- Distribution of Bone meal at reduced prices
- Trade organic produce at reduced prices to locals during festivals

Encourage new farming techniques
- Increase awareness regarding model farms
- Build new model farms
- Factory Visits
- Brochures and Leaflets
- Employees as Ambassadors
CSR INITIATIVES

Surveillance Video Camera (Koratty and Panampilly Nagar)
- Reduction in Traffic Violations and Accidents – SI Koratty
- Ease of monitoring achieved – Cochin Corporation

Electrification Project
- 100% Electrification of Kadukutty Grama Panchayath

Lift Irrigation Schemes
- 2100 families covered
- 180 acres of farmland covered in the projects

Positive Responses from the public
- All projects had over 90% approval for implementation

Recognitions

Commendation from Rotary for CSR Activities

KMA Award for CSR Activities in Environment

3 times consecutive winner Best Corporate Citizen from NIPM

ZEE- National CSR Leadership Award for Environmental Sustainability
RESPONSIBLE ENVIRONMENTAL CARE

Environment Management and Compliance
At NGIL, sustainability goes much beyond fulfilling economic, legal, or regulatory requirements. It is one of the many ways in which we create enduring value for our stakeholders, natural environment, and the society at large, and become part of resolving the most unyielding causes through awareness and engagement. We consider ourselves responsible for mitigating not just the social and environmental impact of our business but also in helping to resolve various social and environmental issues present in our society. We aim to follow and promote sustainable business practices and co-create sustainable business value for our stakeholders.

We give the highest priority to ensure environmental compliance by maintaining system and procedures based on our original environmental audits as well as through environmental education and other HR development programmes.

Hazard Identification and Risk Assessment (HIRA) is conducted every year for both the plants through continuous monitoring and assessment of risks. In addition, we also conduct various other environmental risks and impact studies.

We are committed to achieve our targets and compliance requirements. During the reporting year, there were no instances of monetary fines or non-monetary sanctions, or cases brought against the Company through dispute resolution mechanisms about environmental non-compliance.

We not only believe in forming policies and committees but also in effectively implementing actions and achieving targets. We have ISO 14000 certification for our entire Company. Our Gelatin and Ossein plants in Kerala have conducted environmental risk assessments and have implemented Environmental Management System (EMS).

Biofilter - Odour Control System
Control over odour emission within the premises of the plant has been our focus. Two biofilters have been installed in the Ossein Division.
11 ENERGY MANAGEMENT

We believe that strategic energy conservation and cost-saving are key to achieving the main objectives of sustainable development. For finalization of energy conservation/cost saving projects, brainstorming is being done at all levels throughout the Company which ensures systematic work process management and benchmarking against our best-achieved figures on process parameters, utility consumption norms, production norms, etc. This is continually monitored at the individual plant level by the nominated Energy Coordinator of the respective plant.

NGIL towards its commitment to Energy conservation – Both our plants are ISO 50001 certified and a substantial reduction in specific Fuel and Power consumption has happened in the last few years with the help of various initiatives.

**Major Energy Reduction Initiatives**

1. Lighting Load reduction by using
   - Energy-efficient LED lights instead of conventional Sodium Vapor Lamps
   - Effective usage of Daylight
   - Usage of photosensors and motion sensors
2. Replacement of Inefficient motors by IE3 class motors
3. Chiller and Compressor Operation Optimization
4. Air circuit - Leak study and leak eradication
5. Stop Ultrafiltration Unit operation by improving Raw liquor concentration
6. Kathene Regeneration system - Stoppage of One regeneration unit by efficiency improvement of other units.
7. Use of Solar Energy replacing fossil fuel

<table>
<thead>
<tr>
<th></th>
<th>POWER, KWH /MT OF GELATIN</th>
<th></th>
<th>POWER, KWH /MT OF OSSEIN</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019-20</td>
<td>3259</td>
<td>2019-20</td>
<td>2567</td>
</tr>
<tr>
<td>2020-21</td>
<td>3169</td>
<td>2020-21</td>
<td>2677</td>
</tr>
</tbody>
</table>
**Fuel Saving improvement projects**

1. Usage of Biogas instead of Furnace Oil for drying Dicalcium Phosphate
2. Boiler Operating Pressure optimization
3. Trap monitoring system and replacement of faulty traps
4. Improved Steam Distribution Efficiency arresting distribution loss
5. Hot water consumption reduction through improved condensate recovery system
6. Improve Boiler combustion efficiency by proper Fuel handling

**Utilization of Solar Energy**

NGIL in its pursuit to utilize renewable source of energy has installed Solar power generation unit of capacity 20 KW at its Corporate Office for lighting purpose.

NGIL has installed Polyhouse drying facility in its Gelatin Division to utilize the solar energy for drying the sludge generated in the manufacturing process. Drying in Polyhouse helped to reduce power consumption and save fuel energy.

**Power Saving : 918 KWh per day**

Fossil fuel energy equivalent to 5625 X103 Kcal/Day
EMISSIONS

Our management approach is to reduce all kinds of emissions, pollution, maximize the share of renewable energy, and continuously optimize energy and water to reduce carbon footprints and wastage.

CO₂ Emission

Various initiatives contributed to CO2 emission reduction to the tune of 2069 MT in financial year 2020-21 compared to 2017-18

![CO₂ Reduction Achieved (MT)]

Major Initiatives

- Converting Furnace oil to rubber wood
- Optimizing transportation for raw materials and finished products

SOx/NOx/Particulate matter Reduction

We have necessary measures and controls in place to monitor and manage SOx, NOx, and particulate matters well within the permissible limits. Each of our plants has necessary controls and measures in place to manage these emissions well within the permissible limits. Cyclone separator, bag filter dust collector, and reverse pulse bag house are some of the major emission reduction facilities in the plants. We conduct ambient air monitoring to ensure the quality of ambient air is within the limits prescribed in the National Ambient Air Quality Standards.

As a result of Improvement in steam Generation and utilization efficiency improvement, a significant reduction in Boiler stack emission parameters is achieved as given below

![Air Emissions in (Kilogram)]
Gelatin manufacturing technology used by NGIL is a water-guzzling technology. Our source of water is from the Chalakkudy river to our Ossein plant in Kathikkudam and from the Chitrapuzha river to our Gelatin plant in Kakkanad, Kerala. We have our pumping station with reliable submersible pumps having a standby facility, from where the water is being pumped to fulfill our daily average water requirement.

In addition to this, we have installed rainwater harvesting modules within the Ossein plant and it helps increase the surrounding groundwater table. To address water-related risks, we have adopted a strategic approach in our operations. As part of the approach, we have taken a holistic view of our water management to encompass fresh and recycled water consumption, water conservation efforts, and efforts towards water reusing and recycling. We are consistently working to optimize the consumption of raw water throughout our operational activities by substituting it with recycled water based on its feasibility and suitability.

**Major Initiatives for Water Reduction**

- Rainwater Harvesting at Ossein Division
- Final Ossein Washing water re-usage for Ossein Unloading.
- Usage of discharge water of Vacuum pump to make up Cooling Tower water level
- Conversion of ordinary stuffing box pump seals to mechanical seal.
- Pulp washing area Water recovery system.

**WATER CONSUMPTION IN M3/MT OF OSSEIN**

<table>
<thead>
<tr>
<th>Year</th>
<th>Consumption (M3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019-20</td>
<td>193.78</td>
</tr>
<tr>
<td>2020-21</td>
<td>173.04</td>
</tr>
</tbody>
</table>

10% reduction in water consumption

**2850 KL of rainwater saved in 2020-21**

Considering water as a scarce resource, its consumption is being monitored at all consumption points by installing water flow meters. We are also tracking specific water consumption on a year-on-year basis.

Following are some of our key responsible water consumption principles adopted by us:

- Continual improvement in our specific water consumption reduction
- Reduce water leaks to almost zero level
- Consistently ensuring leak-free systems for water withdrawal from source to our plants.
**13**  
**EFFLUENT & WASTE MANAGEMENT**

**Effluent Management**

We have adopted best practices of effluent discharge at our plant to ensure that water quality parameters such as pH, Biological Oxygen Demand (BOD), Chemical Oxygen Demand (COD), and Total Soluble Solids (TSS) are kept within permissible limits.

The effluent generated from the site undergoes in-house primary, secondary, tertiary treatment. The treated effluent is discharged into the river. There is no discharge of wastewater outside the premises in any case. Effluents discharged from our plants do not affect any water bodies in our surroundings.

**Biogas Plant**

Ossein division has two Continuous Anaerobic Digesters installed to generate biogas from the effluent stream. Biodigester helps to reduce the effluent COD and about 593 MT of effluent COD gets reduced per M³ of biogas generated from process waste. We are in the process of installation of a new biodigester unit in our Gelatin division in 2021.

**SLUDGE DISPOSED IN MT/MT OF GELATIN/OSSEIN**

<table>
<thead>
<tr>
<th></th>
<th>2017-18</th>
<th>2020-21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gelatin Division</td>
<td>2.01</td>
<td>1.58</td>
</tr>
<tr>
<td>Ossein Division</td>
<td>1.19</td>
<td>0.98</td>
</tr>
</tbody>
</table>

**38-41% Reduction in 3 years**

**Major Initiatives to reduce solid waste disposal**

- Biodigester to generate biogas from waste
- Polyhouse drying for reducing moisture content using solar energy
- Raw material pretreatment to remove impurities before entering the manufacturing process
- Converting sludge to fuel

**Solid Waste Reduction**

NGIL has identified Sludge Generation reduction as one of the most important projects towards the sustainability of business in the long run. Further activities, such as installing a sludge dryer, are being considered in the future in all the plants.

<table>
<thead>
<tr>
<th>SLUDGE DISPOSED IN MT/MT OF GELATIN/OSSEIN</th>
<th>93000 Kg of sludge used as boiler fuel</th>
</tr>
</thead>
<tbody>
<tr>
<td>38-41% Reduction in 3 years</td>
<td>3155 Million Kcal from Biogas</td>
</tr>
</tbody>
</table>
Garden factory is a concept initiated at Ossein Division around 4 years back to transform the perception of the society about the plant. This initiative has transformed Ossein Division into a Garden factory as repeatedly being testified by the visitors. The initiative 5S also has supported in taking the garden factory concept to the current level, because the meaning of Garden Factory is not just planting trees on the premises. It means something beyond that. It is the commitment of NGIL to Mother Nature. Now NGIL proudly takes all its visitors to demonstrate its commitment to nature. A lot of prominent people from the locality, including government officials and political leaders, visit the plant to have a feel of the Garden factory. NGIL also invites every people from its neighborhood to visit the factory – “A Factory inside the garden” to, understand the green initiatives taken by NGIL. We have always encouraged taking positive steps towards the environment, which includes protecting the atmosphere and aquatic environments, conserving resources and managing waste, properly managing chemical substances, protecting biodiversity, and protecting soil environments. We have always taken extra steps to ensure that no damage is done to biodiversity due to the Company’s operations, this is done by various initiatives including continuous monitoring and regulating noise levels within the plant and around the factory premises.
NGIL is working on Miyawaki Methodology, a Japanese methodology of dense plantation proven to work worldwide, irrespective of soil and climate conditions. Some highlights of this methodology include
1) Approximately 30 times denser, as compared to conventional plantation techniques.
2) Up to 30 times or more carbon-dioxide absorption as compared to conventional forest.
3) Around 30 different native species planted in the same area in cluster plantations.

Ambient Air quality is monitored in and around the factory and we ensure that the same is within the permissible limits. The regular presence of different types butterflies in the butterfly park, inside the factory, endorses the good quality ambient air maintained in the factory surroundings.
NGIL has identified Horticulture as one of the means to enhance the vegetation cover for increasing the biodiversity of the region, to provide aesthetic value to the industrial area, and consequently, to enhance the ecological balance of the area. The major projects under this include;

**Nakshatra Vanam**

The star forest has been set up inside the campus, consisting of 27 trees that are related to 27 stars in Indian astrology. The variety of the plants, their medicinal value, and their association with the nakshatras make it an effective idea to protect trees and the environment.

**Garden of medicinal herbs**

The medicinal herb garden cultivated inside the factory compound nurtures different varieties of herbs that have relevant medicinal uses. A few of the species are Panikoorka (Plectranthus amboinicus), Thulasi (Ocimum tenuiflorum), Kattar vazha (Aloe vera) and so on.

**Pavizhamalli Flowerbed**

Around 6000 saplings of the pavizhamalli flowering plants have been planted as a part of the greenery development project. In addition to bearing very fragrant flowers, the plant also has many medicinal applications too.
The Aquaponics system
NGIL has ventured into the Aquaponics system, which is a combination of aquaculture, which is growing fish and other aquatic animals, and hydroponics which is growing plants without soil.

Fruit Garden
The factory set up also nurtures a fruit garden containing varieties of fruit trees and plants including jackfruit, mango, guava, rambutan, mangosteen, lemon, chambakka, sapporta, gooseberry, loobikka, and so on.

Rain shelter farming
The company has started Rain shelter farming, where different varieties of vegetables like snake gourd, bitter gourd, cucumber, ladies finger, long beans, etc. are grown extensively.
Our Sustainable Procurement Strategy exemplifies our approach to positively impact environmental, social, and economic outcomes by making responsible purchasing decisions. We ensure that transactions are transparent, risks are lowered, purchases are cost-effective and stakeholder relationships are enhanced. While doing this, we also ensure minimal impact on the natural environment.

Our supply chain sustainability is increasingly being recognized as a key component of corporate sustainability. For us, it is the management of environmental, social, and economic impacts and the encouragement of good governance practices throughout the lifecycles of goods and services. We have supply chain considerations in our strategy and business plan:

1. The markets we serve,
2. Material and services we require within the cost, quality, and delivery challenges we must meet;
3. The regulatory framework within which we need to operate, and
4. Understanding our stakeholder requirements

Vendors are identified, evaluated and service contracts are signed based on the capability and performance monitored to ensure business delivery.

**Sustainability Focus Areas:**

- **Raw Material**
  - Quality improvement to reduce effluent load and sludge
  - Source material with minimum impact on environment, society and people

- **Packaging**
  - Reduce plastic use

- **Logistics**
  - Use least cost and low Carbon emission
  - Optimize transportation

- **Vendor relationship**
  - Educate sustainability needs
  - Support vendors for implementing sustainability initiatives
  - Partnering for business continuity

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**Nitta Gelatin India Limited**
Raw Material sourcing

The raw material for manufacturing Gelatin and Collagen Peptide is the byproduct of the meat and fish industry. These raw materials need to be sourced through sustainable practices to ensure minimum environmental impact and produce the desired quality of Gelatin and Collagen Peptide. NGIL has a well-established sourcing network to ensure that the raw materials are sourced from slaughter houses and fish farms. This ensures traceability, safety and mishandling of raw material in the supply chain. We have a long-term association with vendors and provide them support to improve their processes, technology, etc.

Vendor Base

- Special focus on addition of new vendors

Improve Raw Material Quality

- Technical support
- Partnering and Developing exclusive facility
- Incentivize based on quality

Raw Material Price control

- Sufficient alternate vendors
- Inventory optimization methods
- Freight Optimization using LP programme
- Payment terms

Relationship Management

- Partnering with key suppliers
- Annual perception survey to capture pain areas of the vendors

We regularly communicate with our vendors and understand their needs and expectation. Accordingly, we incorporate improvements in our practices. We have started an annual perception survey among the key vendors from all categories. This annual survey reflects the vendor’s feedback on the following aspects;

- Payments
- Communication
- Technical support
- Perception against competitors

87% Supplier’s Perception Score
PEOPLE CARE: OCCUPATION HEALTH AND SAFETY

Our Health and Safety Management Systems have been developed keeping in mind our stakeholder expectation and material topics. Our objective is to ensure a safe and health workplace complying to all laws of the land regarding employee health and safety. We focus on the implementation of all Occupational Health and Safety policies and procedures to achieve an accident free workplace.

We believe that the foundation of our safety culture is the top Management Commitment. They help in establishing a safe environment whilst their decisions, actions and behaviors set benchmarks for safety, through the systems and processes they put in place, promote and support. They provide the policy framework, the organization, and resources across the Company to ensure a safe and healthy workplace.

The Occupational Health and Safety management systems at our sites are based on international standards like ISO 45001.

Three-Tier Safety Committee

Committee (for NGIL)
Apex Management Safety
• Chaired by Managing Director
• Secretary - Head Safety
• Performance Review, Safety-related policy decisions
• Frequency: Once in a Quarter

Joint Safety Committee
• Chaired by Head Safety
• Promote employee participation
• Monitor implementation
• Frequency: once in a month

Management Safety Committee
• Chaired by Division Head
• Secretary - Head Safety
• Divisional safety performance
• Frequency: once in two months
Risk Identification and Assessment

We have received OHSAS 18001 certification for both Ossein and Gelatin divisions. We regularly conduct;

1. Hazard Identification and Risk Analysis (HIRA)
2. Pre-start Up Safety Reviews
3. Review of Operational Procedures
4. Training of handling of chemicals and process parameters
5. Investigation of Incidences
6. Work Permit Compliance Audits

The Health, Safety, Environment (HSE) team continually makes improvements in safety and security through analysis of feedback and incident reporting. The Company conducts external audits including process safety audits and audits of on-site emergency preparedness. NGIL has established a structured process of Management of Change to ensure that proper HIRA is done as an operational discipline.

All employees including contract laborers and visitors are given the required PPE. The requirement of PPE is established after an assessment is done of the health risk involved in the process. Safety helmets and shoes are compulsory for all inside the plant in all risk prone areas of the plant. Employees are empowered to report any unsafe act and condition including any work process hazard through the participation in near-miss/ unsafe condition reporting and we have been encouraging the reporting by including the same in KRAs of executives. The professionals are important team members whenever a HIRA, Mock Drill or Incident Investigation is done. Moreover, whenever a new Chemical is to be handled the Occupational Health personnel does a thorough health impact study before usage.

Lost Days due to accident
Since 1st April 2019

Employees in Annual medical checkup

Training on Safety during 2020-21
## SAFETY OVERVIEW

<table>
<thead>
<tr>
<th>SN</th>
<th>Description</th>
<th>YEAR</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Equivalent man days lost due to fatal accidents and total permanent disability cases</td>
<td></td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>2</td>
<td>Man days lost due to other non fatal accidents</td>
<td></td>
<td>24</td>
<td>Nil</td>
</tr>
<tr>
<td>3</td>
<td>Total man days lost due to accidents</td>
<td></td>
<td>24</td>
<td>Nil</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SN</th>
<th>Reportable Accidents and Frequency Rate</th>
<th>YEAR</th>
<th>2019</th>
<th>2020</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>Fatal</td>
<td></td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>2</td>
<td>Total permanent disability</td>
<td></td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>3</td>
<td>Non – fatal (excluding item No:2)</td>
<td></td>
<td>1</td>
<td>Nil</td>
</tr>
</tbody>
</table>

- **78.4 dB** Workplace noise level (max)
- **102 Lux** Workplace Illumination level (min)
- **30%** increase in safety score from 2019-20
- **30%** increase in safety score from 2019-20
- **2** Ergonomic Study completed in manual intensive areas
FIGHT AGAINST COVID-19 - SAFETY MEASURES

- Prepared Covid Protocol for the company
- Constituted a team of 8 members called “Covid Marshal” with employees from different departments including security and conducted periodic audits to ensure that the system is in place
- Installed foot operated sanitizers at the main entrance and other 10 locations inside the factory
- Installed hand washing system outside the gate
- Started monitoring and recording body temperature of everyone using thermal scanners
- Converted the finger punching attendance system to card punching to avoid hand touch
- Started disinfecting vehicles that come inside
- Carried out disinfection of restrooms, canteen, changing rooms, etc. twice in a day

- Entry restricted for all visitors
- All meetings are conducted online
- Exhibited Covid posters and broadcasted awareness videos through TV in Canteen
- Paid wages to employees who come under the containment zone
- Disinfection of common touchpoints like door handles, handrails etc. at regular intervals
- Separate toilets provided for external drivers
- Conducted online classes by experts to create awareness on Covid to employees, the local public, and students by experts
- Installed automatic dishwasher for disinfecting used plates, glasses, and spoons
RESPONSIBLE MARKETING

Our products contribute to a circular economy by value-adding byproducts of the Meat and Fish Industry. Hence products by their nature are part of the sustainability cycle. We recognize that in all stages of the product life cycle – from the design stage to product use and final disposal, there is an impact on society and the environment. We ensure that sustainable practices are followed in Pricing, Product, Promotion, and Distribution.

Customer Relations

Meeting customer requirements is essential for the Company’s inclusive and sustained growth. We have a very streamlined complaint handling and feedback process. We have well-defined communication forums which ensure participation from people from various levels and domains from both customers and our side. We also capture voice of customers through a survey based on the Kano model to understand the needs of the customer and how our product and services can be improved to delight the customers.

All our products and activities are assessed for health risk and environmental aspects or impacts as per ISO 14001 and ISO 45001 management systems. For health and safety assessment we use HIRA and for environmental assessment, we use environmental aspect and impact evaluation sheet. These assessments are done for all products and covers actions taken to mitigate issues. Material Safety Data Sheet (MSDS) for each product contains information related to storage and handling, toxicological data, special hazards arising from material or mixture, fire-fighting measures, and exposure control/personal protection.
Adherence to good corporate governance practices and managing its affairs in a fair, honest, ethical, transparent, and legally compliant manner is the core consideration of NGIL. We are committed to the prevention, deterrence, and detection of fraud, bribery, and all other forms of corrupt business practices. We conduct all our business activities with honesty, integrity, and the highest possible ethical standards, and vigorously enforce our business practice, wherever we operate, of not engaging in bribery, corruption, or extortion with any government officials or any person for or on behalf of the Company. We are committed to conducting our business in compliance with all applicable laws and regulations of the country. Conducting business in a fair, transparent, and ethical manner, complying to all applicable laws, is part of our overall sustainability strategy and an important material topic.

We also have a Whistle-blower Policy which is a mechanism to reinforce the implementation of the Code of Conduct which encourages each Director and Officer of the Company to take positive actions. This policy provides all employees and Directors of the Company and its subsidiaries a mechanism to report improper acts and provides adequate safeguards against victimization. We strive to maintain the highest standards of governance, personal and corporate ethics, and compliance with all laws and regulations. We value integrity and honesty while dealing with all employees, customers, suppliers, and other stakeholders. We are committed to supporting the government, law enforcement, and international bodies to combat any financial crime.

**Good governance for Ethical and Fair Business Practices**

We strive to emphasize an enterprise-wide culture of good corporate governance with an endeavor to ensure that decisions are taken fairly and transparently while considering their impact on all stakeholders. We actively monitor and revise our governance structures, practices, and processes from time to time, to ensure the adoption and implementation of best practices. Our Board of Directors is committed to assure adherence to the highest standard of corporate governance in the conduct of our business. We strive to promote good governance practices to create transparent dialogue across the Company vertically, enabling proper channels of communication with respective stakeholders.

**Information Security**

We undergo periodic IT security audit and our IT infrastructure and usage are governed by the IT Security Policy. We have implemented the necessary security system, infrastructure, and policies to ensure data and information protection, retrieval.
Nothing in Nature lives for itself.
Rivers do not drink their own water.
Trees do not eat their own fruit.
The sun does not shine for itself.
A flower’s fragrance is not for itself.
Living for each other is the rule of nature.