



Part -I

Environmental & Social Policy

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Abbreviations

Dodla	Dodla Dairy Ltd.
DFI	Development Finance Institution
E&S	Environmental and Social
EHS	Environment, Health and Safety
ESMS	Environmental and Social Management System
IFC	International Finance Corporation

1 INTRODUCTION

1.1 About Dodla Dairy

Dodla Dairy Limited (“Company”, “Dodla”) is a public limited company. The registered and corporate office is located at Hyderabad City in the State of Telangana in India. The Company was incorporated in the year 1995 and production commenced in 1997. The Company’s procurement of milk is centered in four states viz. Andhra Pradesh, Telangana, Karnataka and Tamil Nadu and has a total of 13 processing plants and 71 chilling centres in these states. The Company is in the process of establishing a new processing facility in Andhra Pradesh.

The product portfolio consists of milk, butter, ghee, paneer, curd, flavoured milk, doodh peda, ice cream and skimmed milk powder. About 70% of the product share is milk, 21% is curd/ buttermilk and the remaining 8-9% comprise of the other products. The products are sold under the “Dodla Dairy” brand across nine states in India. The states of Gujarat, Madhya Pradesh, Rajasthan, West Bengal and Maharashtra are supplied in addition to the milk procurement states.

1.2 Background to the Policy

The Company has been in operation for more than 20 years with a strong presence in four states and a growing presence in five more states in India. The Company is also growing at a rapid pace. The Company understands that as the business grows there is a potential to cause both, adverse and beneficial environmental and social (E&S) impacts. The need to address these impacts in a structured manner and take measures at the appropriate stages is also acknowledged.

The Company refers to E&S safeguards of Development Finance Institutions (DFI) that recommends establishing and maintaining an Environmental and Social Management System (ESMS) appropriate to the nature and scale of the business activities and their E&S risks and impacts. With this background, Dodla has developed an E&S Policy in alignment with national and international E&S safeguards to identify, assess, manage and monitor the E&S risks and impacts in their business operations.

1.3 Reference Framework

The E&S Policy has been developed with reference to the following frameworks:

- a) National E&S laws and regulations of relevance to aspects covered under the IFC Performance Standards
- b) International Finance Corporation’s (IFC) E&S Performance Standards, 2012
- c) The World Bank Group General Environmental, Health and Safety (EHS) Guidelines
- d) The World Bank Group Sector-specific EHS Guidelines for Dairy Processing

In cases where there is a difference between Indian regulations and international E&S safeguards listed above, especially quality standards, both set of requirements are included with a caveat that the more stringent of the two requirements would be adhered.

2 ENVIRONMENTAL & SOCIAL POLICY & PRINCIPLES

2.1 Environmental & Social Policy

The E&S Policy of Dodla Dairy Ltd. emphasises its commitment towards integrating E&S considerations in the business operations.

Dodla Dairy Ltd.'s Environmental & Social Policy is based on the concept of sustainable development. The Company is committed to conduct its business in an environmentally sensitive and socially responsible manner and thereby recognises and takes actions to add value, minimize impacts and risks in its business operations.

In the endeavour to transition to a more sustainable future, Dodla Dairy Ltd. will:

- be responsible in use of natural resources;
- be energy efficient and reduce greenhouse gas emission intensity;
- provide safe, healthy, inclusive workplace and neighborhood;
- prevent and reduce pollution; and protect the environment;
- deliver quality dairy products to consumers at affordable prices and ensure fair returns to the producers.

Dodla Dairy Ltd. will ensure compliance that includes not just national environmental and social legal requirements but in addition, and as appropriate, international environmental and social safeguards. The Company will make best efforts to influence their supply chain on environmental and social considerations in their business operations.

Dodla Dairy Ltd. is committed to comply with its Environmental and Social Policy and will establish and maintain systems to achieve the policy objectives.

2.2 Environmental & Social Operational Principles

The E&S Policy statement of Dodla is supported by the following operational principles:

a) E&S Compliance in business operations

- Identification and compliance to all relevant Indian national, state and local E&S policy and legislative requirements
- Compliance to International E&S standards/safeguards and strive for adherence to best practices relevant to the business operations including:
 - IFC E&S Performance Standards, 2012
 - The World Bank Group General Environmental, Health and Safety (EHS) Guidelines
 - The World Bank Group Sector-specific EHS Guidelines for Dairy Processing

b) Ensuring Good Working Conditions

- Providing safe and healthy working conditions to all workers and mitigate work related health impacts.
- Ensuring emergency preparedness at all times and developing response system at all facilities commensurate to the occupational health and safety risks identified.
- Treating all workers fairly and reasonably in terms of recruitment, remuneration and progression irrespective of gender, race, colour, language, disability, political opinion, age, religion, or national/social origin.
- Providing for fair, transparent, and timely redressal of grievances reported.
- Preventing sexual harassment of women.
- Not employing forced or child labor.
- Provide training, communication and tools to workers, as appropriate, to ensure good working conditions.

Note: Workers includes workers directly engaged as well as contracted workers engaged through third parties

c) Resource efficiency and Pollution Prevention

- Improving efficiency in consumption of energy, water, milk and other key raw material inputs in business operations.
- Consider alternatives and implement technically and financially feasible and cost-effective options to reduce project-related GHG emissions.
- Manage pollution generated in the form of air emissions, wastewater generation and solid waste generation through treatment, or disposal in an environmentally sound manner.
- Employ environmental and employee safe measures for handling, storage, and use of hazardous materials for project activities.
- Consider non-chemical means to control economically significant pests and vectors.

d) Community Health, Safety and Security

- Ensure that products conform to the applicable standards and are safe for either intended or normally foreseeable use
- Demonstrate understanding on the E&S impact of business operations beyond its facilities and take measures to avoid and mitigate such impacts.
- Avoid or minimize the potential for community exposure to hazardous materials and substances.
- Avoid or minimize the impact on freshwater quality and availability for the community.
- Avoid or minimize the potential for community exposure to diseases due to business activities.

- Assist and collaborate with the community and local government agencies in responding to emergency situations.
- Assess and mitigate risks posed by its security arrangements to those within and outside the business operations.

e) Stakeholder Engagement

- Engaging in dialog with relevant stakeholders at appropriate stages of business operations with due consideration to the disadvantaged and the vulnerable stakeholders.
- Communicating the E&S Policy and underlying procedures (as relevant) to all stakeholders through appropriate mechanisms.
- Providing fair, transparent, and timely redress of internal and external grievances reported in written or verbal format by all stakeholders.

f) Primary Supply Chain Requirements

- Not employing child labour or forced labour.
- Provide safe and healthy working conditions to all workers including contract workers.

2.3 Approval & Communication

The Policy and Principles have been presented to the Board and duly approved. The policy will be applicable from **01-11-2019**.

The Policy and Principles have been communicated to all workers and is disclosed through the Company website.

The Policy Statement is supported by an Environmental & Social Management System (ESMS). The ESMS has been formally adopted by the top management to operationalize the E&S Policy in the business.

2.4 E&S Policy Implementation

The Company has developed an ESMS to implement the E&S Policy. Under the ESMS, procedures for E&S risk and impact identification, management and monitoring have been developed and integrated with the business processes. The institutional structure with roles and responsibilities of various departments towards implementation of the ESMS have been defined.

The E&S Policy and ESMS will be reviewed on an annual basis by the top management, to ensure its continuing suitability, adequacy and effectiveness.