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**8<sup>th</sup> August, 2023**

**The Manager**

**BSE Limited**

25<sup>th</sup> Floor, Phiroze Jeejabhoy Towers,  
Dalal Street  
Mumbai- 400001

**SCRIP CODE: 500163**

**The Manager, Listing Department**

**National Stock Exchange of India Limited**

Exchange Plaza, C-1, Block-G,  
Bandra-Kurla Complex, Bandra (East),  
Mumbai- 400051

**SYMBOL: GODFRYPHLP**

**Sub.: Submission of Business Responsibility and Sustainability Report (BRSR) for the Financial Year 2022-23.**

Dear Sirs,

Pursuant to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Business Responsibility and Sustainability Report (BRSR) of the Company for the Financial Year 2022-23.

Kindly take the same on records.

Thanking you,

Yours Faithfully,

**For Godfrey Phillips India Limited**

**Sanjay Kumar Gupta**

**Company Secretary**

**M. No.: 7545**

Encl.: As above



GREAT PLACE TO WORK® CERTIFIED

Regd. Office: 'Macropolo Building', Ground Floor, Dr. Babasaheb Ambedkar Road, Lalbaug, Mumbai - 400 033  
CIN : L16004MH1936PLC008587



## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT FOR THE FINANCIAL YEAR 2022-2023

<b>Section A</b>	<b>General Disclosures</b>
<b>Section B</b>	<b>Management and Process Disclosures</b>
<b>Section C</b>	<b>Principle wise Performance Disclosures</b>
<b>Principle 1</b>	<b>Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable</b>
<b>Principle 2</b>	<b>Businesses should provide goods and services in a manner that is sustainable and safe</b>
<b>Principle 3</b>	<b>Businesses should respect and promote the well-being of all employees, including those in their value chains</b>
<b>Principle 4</b>	<b>Businesses should respect the interests of and be responsive to all its stakeholders</b>
<b>Principle 5</b>	<b>Businesses should respect and promote human rights</b>
<b>Principle 6</b>	<b>Businesses should respect and make efforts to protect and restore the environment</b>
<b>Principle 7</b>	<b>Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent</b>
<b>Principle 8</b>	<b>Businesses should promote inclusive growth and equitable development</b>
<b>Principle 9</b>	<b>Businesses should engage with and provide value to their consumers in a responsible manner</b>

### SECTION A: GENERAL DISCLOSURES

#### I. DETAILS OF THE LISTED ENTITY

1.	<b>Corporate Identification No. (CIN) of the Listed Entity</b>	L16004MH1936PLC008587
2.	<b>Name of the Listed Entity</b>	GODFREY PHILLIPS INDIA LIMITED
3.	<b>Year of incorporation</b>	1936
4.	<b>Registered office address</b>	Macropolo Building, Ground Floor, Dr. Babasaheb Ambedkar Road, Lalbaug, Mumbai, Maharashtra – 400033
5.	<b>Corporate address</b>	14, Omaxe Square, Jasola District Centre, New Delhi – 110025
6.	<b>E-mail</b>	isc-gpi@modi-ent.com
7.	<b>Telephone</b>	011 -26832155, 61119300
8.	<b>Website</b>	<a href="http://www.godfreyphillips.co">www.godfreyphillips.co</a>
9.	<b>Financial year for which reporting is being done</b>	2022-23
10.	<b>Name of the Stock Exchange(s) where shares are listed</b>	NSE and BSE
11.	<b>Paid-up Capital</b>	1039.88 Lakhs
12.	<b>Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report</b>	Mr. Sanjay Kumar Gupta Company Secretary 011-61119418, skgupta-gpi@modi-ent.com
13.	<b>Reporting boundary</b> Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together).	The financial disclosures made in this report are on a standalone basis.  The data related to social performance comprises information of the standalone entity and its wholly owned subsidiary - International Tobacco Co. Ltd.  The environmental disclosures are of cigarette and tobacco business of the Company and its aforesaid subsidiary.



## II PRODUCTS/SERVICES

### 14. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of main activity	Description of business activity	% Of turnover of the entity (FY'23)
1.	<b>Manufacturing</b>	<b>Food, Beverage and Tobacco Products:</b> GPIL is primarily engaged in the production and sale of cigarettes.	69.8
2.	<b>Trade</b>	<b>Wholesale Trading:</b> GPIL is also involved in the trading of unmanufactured tobacco. The Company procures tobacco leaves from farmers and traders and processes them for sale.	19.3
3.	<b>Trade</b>	<b>Retail Trading:</b> GPIL, through a chain of convenience stores called 24SEVEN offers a wide range of products.	9.1

### 15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total turnover contributed
1.	Cigarettes	12003	69.8
2.	Unmanufactured tobacco	46202	19.3
3.	Retail Store Products	47	9.1

## III. OPERATIONS

### 16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
<b>National</b>	3 (Guldhar, Rabale and Ongole)	9	12
<b>International</b>	-	-	-

### 17. Markets served by the entity:

#### a. Number of locations

Locations	Number
National (No. of States) *	25
International (No. of Countries)	About 40

\*Note: GPIL has a wide network of offices across India to support its business operations. The Company has identified its office locations based on the Goods and Services Tax (GST) numbers for each location. As per the GST registration process, companies are required to register each office location separately, which allows for easy identification of office locations based on their respective GST numbers.

#### b. What is the contribution of exports as a percentage of the total turnover of the entity?

Exports constituted 22.6% to the total turnover of the entity in FY'23

#### c. A brief on types of customers

GPIL caters to a diverse set of customers through its various products and services.



- For its cigarette manufacturing and selling business, the Company's primary customers are adult smokers, who purchase its products directly through retail stores. Its B2B customers include wholesalers, retailers, and other distributors who purchase GPI's products in bulk quantities and then resell.
- In its trading of the unmanufactured tobacco business, GPIL procures tobacco leaves from farmers and traders and then sells the processed tobacco to other manufacturers, traders, and aggregators in the industry.
- Lastly, GPIL through its retail store chain 24SEVEN caters to a wide range of urban customers.

#### IV. Employees

##### 18. Details as at the end of the Financial Year:

###### a. Employees and workers (including differently abled):

S.No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>EMPLOYEES</b>						
1.	Permanent (D)	1046	989	95	57	5
2.	Other than Permanent (E)	-	-	-	-	-
3.	<b>Total employees (D + E)</b>	<b>1046</b>	<b>989</b>	<b>95</b>	<b>57</b>	<b>5</b>
<b>WORKERS</b>						
4.	Permanent (F)	65	65	100	-	-
5.	Other than Permanent (G)	-	-	-	-	-
6.	<b>Total workers (F + G)</b>	<b>65</b>	<b>65</b>	<b>100</b>	<b>-</b>	<b>-</b>

###### b. Differently abled Employees and workers

S.No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>DIFFERENTLY ABLED EMPLOYEES</b>						
1.	Permanent (D)	1	1	100	-	-
2.	Other than Permanent (E)	-	-	-	-	-
3.	<b>Total differently abled employees (D + E)</b>	<b>1</b>	<b>1</b>	<b>100</b>	<b>-</b>	<b>-</b>
<b>DIFFERENTLY ABLED WORKERS</b>						
4.	Permanent (F)				Nil	
5.	Other than Permanent (G)				Nil	
6.	<b>Total differently abled workers (F + G)</b>				<b>Nil</b>	

##### 19. Participation/Inclusion/Representation of Women

Dr. Bina Modi, Chairperson and Managing Director of GPIL, provides strategic direction and guidance to the Company to achieve its goals.

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	8	2	25
Key Management Personnel*	5	1	20

\*Comprising of Executive Director, Managing Director, Whole-time Director, Chief Financial Officer, and Company Secretary



**20. Turnover rate for permanent employees and workers**

	FY 2022-23 (Current FY)			FY 2021-22 (Previous FY)			FY 2020-21 (Year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	12.5%	7.0%	12.2%	11.9%	10.2%	11.8%	4.8%	11.0%	5%
Permanent Workers	-	-	-	-	-	-	-	-	-

**V. Holding, Subsidiary and Associate Companies (including joint ventures)**

**21. Names of holding / subsidiary / associate companies / joint ventures**

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	International Tobacco Company Ltd.	Subsidiary	100	Yes
2.	Chase Investments Ltd.	Subsidiary	100	No
3.	Friendly Reality Projects Ltd.	Subsidiary	92.2	No
4.	Unique Space Developers Limited	Subsidiary	66.67	No
5.	Rajputana Infrastructure Corporate Limited	Subsidiary	92.2	No
6.	Godfrey Phillips Middle East DMCC*	Subsidiary	100	No
7.	Flavors & More Inc., USA**	Subsidiary	100	No
8.	KKM Management Centre Private Limited	Associate	36.75	No
9.	IPM India Wholesale Trading Private Limited	Associate	24.8	No
10.	KKM Management Centre Middle East (FZC)***	Associate	36.0	No

\*Under winding up

\*\*Dissolved under US Laws

\*\*\* Ceased to be an associate during the year

**VI. CSR Details:**

**22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)**

**Yes**

(ii) Turnover (in Rs. Lakhs) - **4,22,753.68**

(iii) Net worth (in Rs. Lakhs) - **3,18,839.57**



**VII. Transparency and Disclosures Compliances -**

**23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conductt:**

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY 2022-23 (Current FY)			FY 2021-22 (Previous FY)		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities (farmers, retailers, hawkers)	Yes The Company through its Corporate Social Responsibility Program engages with communities in the vicinity of their operations.	No complaints / grievances were received from communities in the current financial year.			No complaints / grievances were received from communities in the previous financial year.		
Investors (other than shareholders)	NA	GPIL does not have any investors other than shareholders.					
Shareholders	Yes. The Company through its Registrar and Transfer Agent (RTA), provides redressal to shareholder grievances. The Company has specific e-mail addresses earmarked for receiving shareholder complaints, viz rnt.helpdesk@linkintime.co.in lsc-gpi@modi-ent.com Web links for Whistleblower Policy are: <a href="https://www.godfreyphillips.co/company/investor-relation/corporate-governance/policies">https://www.godfreyphillips.co/company/investor-relation/corporate-governance/policies</a>	16 complaints were received from shareholders in the current financial year and all of them were resolved accordingly.			7 complaints were received from shareholders in the previous financial year and all of them were resolved accordingly.		
Employees and workers	Yes. Whistle Blower Policy. <a href="https://www.godfreyphillips.co/company/investor-relation/corporate-governance/policies">https://www.godfreyphillips.co/company/investor-relation/corporate-governance/policies</a> The Whistleblower Policy has been uploaded on intranet and Company's website and is also displayed at several facilities. Employees are also encouraged to share feedback in internal surveys held periodically. Company also participates in Great Place to Work certification every year where employees receive survey links from external party to share their feedback.	No complaints / grievances were received from employees/workers in the current financial year.			No complaints / grievances were received from employees/workers in the previous financial year.		



Customers	<p>Yes</p> <p>There is a mechanism in place to receive and redress customer complaints. The customer grievance cell number and email id cgcell-gpi@modi-ent.com are displayed on the product packaging. GPIL's customers also include retailers. For them there are hawkers assigned by Wholesale Dealers (WD), who service them and are trained to take feedback and complaints. In addition, for WDs who are also customers, there are annual meets wherein they can raise queries etc. The Company's representatives also carry out regular market visits to take feedback and address issues.</p>	<p>No substantial complaints / grievances were received from customers in the current financial year.</p>	<p>No substantial complaints / grievances were received from customers in the previous financial year.</p>
Value Chain Partners (Suppliers, Vendors, etc.)	<p>Yes</p> <p>GPIL's Suppliers Code of Conduct for value chain partners, allows them to approach managers directly. Such reports are treated in a confidential manner.</p> <p>They can also utilise Whistle blower Policy or Grievance Redressal section on the website.</p> <p><a href="https://www.godfreyphillips.co/company/investor-relation/corporate-governance/policies">https://www.godfreyphillips.co/company/investor-relation/corporate-governance/policies</a></p>	<p>No complaints were received from value chain partners in the current financial year.</p>	<p>No complaints were received from value chain partners in the previous financial year.</p>

The Company's key policies are also hosted on the website at:

<https://www.godfreyphillips.co/company/investor-relation/corporate-governance/policies>

## 24. Overview of the entity's material responsible business conduct issues

**Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format:**

GPIL conducted a meticulous materiality study to determine the most critical issues among a broad range of topics that concern their significant stakeholder groups. These stakeholders include value chain partners, suppliers, investors, employees, and the community.

After a thorough analysis of the needs and expectations of these stakeholders, GPIL identified the top 11 material topics that have the most significant impact on their business and stakeholders. These topics were selected based on their potential to affect the Company's long-term sustainability and to align with its overall business objectives.

GPIL has categorized the elements concerning responsible business conduct and sustainability matters related to environmental, social and governance factors, into either a risk or an opportunity. This classification is based on a sound rationale, and the Company has developed an approach to either mitigate or adapt to the identified risks, taking into consideration the financial implications involved. This exercise shall help GPIL to allocate its resources and efforts effectively, focusing on the areas where it can make the most significant impact while addressing the concerns of its stakeholders.



S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Human Capital Development	Opportunity	<p><b>Opportunity Perspective:</b></p> <ul style="list-style-type: none"> <li>• Employees are critical to GPIL's operations.</li> <li>• Effective human capital management can lead to skilled resources and increased productivity.</li> <li>• Investing in employee development can attract and retain top talent.</li> <li>• Focusing on employee well-being can improve the work environment and increase employee satisfaction.</li> <li>• Human Capital Development is crucial for creating a sustainable business model that benefits GPIL and its employees.</li> </ul>		<p><b>Positive</b></p> <ul style="list-style-type: none"> <li>• Improved employee productivity and performance, leading to increased profitability and competitiveness</li> <li>• Lower employee turnover rates and associated costs, such as recruitment and training expenses</li> <li>• Enhanced ability to attract and retain top talent, leading to better innovation and business outcomes</li> <li>• Improved reputation as an employer, leading to increased customer and investor confidence and loyalty</li> <li>• Improved compliance with labour laws and regulations, leading to reduced legal and regulatory risks and associated costs</li> </ul> <p><b>Negative</b></p> <ul style="list-style-type: none"> <li>• High cost of training and development programs</li> </ul>
2	Community Development	Opportunity and Risk	<p><b>Opportunity Perspective:</b></p> <ul style="list-style-type: none"> <li>• Investing in community development programs is an opportunity for GPIL to create shared value for both the Company and the communities in which it operates.</li> <li>• GPIL can build strong relationships with local stakeholders by promoting economic growth and improving the standard of living for local residents.</li> <li>• Working closely with local communities can provide valuable insights into stakeholder needs and preferences, helping GPIL tailor its community initiatives to better meet those needs.</li> <li>• Investing in community development results in long-term business growth.</li> <li>• GPIL can develop valuable partnerships and collaborations with local organizations and businesses, creating new opportunities for growth and expansion.</li> </ul> <p><b>Risk Perspective :</b></p> <ul style="list-style-type: none"> <li>• Failure to mobilise community to adopt new methods, technology or initiatives can lead to friction between the Company and the community on other issues.</li> <li>• The investments made for the project that fails impacts the plan for other communities.</li> </ul>		<p><b>Positive</b></p> <ul style="list-style-type: none"> <li>• Developing valuable partnerships and collaborations with local organizations and businesses, leading to new business opportunities.</li> </ul> <p><b>Negative</b></p> <ul style="list-style-type: none"> <li>• Higher operational costs</li> </ul>



3	Human Rights	Risk	<p><b>Risk Perspective:</b></p> <ul style="list-style-type: none"> <li>The Company's operations and supply chain have the potential to impact the human rights of various stakeholders, including employees, suppliers, and local communities.</li> <li>Violations of human rights can lead to legal and regulatory sanctions, potentially resulting in operational disruptions and negative financial implications for the company.</li> </ul>	<p>GPIL takes a proactive approach in promoting human rights awareness and training among employees. GPIL conducts regular training for all employees on POSH and human rights. All of GPIL's plants and facilities are ISO certified and are audited by ISO bodies for issues related to human rights periodically. The Company's 'People First' policy extends to all its stakeholders, including value chain partners and farmers, and the Company's values are incorporated in various policies that ensure regard for human rights. In case of any grievances, the Company has well-established grievance redressal mechanisms for all stakeholders.</p>	<p><b>Positive</b></p> <ul style="list-style-type: none"> <li>Positive brand identity for upholding human rights.</li> </ul> <p><b>Negative</b></p> <ul style="list-style-type: none"> <li>Financial repercussions such as fines and penalties for non-compliance.</li> <li>Short term operational costs for human rights trainings.</li> </ul>
4	Corporate Governance	Risk and Opportunity	<p><b>Risk Perspective:</b></p> <p>Failure to adhere to corporate governance standards can result in reputational damage. Inadequate corporate governance practices can expose the Company to risks such as fraud, corruption, and mismanagement.</p> <p><b>Opportunity Perspective:</b></p> <p>Good corporate governance practices provide an opportunity for GPIL to enhance its reputation and improve long-term sustainability. Effective corporate governance can promote transparency, accountability, and ethical behaviour, which can strengthen stakeholder trust and engagement.</p>	<p>The Company is committed to adhering to responsible business practices and upholding the highest standards of Corporate Governance. The Corporate Governance policies of the Company are well-researched and fall in line with all regulatory requirements. Additionally, the Company's Code of Business Conduct outlines the values and expected behaviour required by its Board of Directors and senior management personnel while dealing with various stakeholders.</p>	<p><b>Positive</b></p> <ul style="list-style-type: none"> <li>Effective corporate governance can improve a Company's performance, leading to increased shareholder value and a stronger financial position.</li> <li>Companies with good corporate governance practices may experience lower costs associated with legal and regulatory compliance, as well as a reduced risk of fines and penalties.</li> </ul> <p><b>Negative</b></p> <ul style="list-style-type: none"> <li>Losses, fines, or penalties as a result of non-compliance.</li> </ul>
5	Data Security and Privacy	Risk	<p><b>Risk Perspective:</b></p> <p>Mismanagement of data might lead to reputational and regulatory issues. Data breaches can result in the loss of sensitive information, which can harm the Company's reputation and lead to significant financial damages.</p>	<p>The Information Security Policy has been designed to ensure data privacy and cybersecurity. It establishes a framework for implementing Information Security Management and raises awareness about security concerns related to the organization's IT infrastructure and data.</p>	<p><b>Positive</b></p> <ul style="list-style-type: none"> <li>Effective data management can help organizations identify and mitigate potential risks, such as cybersecurity threats or regulatory compliance issues. This can help avoid costly penalties and reputational damage.</li> </ul> <p><b>Negative</b></p> <ul style="list-style-type: none"> <li>Increased cost in short term for implementing privacy and cybersecurity measures.</li> </ul>



6	Responsible Sourcing	Opportunity	<p><b>Opportunity Perspective:</b> Implementing responsible sourcing practices can help GPIL ensure ethical, social, and environmental standards being met throughout its supply chain. This can enhance the Company's reputation and brand image, building trust and loyalty among customers, investors, and other stakeholders. Responsible sourcing can also lead to cost savings by reducing risks associated with non-compliance or supply chain disruptions. By working closely with suppliers, GPIL can identify opportunities for innovation and continuous improvement, leading to long-term sustainability and growth. Furthermore, responsible sourcing can help GPIL meet regulatory requirements and demonstrate compliance with international standards.</p>	-	<p><b>Positive</b></p> <ul style="list-style-type: none"> <li>Improved supplier relationships and reduced supply chain disruptions can lead to lower procurement costs and improved efficiency.</li> <li>Reduced legal and regulatory risks</li> <li>Lower environmental impact and improved social responsibility can lead to cost savings and improved brand value.</li> </ul> <p><b>Negative</b></p> <ul style="list-style-type: none"> <li>Non-compliance with responsible sourcing practices can lead to supply chain disruptions, product recalls, legal penalties, and reputational damage, resulting in higher costs and lower profitability.</li> </ul>
7	Waste Management	Risk and Opportunity	<p><b>Opportunity Perspective:</b></p> <ul style="list-style-type: none"> <li>Effective waste management can result in cost savings by reducing waste disposal costs, minimizing resource consumption, and increasing operational efficiency. This can create long-term value for the Company and enhance its competitiveness in the market.</li> <li>Sustainable waste management practices can enhance the Company's reputation and strengthen stakeholder trust and engagement.</li> <li>Compliance with waste management regulations can mitigate legal and financial risks associated with non-compliance.</li> </ul> <p><b>Risk Perspective:</b></p> <ul style="list-style-type: none"> <li>Waste management practices related to end user disposal is difficult to track.</li> <li>Inefficient waste management practices can result in increased costs, such as higher disposal fees, fines for non-compliance with waste management regulations, and potential legal liabilities.</li> </ul>	<p>The Company's waste management approach focuses on reducing waste generation and promoting a circular economy by reusing and recycling waste. To maximize waste utilization, the Company has introduced biodegradable packaging materials for its products, such as cigarette boxes and Biaxially Oriented Poly Propylene (BOPP). This not only helps in reducing the amount of waste generated but also promotes sustainability.</p> <p>GPIL further complies with Extended Producer's Responsibility (EPR) norms and Plastic Waste Management Rules (2016), along with all the regulations provided by Central Pollution Control Board (CPCB).</p>	<p><b>Positive</b></p> <ul style="list-style-type: none"> <li>Implementation of effective waste management practices can lead to cost savings by reducing waste generation and disposal expenses.</li> <li>It can also improve the efficiency of resource use and reduce the need for new raw materials, leading to potential cost savings.</li> </ul> <p><b>Negative</b></p> <ul style="list-style-type: none"> <li>Non-compliance with waste management regulations can result in fines and penalties imposed by regulatory bodies.</li> <li>Poor waste management practices can lead to increased costs for waste disposal and potential environmental clean-up efforts</li> </ul>



8	Water Management	Risk and Opportunity	<p><b>Opportunity Perspective:</b> By implementing water-efficient technologies and processes into its operations and plants, minimizing waste and pollution, and engaging in community water stewardship initiatives, GPIL can save money on water bills, improve productivity, and demonstrate a commitment to environmental sustainability.</p> <p><b>Risk Perspective:</b></p> <ul style="list-style-type: none"> <li>• Tobacco farming and cigarette manufacturing are water-intensive processes that require continuous water provision, posing a risk to effective water management and mindful use of resources.</li> <li>• Water scarcity can also impact the availability of water in other areas of operations due to climate change.</li> <li>• Delays related to water availability can lead to production delays, as water is an essential component of growing and processing tobacco.</li> </ul>	<p>The Company is considering and working towards minimizing water discharge after treatment. Additionally, the Company has implemented rainwater harvesting facilities and effluent treatment plants in various manufacturing facilities to ensure optimal water storage and reuse. The Company has also implemented various water shed initiatives such as check dams, borewell recharges, pond development, etc. in its Leaf division area. The Company also conducts awareness sessions to encourage employees and value chain partners to use water resources mindfully.</p>	<p><b>Positive</b></p> <ul style="list-style-type: none"> <li>• Cost savings through water efficiency.</li> <li>• Adherence to compliances related to water consumption and discharge to avoid fines and penalties.</li> </ul> <p><b>Negative</b></p> <ul style="list-style-type: none"> <li>• Increased short term operational costs.</li> </ul>
9	Biodiversity Management	Risk and Opportunity	<p><b>Opportunity Perspective:</b> Biodiversity initiatives can enhance the reputation of GPIL and demonstrate a commitment to environmental sustainability. Strengthening stakeholder relationships by engaging with local communities and biodiversity experts to develop conservation programs. Enhancing long-term sustainability by preserving natural resources and ecosystems that are critical to the Company's operations.</p> <p><b>Risk Perspective:</b> Biodiversity loss and degradation can disrupt supply chains and increase costs for GPIL, as well as negatively impact local communities and ecosystems.</p>	<p>Through its CSR initiatives, GPIL is increasing the green cover around its facilities and also created separate biodiversity plantations. Moreover, GPIL has taken utmost care to not have any operations in and around ecologically sensitive areas. By selecting suppliers that prioritize biodiversity conservation and working with them to ensure sustainable sourcing practices. By implementing biodiversity conservation measures, such as habitat restoration and protection, the Company can contribute to the preservation of natural resources, support local communities.</p>	<p><b>Positive</b></p> <ul style="list-style-type: none"> <li>• Improved biodiversity conservation can lead to cost savings for GPIL in the long run by reducing the Company's dependence on external resources and improving operational efficiencies.</li> <li>• Improve GPIL's reputation and increase stakeholder engagement, leading to increased investor confidence and potential financial gains.</li> </ul> <p><b>Negative</b></p> <ul style="list-style-type: none"> <li>• Increased operational costs due to the need for additional resources to maintain or restore biodiversity.</li> </ul>



10	Emission and Energy Management	Risk and Opportunity	<p><b>Opportunity Perspective:</b></p> <ul style="list-style-type: none"> <li>• Cost optimization and reduced consumption can be achieved through energy management, which helps to maximize resource efficiency and decrease costs.</li> <li>• The management of energy and emissions reduces the amount of Green House Gases (GHG) that the Company emits.</li> <li>• The Company's sustainability goals are directly tied to reducing GHG emissions.</li> </ul> <p><b>Risk Perspective:</b></p> <ul style="list-style-type: none"> <li>• The consumption of non-renewable energy leads to an increase in emissions that contribute to GHG emissions.</li> <li>• Energy-intensive manufacturing and production processes pose a risk of increasing GHG emissions.</li> </ul>	<p>Over the years, GPIL has taken several initiatives to lower its GHG emissions by integrating energy-efficient measures into its operations. In its endeavour to energy management, the Company plans to transition to enhanced energy-efficient models and technologies. To this end, the Company is turning to renewable energy sources and scaling up its solar energy consumption while constantly upgrading utilities at different plants. The Company has also shifted to PNG for all its cigarette manufacturing operations. The Company also uses renewable energy to generate ~17% of the total energy used</p>	<p><b>Positive</b></p> <ul style="list-style-type: none"> <li>• Implementation of energy-efficient technologies and processes can result in cost savings on energy bills in the long run.</li> <li>• Reduction of greenhouse gas emissions can lead to the avoidance of carbon taxes and other regulatory penalties.</li> </ul> <p><b>Negative</b></p> <ul style="list-style-type: none"> <li>• Dependence on fossil fuels can expose the Company to price volatility and supply chain disruptions.</li> <li>• Increase in energy prices can negatively impact production costs and profitability.</li> <li>• Implementing more sustainable practices and technologies may require initial investments or higher operating costs.</li> </ul>
11	Climate Risk Mitigation	Risk	<p><b>Risk Perspective:</b></p> <ul style="list-style-type: none"> <li>• Climate change can impact the supply of tobacco leaves. It can lead to a disruption in tobacco cultivation and production, potentially leading to financial losses for GPIL.</li> <li>• Increasing regulations around carbon emissions and energy usage could result in additional costs and compliance burdens for the Company.</li> <li>• The physical impacts of climate change, such as extreme weather events and water scarcity, could disrupt the Company's supply chain and operations.</li> <li>• GPIL may face reputational damage if it is perceived as not taking sufficient action to address its contributions to climate change or adapt to its impacts.</li> </ul>	<p>GPIL has a comprehensive risk mitigation plan for climate change impact, which ensures all functions synergistically work towards defined ESG vision.</p>	<p><b>Positive</b></p> <ul style="list-style-type: none"> <li>• Reduced legal and regulatory risks, including penalties and fines for non-compliance with environmental regulations</li> </ul> <p><b>Negative</b></p> <ul style="list-style-type: none"> <li>• Increased regulatory scrutiny and carbon pricing can lead to increased costs for the Company.</li> <li>• Disruptions in the supply chain due to extreme weather events can lead to production delays and increased costs.</li> <li>• Increased insurance costs and reputational damage due to climate-related incidents can negatively impact the Company's financial performance.</li> </ul>

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

GPIL is guided by a comprehensive set of Board-approved Policies that cover NGRBC principles (P1 to P9) and the underlying core elements. GPIL will continue to update these systems and processes in line with evolving disclosure standards, locally relevant laws, best industry practices and Environmental, Social and Governance (ESG) requirements. The overall responsibility for ensuring the implementation of policies resides with various committees designated for operationalizing the policies. The policies covering these principles are available on the Company's corporate website [www.godfreyphillips.co](http://www.godfreyphillips.co) under 'Policies' section.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
<b>Policy and management processes</b>									
<b>1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)</b>	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<b>b. Has the policy been approved by the Board? (Yes/No)</b>	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<b>c. Web Link of the Policies, if available**</b>	<a href="http://www.godfreyphillips.co/company/investor-relation/corporategovernance/policies">www.godfreyphillips.co/company/investor-relation/corporategovernance/policies</a>								
<b>2. Whether the entity has translated the policy into procedures. (Yes / No)</b>	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<b>3. Do the enlisted policies extend to your value chain partners? (Yes/No)</b>	<b>Yes</b> , all the relevant Company policies extend to the value chain partners. The Company encourages that all its partners adhere to the same high standards and measures of GPIL.								



<b>4. Name of the national and international codes/certifications/labels/standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g., SA 8000, OHSAS, ISO, BIS) mapped to each principle.</b>	
<b>P1</b>	Certification of Corporate Governance issued by the Institute of Chartered Accountants of India ("ICAI") Quality Management System (9001:2015)
<b>P2</b>	Environmental Management System (14001:2015) Energy Management System (50001:2018) ISO 9001, ISO 45001 certification NABL certification (R&D) (17025:2017)
<b>P3</b>	Great Place to Work-Certification, Occupational Health and Safety Management System (45001:2018)
<b>P4</b>	ISO 9001 certification
<b>P5</b>	Great Place to Work-Certification,Occupational Health and Safety Management System (45001:2018)
<b>P6</b>	Environmental Management System (14001:2015) Energy Management System (50001:2018) ISO 9001, ISO 45001 certification
<b>P7</b>	GPIL does not have any codes/certifications/labels/standards aligning with principle 7 of the NGRBCs.
<b>P8</b>	ISO 9001 certification
<b>P9</b>	ISO 9001, ISO 27001 certification
<b>Additional remarks</b>	GPIL's manufacturing facilities have well-defined Environment, Health, and Safety (EHS) and quality management systems in place and are aligned with International Standards like ISO 14001: Environment Management System, OHSAS 18001/ISO 45001: Occupational Health and Safety Management Systems, ISO 9001: Quality Management System, ISO 50001: Energy Management System and many more. GPIL is also NABL:ISO 17025 certified to carry out competent R&D. GPIL has also been certified as a 'Great Place to Work' for the past several years.
<b>5. Specific commitments, goals and targets set by the entity with defined timelines, if any.</b>	<p><b>Environment:</b></p> <p><b>Energy and Emissions</b></p> <ol style="list-style-type: none"> <li>1. Become carbon neutral by 2030</li> <li>2. 50% of total electricity consumed across organization to be from renewable sources by 2030</li> <li>3. 30% reduction in GHG emissions per unit of production in manufacturing operations by 2030</li> </ol> <p><b>Water Management</b></p> <ol style="list-style-type: none"> <li>1. Replenish 30% of water consumed by 2030</li> <li>2. 5% reduction in water consumption per unit of production in cigarette manufacturing by 2030</li> </ol> <p><b>Waste Management</b></p> <ol style="list-style-type: none"> <li>1. Zero waste to landfill across manufacturing operations by 2030.</li> </ol> <p><b>Biodiversity Management</b></p> <ol style="list-style-type: none"> <li>1. By 2028, 100% of the tobacco purchased from GPI contracted farmers will not use highly hazardous pesticides (HHPs) as defined by FAO and WHO guidelines</li> <li>2. Zero deforestation in supply chain of paper used in cigarettes, by 2030</li> </ol> <p><b>Social:</b></p> <p><b>Community Development:</b> To ensure 100% of GPIL contracted burley tobacco farmers have access to clean drinking water in close vicinity by 2030</p> <p><b>Human Capital Development</b></p> <ol style="list-style-type: none"> <li>1. Zero accident in factories and offices for more than 10 years; Continuous endeavor to maintain zero accident at factories and office premises (YoY)</li> <li>2. 100% of contracted farmers to be trained on safe working environment Personal Protective Equipment (PPE) during Crop Protection Agents (CPA), handling green leaf</li> <li>3. Continue to be an equal opportunity employer (YoY)</li> <li>4. Continue to be a 'Great Place to Work' organization (YoY)</li> <li>5. 20% increase in learning manhours by FY'25 and sustain thereafter</li> </ol> <p><b>Human Rights</b></p> <ol style="list-style-type: none"> <li>1. Endeavour to have zero child and no forced labour across operations</li> </ol> <p><b>Corporate Governance:</b></p> <ol style="list-style-type: none"> <li>1. Established an ESG Committee in Board</li> <li>2. Zero tolerance for violation of Company's Code of Conduct and 100% employee training on Code of Conduct</li> <li>3. Adherence to applicable laws and regulations. Zero tolerance for deviations.</li> <li>4. Obtain ISO 26001 certification (Social Responsibility) for cigarette manufacturing facilities by 2028</li> <li>5. Ensure year-on-year compliance with ISO 27001 certification (Information security)</li> </ol>
<b>6. Performance of the entity against the specific commitments, goals, and targets along-with reasons in case the same are not met.</b>	The Company is cognisant of the criticality of ESG and has set out specific ESG targets in FY 2023. The Company has a detailed plan for which execution is to be rolled out.



## Governance, Leadership and Oversight

### **7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets, and achievements (listed entity has flexibility regarding the placement of this disclosure)**

For GPIL sustainability is a vital responsibility that it owes to the planet and future generations. The Company's legacy of care and long-standing philosophy of 'People-First' is integrated into its day to day business decisions, and now, its sustainability strategy as well. The Company is committed to driving efficiency and creating long-term value for all its stakeholders while mitigating the risks and impacts of its operations on the environment, society, and economy. But the Company is cognizant that efficient operations and sustainability measures are only feasible by inclusion and collaboration of all its stakeholders. The Company's efforts to promote togetherness and a shared sense of purpose inspire its workforce to strive for better outcomes. The Company strongly believes in its aim of 'Together for a Better Tomorrow' and its each action is targeted to this end goal.

GPIL's sustainability strategy is built on the strong foundation of ESG principles, which guide the Company's decision-making and actions. GPIL is constantly striving to reduce its carbon footprint, enhance social impact, and operate with the utmost integrity and transparency. The Company firmly believes that sustainability is not an option but a critical pillar for its growth and success.

GPIL's sustainability strategy places significant emphasis on social impact, reflecting its fundamental value of "People First." The Company is dedicated to improving the lives of all stakeholders, including employees and the communities in which it operates. GPIL has been certified as a Great Places to Work for five times consecutively. The Company views the certification as a testament to the rich culture of the organization with some of the best practices that encourage learning, empowerment and risk taking. Philosophy of empathy and care-before-business ensures that people remain at the core of all decisions.

Furthermore, GPIL maintains a robust CSR program with various initiatives aimed at improving livelihood, health, and hygiene, eliminating child labour and encouraging education in marginalised communities associated with the Company. The program is also working towards mitigating climate change risk by working on conservation of water, soil, and environment. The program is improving lives of thousands of beneficiaries. Employees and stakeholders take great pride in their association with GPIL, witnessing the positive impact of the CSR programs on farmers and their communities, as well as the Company's unwavering commitment to CSR.

The Company's sustainability strategy also aims to reduce its environmental implications (carbon emissions, raw material consumption, water usage, waste generation, etc.) by adopting sustainable strategies like energy solutions, optimising resource consumption, and minimising waste. Ambitious targets and goals have been set to drive progress in this area.

GPIL is dedicated to promoting transparent business practices across its operations and has implemented several measures to ensure compliance with highest ethical standards. The Company's Board of Directors is committed to maintaining best practices of corporate governance and code of ethics.

The Company is pleased to present the Business Responsibility and Sustainability Report. This report includes comprehensive disclosures related to Environmental, Social, and Governance (ESG) indicators in accordance with the format prescribed by the Securities and Exchange Board of India (SEBI).

For GPIL, the Business Responsibility and Sustainability Report serves as an important instrument for communicating with our stakeholders about our performance beyond finances and our commitments to the Environment, Society, and Governance (ESG). This report goes beyond essential indicator disclosures and includes leadership indicators and other critical data to promote accountability and transparency in operations.



**Sharad Aggarwal**

**Whole-Time Director & Functional Chief Executive Officer**

**8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy/policies**

The Company has formulated a Board level ESG Committee which is chaired by Mr. Sharad Aggarwal, Whole-Time Director & Functional Chief Executive Officer.

**9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.**

Yes, the Company has a Board level ESG Committee which enables the integration of ESG into businesses by providing inputs for envisioning the journey and targets. The Committee will also investigate ESG investments for long term purposes to steer and provide impetus to the organization into a sustainable future.

The composition of the Committee is as follows:

1. Mr. Sharad Aggarwal- Whole-Time Director, Functional Chief Executive Officer
2. Dr. Lalit Bhasin- Non-Executive, Independent
3. Mr. Atul Kumar Gupta- Non-Executive, Independent
4. Mr. Subramanian Lakshminarayanan- Non-Executive, Independent

**10. Details of Review of NGRBCs by the Company:**

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action and frequency of review for performance against above policies and follow up action	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	Annually								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances and frequency of review	Indicate whether review was undertaken by Director / Committee of the Board/Any other Committee								
	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
Annually									

**11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency?**

P1	P2	P3	P4	P5	P6	P7	P8	P9
GPII has not carried out an independent assessment. However, the Company monitors, periodically reviews, identifies, and evaluates gaps in policies. Any opportunities for improvement are addressed and implemented as per the industry's best management practices.								



**12. If answer to question (1) above is “No” i.e., not all Principles are covered by a policy, reasons to be stated:**

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
<b>The entity does not consider the principles material to its business (Yes/No)</b>	Not Applicable								
<b>The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)</b>									
<b>The entity does not have the financial or/human and technical resources available for the task (Yes/No)</b>									
<b>It is planned to be done in the next financial year (Yes/No)</b>									
<b>Any other reason (please specify)</b>									

### SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

#### **Principle 1: Businesses should conduct and govern themselves with integrity, and in a manner that Ethical, Transparent and Accountable**

The Company is committed to maximizing the value for its stakeholders by adopting **the principles of good Corporate Governance** in line with the provisions of applicable laws and regulations.

The Company’s **Code of Business Conduct** outlines the values and expected behaviour required by its Board of Directors and senior management personnel while dealing with various stakeholders. GPIL is committed to providing disclosure in reports and documents required to be filed/ submitted to regulatory authorities while protecting and maintaining confidentiality and disclosure of price-sensitive information as per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

GPIL has a **‘Whistle Blower Policy’**, which provides a mechanism to highlight unethical behaviour.

For a better understanding of the disclosures related to this principle, see the question-by-question inputs and responses below.

#### **ESSENTIAL INDICATORS**

##### **1. Percentage coverage by training and awareness programs on any of the principles during the financial year**

GPIL provides relevant training and awareness programs for its Board of Directors and KMPs, and periodically conducts briefings for senior management on the Company’s sustainability initiatives. The Company also keeps its leadership team informed of developments and changes in the local and international business and industry environment, including legislation, the economy, and issues affecting the Company.



Segment	Total number of training and awareness programs held	Topics / principles covered under the training and its impact	% of persons in respective category covered by the awareness programs
Board of Directors	03	<p>Corporate Governance, Social, Regulatory, Business Segment and touched upon ESG.</p> <p>Topics covered: Latest Governance / regulatory requirements were discussed along with industry perspective and the impact on the business segment of the Company. Role of Independent Directors and their Obligations as per LODR Regulations, 2015 were updated to the members of Independent Directors' meeting.</p> <p><b>Impact:</b> A strong governance structure has been established because of all the aforementioned awareness activities, aiding GPIL in becoming a more focused, successful, and value-creating Company.</p>	100%
Key Managerial Personnel	03	<p>Corporate Governance, Social, Regulatory, Business Segment and touched upon ESG.</p> <p>Topics covered: Latest Governance / regulatory requirements were discussed along with industry perspective and the impact on the business segment of the Company.</p> <p><b>Impact:</b> These initiatives aid the KMPs in advancing the Company's values and purpose throughout all significant business operations.</p>	100%
Employees other than BoD and KMPs	141	<ul style="list-style-type: none"> <li>• Software Trainings</li> <li>• Cyber Security Trainings</li> <li>• Food Safety and Management</li> <li>• Environment Management Training</li> <li>• Fire Safety Trainings</li> <li>• GCSD (GPI College of Sales&amp; Distribution) Trainings</li> <li>• Soft Skill Trainings</li> <li>• Business Operation Trainings</li> <li>• Health and Safety Trainings</li> <li>• Awareness on POSH and Human Rights</li> <li>• ESG &amp; Sustainability Trainings</li> </ul> <p><b>Impact:</b> These activities and initiatives help GPIL employees in their career trajectory, overall development, and achieving Company objectives.</p>	72.37%
Workers	60	<p>Training regarding various technical aspects and health and safety measures were provided.</p> <p><b>Impact:</b> These activities and initiatives help GPIL employees in their career trajectory, overall development, and achieving Company objectives</p>	92.31%



**2. Details of fines/penalties/punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures based on materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity’s website):**

<b>Monetary</b>					
	<b>NGRBC Principle</b>	<b>Name of the regulatory/ Enforcement agencies/judicial institutions</b>	<b>Amount (In INR)</b>	<b>Brief of the Case</b>	<b>Has an appeal been preferred? (Yes/No)</b>
Penalty/Fine	Nil	Nil	Nil	Nil	Nil
Settlement	Nil	Nil	Nil	Nil	Nil
Compounding fee	Nil	Nil	Nil	Nil	Nil
<b>Non-Monetary</b>					
	<b>NGRBC Principle</b>	<b>Name of the regulatory/ enforcement agencies/judicial institutions</b>	<b>Brief of the Case</b>	<b>Has an appeal been preferred? (Yes/No)</b>	
Imprisonment	Not Applicable				
Punishment					

**3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.**

<b>Case Details</b>	<b>Name of the regulatory/ enforcement agencies/ judicial institutions</b>
Not Applicable	

**4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

GPIL has an Anti-corruption and Anti-bribery Policy which aligns with all the applicable laws and regulations like Prevention of Corruption Act, 1988. The Company’s policy states the zero-tolerance approach against corrupt practices. All individuals associated with GPIL are obligated to adhere to the provisions of this policy. The policy may be viewed at <https://www.godfreyphillips.co/company/investor-relation/corporate-governance/policies>

**5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption.**

	<b>FY 2022-23 (Current FY)</b>	<b>FY 2021-22 (Previous FY)</b>
Directors	Nil	Nil
KMPs		
Employees		
Workers		



## 6. Details of complaints about conflict of interest:

	FY 2022-23 (Current FY)		FY 2021-22 (Previous FY)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	-	Nil	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	-	Nil	-

## 7. Provide details of any corrective action taken or underway on issues related to fines / penalties /action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Since there were no complaints received by the Company with regard to corruption and conflict of interest, against any of the Directors, KMPs and employees, no corrective action on this aspect was necessitated.

## LEADERSHIP INDICATORS

### 1. Awareness programs conducted for value chain partners on any of the principles during the financial year:

Total number of awareness programs held	Topics / principles covered under the training	% of value chain partners covered (by value of business done with such partners) under the awareness programs
GPIL conducted 14 awareness programs for a section of its value chain partners, mainly the farmers in the Burley tobacco growing region of Andhra Pradesh. The sessions were on Agricultural Labour Practices That covers all labour and human rights principles.	Principle 5: Business should respect & promote human rights	The Company currently only has awareness programs for the burley tobacco farmers which comprises of the 12.69% of the total value of sourcing. GPIL understands the importance of extending these programs to other value chain partners and is actively exploring opportunities to expand the scope of these programs to include other stakeholders and promote the principles of NGRBC across operations.

### 2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.

**Yes.** The Company's Code of Conduct requires the Directors, senior management, and employees to avoid situations in which their personal interests could conflict with the interests of the Company. The processes are outlined in the Code of Business Conduct of the Company which explains expected behaviour while dealing with internal or external stakeholders. There are structures, procedures, and practices to promote this principle across the value chain. The Board of Directors and Senior Management Personnel are required to give annual declaration of compliance with the Code of Conduct of the Company.

Further, the Board of Directors are also required to furnish declarations, disclosure of interest and intimate vide Form DIR 8 pursuant to Section 164(2) and Rule 14(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, confirming that they have not incurred disqualification u/s 164(2) of the Companies Act, 2013, and that they stand free from any disqualification from being a Director.

A policy on Related Party Transactions (RPT) and determination of Material RPT has been formulated and approved by the Board. Details of such policies are available at <https://www.godfreyphillips.co/company/investor-relation/corporate-governance/policies>. Whenever, there is a Related Party Transaction with entities in which GPIL's Directors have interest, such transactions are reported to the Audit Committee for their information and for seeking necessary approvals from time to time.

### Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe

GPIL has streamlined business practices that align with sustainable development, which the Company has built over the years by taking inputs from a wide range of stakeholders. As the Company's business operations evolve, GPIL will continue to strengthen its sustainability strategies.

For a better understanding of the disclosures related to this principle, see the question-by-question inputs and responses below.



## ESSENTIAL INDICATORS

### 1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	<b>FY 2022-23 Current Financial Year</b>	<b>FY 2021-22 Previous Financial Year</b>	<b>Details of improvements in environmental and social impacts</b>
R&D	<b>7.9%</b> <b>(Rs.101.5 lakhs)</b>  <b>Environment:</b> 57.9% Rs.58.8 lakhs  <b>Social:</b> 42.1% Rs. 42.8 lakhs	<b>2.0%</b> <b>(Rs.21.4 lakhs)</b>  <b>Environment:</b> 63.8% Rs. 13.7 lakhs  <b>Social:</b> 36.3% Rs. 7.8 lakhs	GPI invests in equipment to measure raw material quality and their shelf life which helps the Company reduce the wastage of materials. The Company also uses energy efficient instruments to reduce its natural resource consumption.
Capex	<b>1.1%</b> <b>(Rs.90.0 lakhs)</b>  <b>Environment:</b> 60% Rs.54 lakhs  <b>Social:</b> 40% Rs.36.0 lakhs	<b>0.1%</b> <b>(Rs. 6.0 lakhs)</b>  <b>Environment:</b> 100% Rs. 6 lakhs  <b>Social:</b> Nil (0%)	GPI constantly monitors and tests new methods for developing environmentally friendly process & products. The Company prioritises use of technology/ systems to reduce its environmental impact.

### 2. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

**Yes**, the Company endeavours to embed the principles of sustainability in all its business practices. Vendors operating from close vicinity to the plant location are given preference to the extent possible, as it helps save on transportation and inventory carrying costs. Systematic documentation and records are maintained to ensure that the Company's codes are honoured, and transactions are transparent & ethical. Non-conformities are identified & addressed through appropriate process controls. Vendors' compliance for PAN/ GST and TDS is investigated while onboarding them. They are also assessed based on their expertise in delivering the goods in time and meeting quality requirements.

All significant raw material vendors engaged with the organisation have ISO certifications. For suppliers of raw material and packaging materials, the Company engages in vendor growth activities.

Furthermore, GPI has procedures in place for sustainable sourcing of tobacco leaves and stems from burley tobacco farmers (other than purchases on auction platforms maintained by Tobacco Board), requiring them to comply with the applicable labour laws, practices as per the ALP (Agriculture Labour Practices) Code and to practice good agricultural practices prescribed in the farmer's handbook. The Company provides field technicians with a customised digital application to collect data and monitor the progress of the farmer against the compliance checklist.

The following materials are sourced sustainably:

1. Biaxially-Oriented Polypropylene (BOPP) for cigarette packaging
2. Paperboard for cigarette packaging, secondary packaging, corrugated cartons, gum tapes
3. Cigarette paper, tipping paper, inner frames, inserts
4. Burley Tobacco Leaves



**b. If yes, what percentage of inputs were sourced sustainably?**

The Company's procurement includes 27% of sustainable procurement during FY 2022-23.

**3. Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

The Company ensures safe disposal of material like e-waste, plastics & hazardous waste for which an agreement is entered with CPCB approved recyclers and waste disposal vendors. Further, certain waste is disposed through approved incinerators.

**4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

**Yes**, GPIL complies with the EPR norms and Plastic Waste Management Rules, 2016 along with the regulations provided by CPCB.

**LEADERSHIP INDICATORS**

**1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for the manufacturing industry) or for its services (for the service industry)? If yes, provide details in the following format?**

NIC Code	Name of Product / Service	% Of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
<p><b>No.</b> GPIL recognises that conducting a Lifecycle Assessment is an essential tool for measuring the environmental impact of products. However, the Company has not conducted a comprehensive LCA for its products. The Company acknowledges that this has limited its ability to fully understand and address the environmental impact of its operations.</p> <p>Despite this limitation, the Company remains committed to sustainability and have taken steps to minimize its environmental impact. For example, the Company has implemented measures to reduce energy consumption, water usage, and waste generation, and has also set targets to further reduce environmental footprint.</p>					

**2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

Name of Product / Service	Description of the risk / concern	Action Taken
No significant social or environmental concerns have come up as GPIL has internal ongoing assessments and improvement methods to closely monitor any concerns.		

**3. Percentage of recycled or reused input material to total material (by value) used in production (For manufacturing industry) or providing services (for service industry).**

Indicate input material	Recycled or re-used input material to total material	
	FY 2022-23 (Current FY)	FY 2021-22 (Previous FY)
	-	-

Note : GPIL constantly endeavours to source sustainable input material and is on a journey to increase the share of recycled or reused material significant for reporting in near future.



#### 4. Of the products and packaging reclaimed at end of life of products, amount (in metric tons) reused, recycled, and safely disposed of.

At present, the materials used in the Company's main products' packaging, such as paper and BOPP, are entirely biodegradable, so reclaiming them is not applicable. The Company does not have a comprehensive program for reclaiming its products' packaging waste in relation to cigarette filters due to the size, and resources required for collecting disposed filters in large quantities.

GPII is committed to exploring and implementing sustainable solutions to reduce the environmental impact of its products and packaging and continuously evaluate new technologies and practices that can help it minimize waste and promote sustainability.

	FY 2022-23 (Current FY)			FY 2021-22 (Previous FY)		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
<b>Plastics (Including packaging)</b>	-	-	-	-	-	-
<b>E-waste</b>	-	-	-	-	-	-
<b>Hazardous Waste</b>	-	-	-	-	-	-
<b>Other Waste</b>	-	-	-	-	-	-

#### 5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

At present, the materials used in the Company's main products' packaging, such as paper and BOPP, are entirely biodegradable, so reclaiming them is not applicable.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
	Nil

#### Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

The Company operates with its primary **value of 'People-First'**, and the word "people" comprises not only its employees but extends to farmers, suppliers, retailers, and all other stakeholders. All business strategies and decisions are done with keeping people at the centre of it. It is a firm belief of the Company that a high-performing organisation must be defined by an over-riding focus given to the management of people and talent including investments in building future-ready business practices, adoption of technology for better working, amongst others. The Company also believes that all individuals involved in its value chain are crucial to its success and strives to promote their well-being and development through various initiatives and programs.

#### ESSENTIAL INDICATORS

##### 1. a. Details of measures for the well-being of employees.

Category	Total (A)	% Of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/ A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/ A)	Number (F)	% (F/ A)
<b>Permanent employees</b>											
Male	989	989*	100	989	100	-	-	-	-	-	-
Female	57	57*	100	57	100	57	100	-	-	-	-
<b>Total</b>	<b>1046</b>	<b>1046</b>	<b>100</b>	<b>1046</b>	<b>100</b>	<b>57</b>	<b>100</b>	-	-	-	-
<b>Other than Permanent employees</b>											
Male	Not Applicable										
Female											
<b>Total</b>											

\*Health insurance includes 644 male & 41 female employees who are covered under Company hospitalisation policy, 294 male and 16 female employees who are provided with health insurance facility and 51 male employees are covered under ESI.



**b. Details of measures for the well-being of workers:**

Category	% Of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent workers</b>											
Male	65	65	100	65	100	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>65</b>	<b>65</b>	<b>100</b>	<b>65</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other than Permanent workers											
Male	Not Applicable										
Female											
<b>Total</b>											

**2. Details of retirement benefits.**

Benefits	FY 2022-23 (Current FY)			FY 2021-22 (Previous FY)		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100	100	Yes	100	100	Yes
Gratuity	100	100	Yes	100	100	Yes
ESI	5.0	0	Yes	5.8	0	Yes
Superannuation	83	-	Yes*	85	-	Yes*

\*Deposited in GPIL's Superannuation Trust; Employees also have an option to opt out and take the same amount (15% of basic salary as an allowance)

**3. Accessibility of workplaces- Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.**

GPIL recognizes the importance of ensuring that its premises are accessible to everyone, including differently abled employees and workers in accordance with the requirements of the Rights of Persons with Disabilities Act 2016. The Company has taken steps to provide adequate accessibility facilities to its own employees and persons with disabilities wherever and whenever required. The Company will continue to make effort in creating an inclusive workplace.

**4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

Yes, GPIL has an Equal Opportunity Policy which complies with the Rights of Persons with Disabilities Act 2016 and ensures that individuals with disabilities are not discriminated against in any form. GPIL prioritizes recruiting talented individuals who align with the Company's values and do not discriminate based on age, colour, physical capabilities, religion, caste, region, marital status or orientations.

Link to Company Policies: <https://www.godfreyphillips.co/company/investor-relation/corporate-governance/policies>



## 5. Return to work and retention rates of permanent employees and workers that took parental leave.

The organisation recognises the importance of supporting all employees in achieving a healthy work-life balance. While currently, there is no separate parental leave provision specifically for male employees; the Company offers a comprehensive leave policy that includes more than average casual leave provisions in line with industry practices. The male employees have availed themselves of these leave options to balance their work and personal responsibilities.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	Not Applicable*			
Female	100%	100%	100%	100%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

\*No provision as per the HR Policy Manual.

## 6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.

	<b>Yes/ No (If yes, then give details of the mechanism in brief)</b>
<b>Permanent Workers</b>	<b>Yes</b> , GPIL has a grievance redressal mechanism in place which is available to all employees and workers. It ensures that the grievance is handled in a fair and just manner while adhering to the Company's standards.
<b>Other than Permanent Workers</b>	The system includes a clear and accessible procedure for submitting grievances or complaints, as well as guidelines for investigating and resolving them in a timely and effective manner. The process may involve mediation or other forms of conflict resolution, as well as measures to prevent retaliation against those who raise concerns.
<b>Permanent Employees</b>	Before meeting with senior management on their issues, employees are encouraged to first discuss their concern with their immediate reporting authority and try to come to a resolution. Workers have access to management through periodic formal and informal sessions.
<b>Other than Permanent Employees</b>	Additionally, the Company has interactive dialogues among all employees and workers through formal and informal mediums like conferences, townhalls, and planning meetings.

## 7. Membership of employees and workers in association(s) or Unions recognized by the listed entity:

Category	FY 2022-23 (Current FY)			FY 2021-22 (Previous FY)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D/C)
<b>Total Permanent Employees</b>	1046	6	1	1026	7	1
- Male	989	6	1	977	7	1
- Female	57	-	-	49	-	-
<b>Total Permanent Workers</b>	65	60	92	75	70	93
- Male	65	60	92	75	70	93
- Female	-	-	-	-	-	-



## 8. Details of training given to employees and workers:

Category	FY 2022-23 (Current FY)					FY 2021-22 (Previous FY)				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
Male	989	311	31	738	75	977	88	9	606	62
Female	57	21	37	19	33	49	-	-	10	20
<b>Total</b>	<b>1046</b>	<b>332</b>	<b>32</b>	<b>757</b>	<b>72</b>	<b>1026</b>	<b>88</b>	<b>9</b>	<b>616</b>	<b>60</b>
<b>Workers</b>										
Male	65	60	92	60	92	75	70	93	70	93
Female	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>65</b>	<b>60</b>	<b>92</b>	<b>60</b>	<b>92</b>	<b>75</b>	<b>70</b>	<b>93</b>	<b>70</b>	<b>93</b>

## 9. Details of performance and career development reviews of employees and worker:

Category	FY 2022-23 (Current FY)			FY 2021-22 (Previous FY)		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
<b>Employees</b>						
Male	989	907	92	977	879	90
Female	57	44	77	49	45	92
<b>Total</b>	<b>1046</b>	<b>951</b>	<b>91</b>	<b>1026</b>	<b>924</b>	<b>90</b>
<b>Workers</b>						
Male	65	65	100	75	75	100
Female	-	-	-	-	-	-
<b>Total</b>	<b>65</b>	<b>65</b>	<b>100</b>	<b>75</b>	<b>75</b>	<b>100</b>

## 10. Health and safety management system:

### a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, what is the coverage of such a system?

**Yes.** GPIL has a management system for occupational health and safety that is accredited to ISO 45001:2018. The system is thoroughly documented and used throughout GPIL's factory operations. The system is effectively supported by several committees, which promote safety activities to go along with the objective in compliance with occupational health and safety measures. Certified external auditors conduct audits of this system annually. Over and above, the Company periodically organises health screenings, vaccination drives, sessions on fitness and wellbeing, and maintain a safe and hygienic work environment

### b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

The Company has identified the EHS Risk Management framework as one of the integral steps towards building a robust safety management system. This framework entails a set of processes for continual risk identification, assessment, and mitigation, with active participation of the workforce in each of its facilities. Shop floor processes in this regard include hazard spotting tours, suggestion schemes, daily briefings, and periodic EHS committee meetings in which employees participate.



Furthermore, GPIL has a Hazard Identification and Risk assessment process of ISO, ASPECT IMPACT, OCP and Training and Awareness programs to cater to the above.

To identify workplace hazards, GPIL regularly conducts Job Safety Analysis and Hazard Identification and Risk Assessment (HIRA) for individual tasks. To address near-miss incidents, the Company has created control measures that are intended to reduce the identified workplace hazards and record them in the risk register.

**c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks.**

**Yes.** GPIL has processes for workers to report the work-related hazards and to remove themselves from such risks. There is also a provision for Near Miss Report form to report and inform the management in case of near miss incident. Furthermore, GPIL encourages its workers to report hazard and their issues in central department safety meeting, safety committee meeting as well. At a few divisions, emergency response procedures are also in place.

**d. Do the employees/ workers of the entity have access to non-occupational medical and healthcare services?**

**Yes,** employees and workers have access to first aid available within the factories and premises along with a doctor visiting the premises on a regular basis. Employees have access to the Company’s medical benefits for hospitalization expenses reimbursements through special sanctions. The staff grade employees have access to medical benefits through Company provided Mediclaim policy premium reimbursement scheme up to a certain ceiling. Furthermore, the employees have group insurance policies with accidental benefits, medical allowance up to one month of basic pay which also gets carried forward in case of unutilized amount, and for other category of employees and workers, statutory benefits under ESIC.

**11. Details of safety related incidents, in the following format:**

Safety Incident/Number	Category	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	Nil*	Nil
	Workers		
Total recordable work-related injuries	Employees		
	Workers		
No. of fatalities	Employees		
	Workers		
High consequence work-related injury or ill-health (excluding fatalities)	Employees		
	Workers		

\*Though 0.024 metrics tons of biomedical waste was generated in FY 2022-23, there were no work-related injuries.

**12. Describe the measures taken by the entity to ensure a safe and healthy workplace.**

The Company’s Environment, Health, and Safety Policy has institutionalized ‘safety’ as a value-led concept by inculcating a sense of ownership at all levels and driving behavioural change, leading to the creation of a cohesive safety culture.

GPIL has put in place health and safety protocols for the safety and well-being of its employees and workers and will continue to undertake efforts to create a safe working environment and a strong safety culture. This is driven through regular training and awareness on safety, periodical health check-ups, vaccination drives, installation of firefighting and emergency equipment, etc.

Furthermore, the Company aims to provide a safe and healthy work environment with proper lighting, ventilation, air conditioning, well-spaced workstations with ergonomic furniture, recreation and refreshment areas, safe drinking water, and access to clean toilets for all employees.



**13. Number of complaints on the following made by employees and workers.**

No complaints were received regarding working conditions and occupational health and safety concerns.

	FY 2022-23 (Current FY)			FY 2021-22 (Previous FY)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Nil	Not applicable	-	Nil	Not applicable	-
Health & Safety	Nil	Not applicable	-	Nil	Not applicable	-

**14. Assessments for the year**

	% Of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100
Working Conditions	100

**15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.**

Internal audits of the Company are conducted on a periodic basis. Information about safety-related incidents is captured through near miss reporting and safety tickets. There is a process for in-depth investigation to be carried out in case of any accidents and corrective preventive measures to be taken based on the findings.

The information and data collected is disseminated across the organisation at periodic intervals and a formal compliance is obtained.

**LEADERSHIP INDICATORS**

**1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).**

**A. Yes,** GPIL provides term life insurance for management employees. Going forward, the term life insurance will be provided to other employees as well.

**B. No,** GPIL does not provide term life insurance to workers. In the event of accidental death, there is a compensatory package provided.

**2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.**

The Company engages vendors who are fully compliant with applicable laws based on their track record. GPIL ensures necessary checks are in place and statutory dues as payable by service providers for employees are deposited on time and in full through a process of internal control mechanism. The Company takes challan copy regarding deposit of PF and ESI of employees and workers engaged by contractors and third parties while processing their bills for payment. Furthermore, online checking of GST returns or deposit proof of PF and ESI by the said contractor or third party is also carried out.

**3. Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

	Total no. of affected employees/workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022-23 (Current FY)	FY 2021-22 (Previous FY)	FY 2022-23 (Current FY)	FY 2021-22 (Previous FY)
Employees	Nil			
Workers				



**4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)**

**Yes**, the organisation ensures that in cases of layoffs, terminations, or early retirements, supervisors and management provide recommendations to enable employment. The Company also invests in human capital development to enhance the employability of the workforce and enable a smooth transition to alternate opportunities when sought. The Company also has an elective superannuation fund to which it contributes 15% of the basic pay to the said fund based on the choice exercised by the concerned employee and on retirement or severance of employment, the eligible employee is required to subscribe to annuity plan of LIC to the extent of 2/3 or full of the balance lying in his/her account. This helps the employee to reap monthly annuity / pension from the retiral plan. The retired or disassociated employees also get monthly pension from the EPFO based on his/her contribution and length of service.

**5. Details on assessment of value chain partners:**

GPIL’s Supplier Code of Conduct lays out guidelines for value chain partners and their operations. The Company has internal processes for assessing its supply chain partners. For Burley Tobacco Farmers, additionally there has been an independent assessment by an international entity that included health & safety and working conditions.

	<b>% Of value chain partners (by value of business done with such partners) that were assessed</b>
Health and safety conditions	-
Working conditions	-

**6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

Periodical internal and external assessments for burley tobacco farmers have been conducted through third party auditors such as Control Union, on the Company’s farmer communities’, their working conditions, and health & safety standards. Exposure to Green Tobacco illness, exposure during pesticide & fertilizer use are some of the health hazards identified in the tobacco value chain. These hazards can be mitigated by regularly educating, monitoring, and ensuring stringent process is followed by the farmers and workers. Specific instances include usage and disposal of PPE, hazardous material etc, during the time of harvesting, while using pesticides and using safety gear while stitching etc., GPIL has ensured that these incidences are corrected on high priority through stringent processes.

**Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders**

The Company maps, manages, and promotes interests of its internal and external stakeholders across its value chain. GPIL engages and communicates consistently with employees, workers, customers, suppliers, investors, shareholders, retailers, tobacco farmers and labourers, civil society organisations, and local communities of areas the Company operates in.

**ESSENTIAL INDICATORS**

**1. Describe the processes for identifying key stakeholder groups of the entity.**

The process of identifying stakeholders typically involves a systematic and iterative approach to understanding the various groups or individuals who have an interest or may be affected by an organisation’s activities.

Following are the steps that were followed to identify key stakeholders’ group:

- a. Internal stakeholder mapping: The Company conducted internal stakeholder mapping exercise to determine and categorise groups or individuals within the organisation who are part of the critical functions in the organisation and who have a direct connection with external stakeholders. This includes employees, managers, executives, and board members.
- b. External stakeholder mapping: The Company also conducted an external stakeholder mapping exercise to identify and categorise groups or individuals outside the organisation who have an interest or impact on its sustainability activities. This primarily includes customers, bankers, suppliers, investors and communities that include burley tobacco farmers, retailers, hawkers.



- c. Stakeholder prioritisation: Once the stakeholders were identified, the Company prioritised them based on their level of influence and impact on the business and the level of impact that the business activities have on them. This helped the Company determine the most critical, vulnerable and marginalised stakeholders it needed to engage more deeply with.

Through this process, the Company aims to ensure that it is addressing the most important sustainability challenges and opportunities facing the organisation by engaging with the right set of stakeholders in a transparent and accountable manner.

## 2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
<b>Investors (Including shareholders)</b>	No	Notices, Newspapers, Email, telecalls, websites	Quarterly and Annually	By engaging with its investors, GPIL aims to build trust, improve transparency, get access to capital, influence shareholders, and fulfil mandatory regulations. The topics raised during such engagements ranged from financial performance to ESG disclosures.
<b>Suppliers</b>	Yes (Farmers)	Letters, emails, meetings, events, websites	Continuous	GPIL's engagement with its supplier is aimed at building stronger relations, ensuring reliable supply chains, managing risk, and fostering innovation to develop sustainable supply chains. The topics addressed during interactions with suppliers pertained to ensuring a sustainable supply chain and human rights issues.
<b>Customers</b>	No	Emails, telecalls, conferences, mails, events, websites	Depending on the medium, it occurs weekly.	The Company engages with its customers with the aim of building trust, understanding customer needs, developing new products, increasing sales, and enhancing its reputation.
<b>Senior Employees</b>	No	Periodical emails, townhalls, intranet, meetings, workshops, trainings, internal social media groups, events,	Continuous	Engagement with the senior management is key for GPIL to retain its top talent, develop leadership skills, improve productivity among the workforce, and fostering innovation. The discussions with senior employees pertain to development of a positive work environment.
<b>Other Employees</b>	No	Periodical emails, townhalls, Intranet, meetings, workshops, trainings, internal social media groups, events, notice board	Continuous	By engaging with its employees, GPIL aims to boost employee morale, increase talent retention, improve performance, enhance innovation, and improve customer experience. Key concerns and topics raised during such engagements pertain to work-life balance, fair wages, and rewards & recognition.
<b>Community (Retailers, Farmers, Hawkers)</b>	Yes (Farmers and retailers)	Emails, telecalls, community meetings, local programs, workshops, trainings,	Continuous	GPIL's engagement with its immediate community is aimed at addressing community needs, creating shared value, and building trust among the community and the Company. The main issues addressed during these engagements pertain to community health and safety and extending adequate support to vulnerable and marginalised sections.
<b>Government Bodies</b>	No	Industry Association	Need Based	In the interest of stakeholders and millions of people whose livelihood is dependent on the industry, the Company engages with Govt. authorities through evidence and data based advocacy, directly or through industry bodies.



## LEADERSHIP INDICATORS

### 1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The process for consultation is highlighted below:

- Identification of stakeholders
- Evaluation of standards and frameworks
- Surveys with stakeholders and secondary assessment
- Assessment of material issues
- Mapping of material issues as per importance to stakeholders
- Development of materiality matrix and communicating the same to internal stakeholders (including the ESG Committee) for decision making

### 2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

**Yes.** Surveys with stakeholders who have an impact on GPIL's sustainability strategy and priorities have been conducted recently at the group level of the organisation, and the Company strives to include the viewpoints of all groups of stakeholders in its policy development and other business activities.

### 3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

GPIL's community (farmers, retailers, and hawkers) are among the vulnerable/marginalised stakeholder groups of the Company. The limited resources and opportunities are often challenging for these groups. The Company prioritises assistance and support for them.

The Company's CSR policy has put in place several programmes to help vulnerable and marginalised burley tobacco farmers. The initiatives under the program range from mitigating climate change risk through conservation of water, soil and environment while creating awareness and educating on the issues through activities that aid better health, access to safe drinking water, eliminating child labour and encouraging education of children.

The Company also educates and monitors farmers on the Agriculture Labour Practices that include topics of best practices on agriculture, mechanisation, health & safety awareness on subjects of green tobacco illness, using and disposing off PPE etc. Regular workshops are also held to discuss labour rights, dispute management and other relevant subjects.

## Principle 5: Businesses should respect and promote human rights

The Company gives utmost importance to human rights issues and has various policies pertaining to the same. **Policies on Human Rights, Code of Business Conduct, Equal Opportunity Policy, Health & Safety, Prohibition of Sexual Harassment at Workplace, Suppliers Code of Conduct, Whistle Blower Policy** along with a Grievance Redressal System have been established to uphold human rights at GPIL. The Company also complies with all applicable national and regional laws and regulations to uphold its commitments to human rights.

## ESSENTIAL INDICATORS

### 1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

The Company has an intensive process of induction and all employees who join the Company are first taken through all the policies, Code of Conduct, values and ways of working. All queries and clarifications are addressed proactively. Over and above, awareness and reinforcement of the guidelines are conducted in the Financial Year.



Category	FY 2022-23 (Current FY)			FY 2021-22 (Previous FY)		
	Total (A)	No. of employees / workers covered (B)	% (B/A)	Total (C)	No. of employees / workers covered (D)	% (D/C)
<b>Employees</b>						
Permanent	1046	252	24	1026	114	11
Other than permanent	-	-	-	-	-	-
<b>Total employees</b>	<b>1046</b>	<b>252</b>	<b>24</b>	<b>1026</b>	<b>114</b>	<b>11</b>
<b>Workers</b>						
Permanent	65	-	-	75	-	-
Other than permanent	-	-	-	-	-	-
<b>Total workers</b>	<b>65</b>	<b>-</b>	<b>-</b>	<b>75</b>	<b>-</b>	<b>-</b>

**2. Details of minimum wages paid to employees and workers, in the following format**

Category	FY 2022-23 (Current FY)					FY 2021-22 (Previous FY)				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
<b>Permanent</b>										
Male	989	-	-	989	100	977	-	-	977	100
Female	57	-	-	57	100	49	-	-	49	100
<b>Other than Permanent</b>										
Male	Nil									
Female	Nil									
<b>Workers</b>										
<b>Permanent</b>										
Male	65	-	-	65	100	75	-	-	75	100
Female	-	-	-	-	-	-	-	-	-	-
<b>Other than Permanent</b>										
Male	Nil									
Female	Nil									

**3. Details of remuneration/salary/wages, in the following format:**

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	6	18,00,000	2	8,57,21,770
Key Managerial Personnel (other than BoD)	2	2,08,36,945	-	NA
Employees other than BoD and KMP	986	9,16,280	57	10,81,880
Workers	65	8,71,204	NA	



**4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

**Yes**, GPIL has an Audit Committee that addresses all human rights issues through the Whistle Blower Policy.

**5. Describe the internal mechanisms in place to redress grievances related to human rights issues.**

The Company has a structured Grievance Redressal Procedure, and the process is available to employees and workers in various languages for ease of access. Additionally, the Whistle Blower mechanism is also available to all employees which empowers the complainant to bring to the attention of the management, any concerns related to human right violation.

GPIL ensures that the tobacco supply chain follows ethical practices and abides by the human right requirements as prescribed in the Agriculture Labour Practices (ALP) code. The Company has a monitoring system on ground to identify human rights violations, if any. Based upon the severity of the violation, GPIL undertakes appropriate action to resolve the concern.

**6. Number of Complaints on the following made by employees and workers:**

	FY 2022-23 (Current FY)			FY 2021-22 (Previous FY)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	No complaints were received during FY 2022-23			No complaints were received during FY 2021-22		
Discrimination at workplace						
Child Labour						
Forced Labour/ Involuntary Labour						
Wages						
Other human rights related issues						

**7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

GPIL is committed to a workplace which is free of harassment, including sexual harassment at the workplace, and has zero tolerance for any such conduct. It encourages reporting of any harassment concerns and is responsive to complaints about harassment. The Company has constituted committees to enquire into complaints of sexual harassment and to recommend appropriate action, wherever required.

GPIL ensures that the complainant would be protected of his/her normal working facilities and ensures that there would be no discrimination against him/her during appraisal or allotment of work.

Further information about the policy can be found here: <https://www.godfreyphillips.co/company/investor-relation/corporate-governance/policies>

**8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

**Yes**, the Company has included compliance with human rights requirements as a part of its standard terms and conditions in its Agreements/ Contracts entered with the Suppliers and as a part of its Code of Conduct for suppliers and service providers. This requires suppliers to comply with applicable laws, labour standards, environmental regulations, and uphold human rights and principles of ethics and integrity in their operations.



## 9. Assessments of the year

	% Of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	

## 10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

At present, no such concerns have been raised. However, there is a process defined for the complaints in the various policies.

### LEADERSHIP INDICATORS

#### 1. Details of a business process being modified / introduced because of addressing human rights grievances/complaints.

Code of Business Conduct and Human Rights Policy has been deployed across the Company. The Company has not received any human rights complaints.

#### 2. Details of the scope and coverage of any Human rights due diligence conducted

Human rights due diligence pertaining to child labour, minimum wages, employee benefits, and grievance redressal is undertaken across the burley tobacco supply chain in accordance with the Agriculture Labour Practices (ALP) Code. The ALP Code is continuously discussed with the farmers during farmer meetings as well as during their regular field technician visits. GPIL implemented various measures to address pervasive and systemic problems in accordance with their risk assessment. Three ALP code Principles—income and work hours, fair treatment, and a safe working environment—were the key findings during Control Union’s farm visits. Farmers, family members, and workers who provided feedback to Central Union indicated that the ALP Program had increased workplace safety and danger awareness, and that no children were involved in tobacco production. Additionally, the following code principles were considered:

- ALP Code Principle 1: Child labour
- ALP Code Principle 2: Income and work hours
- ALP Code Principle 3: Fair treatment
- ALP Code Principle 4: Forced labour
- ALP Code Principle 5: Safe work environment
- ALP Code Principle 6: Freedom of association
- ALP Code Principle 7: Terms of employment

#### 3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

GPIL strives to create an inclusive workplace environment by supporting differently abled visitors and providing them with accessible infrastructure whenever required and wherever necessary.



#### 4. Details on assessment of value chain partners:

GPIL's Supplier Code of Conduct lays out guidelines for value chain partners and their operations. The Company mainly sources from credible suppliers with strong focus on human rights, sustainability in its operations. Going forward GPIL will establish stronger framework for all value chain partners. For Burley Tobacco Farmers, there has been an independent assessment by an international entity that included several subjects along with human rights.

	<b>% Of value chain partners (by value of business done with such partners) that were assessed</b>
Sexual harassment	-
Discrimination at workplace	-
Child labour	-
Forced/involuntary labour	-
Wages	-

#### 5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

In the present year, no concerns have been raised. In case any risk arises, GPIL undertakes appropriate improvement measures and corrective actions and keep necessary checks and balances in place to address significant risks/concerns.

#### Principle 6: Businesses should respect and make efforts to protect and restore the environment

GPIL is committed to minimising its impact on the environment. The Company believes in following best practices in the field of environment and have policies and processes that encourage continuous improvement in its practices, systems, and operations. All utilities at different plants of the Company are being gradually replaced with more energy efficient models and technologies. All these measures are aimed at conserving natural resources and reducing wasteful consumption.

### ESSENTIAL INDICATORS

#### 1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

<b>Parameter</b>	<b>Unit (MJ is Million Joules and KJ is Kilo Joules)</b>	<b>FY 2022-23 (Current FY)</b>	<b>FY 2021-22 (Previous FY)</b>
Total electricity consumption (A)	MJ	8,40,73,691.4	7,20,77,785.2
Total fuel consumption (B) (Self-generation)	MJ	15,39,731.8	13,91,709.1
Energy consumption through other sources (C)	MJ	2,15,15,768.7	1,90,87,162.8
<b>Total energy consumption (A+B+C)</b>	<b>MJ</b>	<b>10,71,29,191.9</b>	<b>9,25,56,657.1</b>
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	KJ/INR	2.5	2.9
Energy intensity (optional) – the relevant metric may be selected by the entity	KJ/Tons of Production	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: No



**2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

**No**

**3. Provide details of the following disclosures related to water, in the following format:**

Parameter	FY 2022-23 (Current FY)	FY 2021-22 (Previous FY)
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water:	-	-
(ii) Groundwater	32,821.5	31,822.0
(iii) Third party water (Municipal water supplies)	38,608.8	32,471.7
(iv) Seawater / desalinated water	-	-
(v) Others (Recycled)	2,587.0	1,608.0
<b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>	<b>74,017.3</b>	<b>65,901.7</b>
<b>Total volume of water consumption (in kilolitres)</b>	<b>74,017.3</b>	<b>65,901.7</b>
<b>Water intensity per rupee of turnover</b> (Litre / K' INR)	<b>1.8</b>	<b>2.1</b>
<b>Water intensity</b> (optional) – (Water consumption/Ton of production. KL/TON)	-	-

**4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

**Yes**, the Reconstituted Tobacco Manufacturing facility of GPIL is a Zero Liquid Discharge facility while other facilities have adopted various water management practices to recycle, reuse wastewater and reduce water discharge rate and operate as per Consent to Operate (CTO) conditions by respective pollution boards.

**5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameter	Please specify unit	FY 2022-23 (Current FY)	FY 2021-22 (Previous FY)
NO <sub>x</sub>	Kg	943.2	927.5
SO <sub>x</sub>	Kg	402.6	392.8
Particulate Matter (PM)	Kg	5,993.1	5,007.5
Persistent Organic Pollutants (POP)	Kg	-	-
Volatile organic Compounds (VOC)	Kg	-	-
Hazardous air pollutants (HAP)	Kg	-	-
Others- please specify	Kg	-	-



**6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Unit	FY 2022-23 (Current FY)	FY 2021-22 (Previous FY)
<b>Total Scope 1 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	1532.0	1362.3
<b>Total Scope 2 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	12867.1	12376.5
<b>Total Scope 1 and Scope 2 emissions per rupee of turnover</b>	<b>Tonne per Crore INR</b>	<b>3.4</b>	<b>4.3</b>
<b>Total Scope 1 and Scope 2 emission intensity</b> (optional) – the relevant metric may be selected by the entity	Emission/Ton of Production: MT/TON	-	-

**7. Does the entity have any project related to reducing Greenhouse Gas emissions? If yes, then provide details.**

**Yes**, GPII focuses on energy efficiency through process improvements and investments in new technologies. Over the years, the Company has implemented measures to reduce GHG emissions:

- Adoption of dry screw vacuum generation technology (VFD based)
- Installation of energy efficient equipment such as chillers, AHU's, motors, fans, pumps, agitators.
- Installation of a dual fuel kit in the running DG set of 1250 KVA which runs on 70 % PNG & 30 % HSD, hence reducing the emissions of greenhouse gases
- Additionally, two 7-acre bio-diversity parks in Andhra Pradesh with over 9000 local plants have also been developed with another 8-acre land under development

**8. Provide details related to waste management by the entity, in the following format:**

Parameter	FY 2022-23 (Current FY)	FY 2021-22 (Previous FY)
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste <b>(A)</b>	86.0*	15.4
E-waste <b>(B)</b>	0.3	0.7
Bio-medical waste <b>(C)</b>	0.024	0.019
Construction and demolition waste <b>(D)</b>	55.0	65.1
Battery Waste <b>(E)</b>	1.0	13.9
Radioactive waste <b>(F)</b>	-	-
Other Hazardous waste. Please specify, if any: <b>(G)</b>	18.2	6.8
Other Non-hazardous waste generated <b>(H)</b> . Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector)	<b>1,149.0</b>	<b>957.7</b>
<b>Total (A + B + C + D + E + F + G + H)</b>	<b>1309.5</b>	<b>1059.8</b>

\*Note: The plastic waste saw a one-time increase in quantity as Company moved a key input material from plastic to biodegradable. The older material was sent for recycling.

<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
Category of waste		
(i) Recycled	76.6	8.6
(ii) Re-used	13.9	13.6
(iii) Other recovery operations	-	-
<b>Total</b>	<b>90.5</b>	<b>22.3</b>
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
Category of waste		
(i) Incineration	14.4	4.6
(ii) Landfilling	71.9	77.0
(iii) Other disposal operations	1,130.2	955.5
<b>Total</b>	<b>1,216.4</b>	<b>1,037.1</b>



**9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

GPII continuously monitors for any hazardous waste in manufacturing units and have built-in processes to manage the waste within the permissible limit as laid down by regulations. The Company has initiated measures across units to ensure waste minimization, segregation of waste at source and disposal through authorised recyclers.

**10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format.**

S.No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) if no, the reasons thereof and corrective action taken, if any.
The entity does not have any offices or plants in ecologically sensitive areas			

**11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not applicable, as GPII is not required to conduct these assessments as it is in orange category					

**12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:**

Yes, GPII's operations and offices comply with applicable environmental regulations and the Company follows the regulations and guidelines mandated by the Central and State Pollution Control Boards. We have Consent to Operate (CTO) as per all applicable Acts and these are renewed as required.

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken if any
Not Applicable				

**LEADERSHIP INDICATORS**

**1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:**

Parameter	FY 2022-23 (Current FY)	FY 2021-22 (Previous FY)
<b>From renewable sources (UoM: MJ)</b>		
Total electricity consumption (A)	1,83,86,971.2	1,52,47,004.4
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
<b>Total energy consumed from renewable sources (A+B+C)</b>	<b>18,386,971.2</b>	<b>15,247,004.4</b>
<b>From non-renewable sources (UoM: MJ)</b>		
Total electricity consumption (D)	6,56,86,719.8	5,68,30,782.0
Total fuel consumption (E)	15,39,732.0	13,91,708.4
Energy consumption through other sources (F)	2,15,15,769.1	1,90,87,162.9
<b>Total energy consumed from non-renewable sources (D+E+F)</b>	<b>8,87,42,221.0</b>	<b>7,73,09,653.3</b>



**2. Provide the following details related to water discharged:**

Parameter	FY 2022-23 (Current FY)	FY 2021-22 (Previous FY)
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
<b>(i) To Surface water</b>		
- No treatment	-	-
- With treatment – please specify level of treatment	2,558.6	2,917.5
<b>(ii) To Groundwater</b>		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
<b>(iii) To Seawater</b>		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
<b>(iv) Sent to third parties</b>		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
<b>(v) Others (Reuse)</b>		
- No treatment	-	-
- With treatment – please specify level of treatment	19,248.6	18,570.0
<b>Total water discharged (in kilolitres)</b>	<b>21,807.2</b>	<b>21,487.5</b>

**3. Water withdrawal, consumption, and discharge in areas of water stress (in kilolitres):**

<b>For each facility / plant located in areas of water stress, provide the following information:</b>		
<b>(i) Name of the area:</b> <u>Guldhar, Meerut Road, Ghaziabad 201003</u> (Please refer page 160 of <a href="http://cgwb.gov.in/GW-Assessment/Categorization%20of%20Assessment%20Units-GWRA2022.pdf">http://cgwb.gov.in/GW-Assessment/Categorization%20of%20Assessment%20Units-GWRA2022.pdf</a> )		
<b>(ii) Nature of operations:</b> Cigarette Manufacturing		
<b>(iii) Water withdrawal, consumption, and discharge in the following format:</b>		
Parameter	FY 2022-23 (Current FY)	FY 2021-22 (Previous FY)
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	-	-
(ii) Groundwater	27,699.5	27,137.0
(iii) Third party water	-	-
(iv) Seawater / desalinated water	-	-
(v) Others (Recycled) Recovered water from Treated Effluent	-	-
<b>Total volume of water withdrawal (in kilolitres)</b>	<b>27,699.5</b>	<b>27,137.0</b>
<b>Total volume of water consumption (in kilolitres)</b>	<b>27,699.5</b>	<b>27,137.0</b>



<b>Water intensity per rupee of turnover</b> (Litre / K' INR)	0.7	0.9
<b>Water intensity</b> (optional) – the relevant metric may be selected by the entity	-	-
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
<b>(i) Into Surface water</b>		
- No treatment	-	-
- With treatment – please specify level of treatment	2,558.6	2,917.5
<b>(ii) Into Groundwater</b>		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
<b>(iii) Into Seawater</b>		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
<b>(iv) Sent to third parties</b>		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
<b>(v) Others</b>		
- No treatment	-	-
- With treatment – please specify level of treatment	7,158	6,717
<b>Total water discharged (in kilolitres)</b>	<b>9716.6*</b>	<b>9634.5</b>

\* Internal efficiency measures have led to improvement in water discharged in Kilolitre per million cigarettes produced from 1.5 in FY '22 to 1.3 in FY'23

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: No

**4. Please provide details of total Scope 3 emissions & its intensity, in the following format:**

The Company is in the process of evaluating its Scope 3 emissions and implementing a monitoring and measurement system.

Parameter	Unit	FY 2022-23 (Current FY)	FY 2021-22 (Previous FY)
<b>Total Scope 3 emissions</b> (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	-	-
<b>Total Scope 3 emissions per rupee of turnover</b>	Metric tonnes of CO2 equivalent	-	-
<b>Total Scope 3 emission intensity</b> (optional) – the relevant metric may be selected by the entity	Metric tonnes of CO2 equivalent	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: No, the same is not applicable



**5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

The disclosure on this indicator would not be applicable to GPIL. All of GPIL's operating units are in industrial estates or business districts and not in ecologically sensitive areas

**6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

S. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1.	Energy Efficiency	<ol style="list-style-type: none"> <li>1. Waste heat recovery option in screw vacuum pump for heating boiler feed water.</li> <li>2. Use of energy efficient equipment's like screw air compressor, screw chiller plant, transformer, etc having lower specific energy consumption.</li> <li>3. Upgrading old pumps / motors with IE3 or higher rated systems.</li> <li>4. Use of Li-ion batteries for UPS for improved energy efficiency</li> <li>5. Acoustic treated powerhouse for noise control</li> <li>6. LED lights in office with location specific lumen control.</li> </ol>	These initiatives led to desired results of reduction in energy consumption with perpetual benefits and not just limited to short term.
2	Waste Management	<ol style="list-style-type: none"> <li>1. Recycle &amp; Re-use of packaging items like C-48, Kraft paper, CFC, core, etc.</li> <li>2. Recycling / incineration of plastic waste /hazardous waste / E-waste, etc. through authorised TSDF.</li> <li>3. Use of Li-ion batteries for UPS for improved energy efficiency &amp; reduced battery waste generation due to high life cycle of these batteries.</li> </ol>	Besides reducing cost of operations, these initiatives also led to optimization of resource usage.
3	Water Management Practices	<ol style="list-style-type: none"> <li>1. Adopted new technology for water reduction: Air cooled screw vacuum pumps, AHU upgradation with humidification provision.</li> <li>2. Section wise monitoring of water with continuous review to control any deviation.</li> <li>3. ETP equipped with SCADA system which controls 3-way valve to restrict waste water discharge in case it is not as per permissible limits of discharge norms.</li> <li>4. Online monitoring of ETP outlet parameters-To keep good water quality.</li> <li>5. Up-liftment of entire water distribution stream for arresting losses due to conventional systems.</li> </ol>	Water is one of the most stressed resources and it is critical for all businesses and functions within the organization to conserve and reuse to the extent possible. All initiatives are towards this direction.
4	Green Initiative	<ol style="list-style-type: none"> <li>1. Adoption of eco-friendly fuel PNG for boilers &amp; cooking purpose in cigarette manufacturing plants since 2012</li> <li>2. Replacement of old HVAC systems using conventional refrigerant with zero ODP &amp; low GWP refrigerant equipment in phased manner.</li> <li>3. Dual fuel conversion of Gensets to reduce greenhouse emissions</li> <li>4. Developed green belt-planted over 350 plus trees around the compound wall of production facilities.</li> <li>5. 3 biodiversity parks developed in Andhra where Leaf Division is based. The parks have approximately 9000 trees of over 31 species planted.</li> </ol>	Future looking initiatives helped cumulatively to decrease the carbon footprint. This is an ongoing program with range of initiatives that will help the organization to realize its ESG goals.



**7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

**Yes,** GPIL has a specific policy for business continuity and disaster management. There is a robust system in place to comprehensively identify risk, analyse and assess processes across functional areas of the Company. This helps in evaluating the worst-case scenarios that Company may be posed to and necessary action plans to be undertaken to mitigate them. Web link to polices: <https://www.godfreyphillips.co/company/investor-relation/corporate-governance/policies>

**8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?**

Mitigation and adaptation measures are especially relevant to GPIL's Leaf division. Due to usage of fertilizers & CPAs in the tobacco production certain GHG emissions are released. The Company has taken several mitigation measures to ensure minimal impact of the same on the environment by:

1. Training farmers on good agricultural practices in the Leaf Division (E.g., Application of recommended fertilizer & CPAs in recommended dosages, disposal of empty containers in CPA collection bin, Reuse, recycle & safe disposal of plastics, empty CPA containers, hazardous waste, non-NGRBC waste, Water reduction plan etc.),
2. Developing wood sustainability initiatives in the Leaf Division – Afforestation program, permanent community agriproduct sheds and dedicated burley tobacco curing barn structures,
3. Getting quarterly ambient air & waste-water quality tested by the authorised environmental laboratory to check whether pollutants are within tolerance limits in GPIL factories,
4. Two 7-acre bio-diversity parks each at Darsi and Kurichedu in Vinukonda area with over 9000 local plants have also been developed with another 8-acre land under development at Parchur. Additionally, GPIL has also planted over 350 trees within the factories.
5. GPIL also has an extensive water conservation program with check dams being built consistently in its water stressed Andhra Pradesh region it operates out of, along with other initiatives like borewell recharges, tank desiltations, pond development, farm ponds etc. Moreover, rain harvesting pits for ground water table regeneration have been installed in factories along with an ETP that ensures water reuse.

**9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

12.7% farmers are assessed for environmental impact at the burley tobacco growing region in Vinukonda, Andhra Pradesh.

**Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**

**ESSENTIAL INDICATORS**

GPIL complies with all applicable regulations mandated by the government authorities and ensures responsible product marketing. It engages with relevant government authorities while ensuring that there is a balance of stakeholder's expectations from the Company and its own stringent governance standards. The Company also participates in forums that impact the interest of industry and its stakeholders in broad areas relating to governance and administration, economic reforms, environmental safety, energy security, sustainable business principles, taxes, water, etc. These renowned industry bodies also represent the Company with evidence and data based advocacy as and when required.



**1. a. Number of affiliations with trade and industry chambers/ associations.**

6 nos.

**b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such a body) the entity is a member of/ affiliated to.**

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Federation of Indian Chambers of Commerce and Industry (FICCI)	National
2	PHD Chamber of Commerce and Industry	National
3	ASSOCHAM (The Associated Chambers of Commerce & Industry of India)	National
4	Confederation of Indian Industry	National
5	Indo-American Chamber of Commerce	National
6	The Tobacco Institute of India	National

**2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.**

Name of authority	Brief of the case	Corrective action taken
Not applicable as GPIL does not have any adverse orders against it.		

**LEADERSHIP INDICATORS**

**1. Details of public policy positions advocated by the entity:**

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in the public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
1.	Company engages with relevant regulatory authorities on pertinent issues of the Industry	Company engages directly or through apex industry forums and bodies	-	-	-

**Principle 8: Businesses should promote inclusive growth and equitable development**

The Company is committed to supporting inclusive growth and equitable development of the communities that are intrinsically linked to the industry and its operations. The Board of Directors has formulated a Corporate Social Responsibility policy and its impact is contained in the annual report and a CSR report separately. The Company has also constituted a CSR Committee of the Board in accordance with the provisions of Section 135 of the Companies Act, 2013.

The Company's CSR programs have been recognised by the office of the District Magistrate, Andhra Pradesh Government. It has received awards like Mahatma CSR Awards for Excellence 2020, Greentech Foundation CSR Award 2020 & 2019, Apex Awards 2019, ET Now CSR Leadership Award 2019, CMO Asia 2018.

**ESSENTIAL INDICATORS**

**1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web Link
Not applicable, as there were no projects that required SIA as per law in the current year.					



**2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% Of PAFs covered by R&R	Amounts paid to PAFs in the 2022-23 (In INR)
GPIL does not have any projects/activities that would necessitate R&R.						

**3. Describe the mechanisms to receive and redress grievances of the community.**

GPIL regularly engages with the burley tobacco farmer communities in which the business operates and collaboratively designs interventions to address their concerns. The continuous engagement with the burley tobacco farmers and labourers under ISP (Integrated Sustainable Production) ensure regular meetings and workshops to understand challenges and issues, and address desired labour practices across social, health and safety spectrum,

Any disputes are solved amicably through informal ways by involving village elders / progressive burley tobacco farmers and local representatives.

Moreover, the Company prioritises the social challenges that need specific requirements and has designed programs to address those with various social interventions in alignment with its CSR policy. The CSR programs provide opportunities for communities to also address their grievances.

**4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

	FY 2022-23 (Current FY)	FY 2021-22 (Previous FY)
Directly sourced from MSMEs/ small producers	3.7%	3.9%
Sourced directly from within the district and neighbouring districts	45.9%	46.7%

**LEADERSHIP INDICATORS**

**1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

Details of negative social impact identified	Corrective action taken
Not applicable, as there were no projects that required SIA as per law in the current year.	

**2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

S. No.	State	Aspirational District	Amount spent (In INR)
GPIL's CSR programs are not located in any aspirational districts.			

**3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)**

**No**, GPIL does not have a dedicated preferential procurement policy. Within the contracted farmer base, small farmers are considered as the marginalised and vulnerable group and we source from them regularly.

**(b) From which marginalized /vulnerable groups do you procure?**

GPIL procures part of its raw material from small burley tobacco farmers that are categorised as marginalised/vulnerable groups the Company engages with.

**(c) What percentage of total procurement (by value) does it constitute?**

4% of the total procurement is from small farmers.



**4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:**

Note: Traditional Knowledge refers to any indigenous, technical, ecological, scientific, medical, or cultural knowledge which is not necessarily documented but is in use by or generally known to communities. Typical examples include antiseptic properties of neem, turmeric, etc.

S. No.	Intellectual Property based on traditional knowledge	Owned/Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
Not applicable, since GPIL has not acquired any intellectual property based on traditional knowledge.				

**5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

Name of authority	Brief of the Case	Corrective action taken
Not applicable, since GPIL does not use traditional knowledge.		

**6. Details of beneficiaries of CSR Projects:**

S. No.	CSR Project	No. of persons benefited from CSR Projects	% Of beneficiaries from vulnerable and marginalized groups
1.	Biodiversity Parks	7500	15
2.	Check Dams	17953	7-8
3.	Desilting of community ponds	1835	8
4.	Tank Management program	685	15-16
5.	Installation of Community RO Plants to provide safe drinking water	14511	20- 22
6.	Borewell recharge installation	12209	20-22
7.	Health camps	4370	60-61
8.	Child Labour and After School program	10956	55
9.	Community Agri-sheds	483	2-3

**Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner**

The Company places its customers (channel partners and value chain partners) at the focal point of all its decisions and strives to deliver best quality products, services, and experiences to create customer satisfaction and loyalty.

The Company operates strictly under applicable laws and adheres to all rules and regulations. It complies with all legal and regulatory requirements including but not limited to adherence to pictorial health warnings, as mandated by law governing the product packaging and labelling.



## ESSENTIAL INDICATORS

### 1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The Company has instituted a customer complaint redressal system in place to address all complaints from customers. Customers are provided options to connect with the Company through email and telephone. Email id and customer grievance cell number is printed on products and customers can access other email ids on the Company website. All complaints received from the customers are acknowledged, investigated, and responded to as per the Standard Operating Procedures.

### 2. Turnover of products and/ services as a percentage of turnover from all products/ service that carry information about:

Company ensures that its products contain relevant information as required under applicable laws.

	As a percentage to total turnover
Environmental and social parameters relevant to the product	GPIL propagates responsible usage and disposal on packages (over and above the mandate) to the customers. The cigarette brand - FSS Valley, carries an awareness message on all its packs and this brand accounts for 9% of total turnover. The Company also from time to time mobilizes retailers to educate consumers about disposal of used packs responsibly.
Safe and responsible usage	All packs carry pictorial health warning and not for sale to minors, as mandated by law. Signages are also placed on all point-of-sale outlets and retailers are communicated to not permit sale to minors or to operate the outlet. Domestic sale of all cigarette packs carry information about safe and responsible usage, and these amount to 66% of total turnover.
Recycling and/or safe disposal	-

### 3. Number of consumer complaints in respect of the following:

	FY 2022-23 (Current Financial Year)		Remarks	FY 2021-22 (Previous Financial Year)		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	Nil	-	-	Nil	-	-
Advertising						
Cyber-security						
Delivery of essential services	Nil		Tobacco products do not qualify as essentials.	Nil		Tobacco products do not qualify as essentials.
Restrictive Trade Practices			-			-
Unfair Trade Practices			-			-
Other						-

### 4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	-	Not applicable
Forced recalls	-	No instances of forced recall



**5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

**Yes.** To ensure data privacy and cybersecurity, an Information Security Policy has been developed. The policy provides a broad framework for implementing Information Security Management and creates awareness to all stakeholders relating to security risks pertaining to information and IT infrastructure used by the organisation. The policy covers information security organisations, which includes the Head of IT, Head of Cyber Security, various coordinators, and administrators.

Under the policy a Cyber Crisis Management Plan has also been developed and implemented to counter Cyber Attacks/ Cyber Terrorism by outlining a framework for dealing with cyber related incidents for a coordinated, multi-disciplinary and broad-based approach for rapid identification, information exchange, swift response, and remedial actions to mitigate and recover from malicious cyber related incidents impacting critical business functions and processes of GPIL.

These policies are available on Company's intranet.

**6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of consumers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

GPIL operates fully in compliance with applicable laws. There have been no instances or cases that relate to corrective action on issues relating to advertising, delivery of services, cyber security and data privacy of consumers or relating to product recall or any penalty/ action by regulatory authorities.

**LEADERSHIP INDICATORS**

**1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

Information on the products and services of the organisation are available for both domestic and international markets on the company's website [www.godfreyphillips.co](http://www.godfreyphillips.co)

**2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

The Company fully complies with all applicable laws and in particular the Cigarettes and Other Tobacco Products (Prohibition of Advertisement and Regulation of Trade and Commerce, Production, Supply and Distribution) Act, 2003 (COTPA) and the rules and regulations made thereunder which require all tobacco products to carry pictorial health warning. The cigarette packs manufactured by the Company carry the statutorily mandated pictorial health warnings.

**3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

Tobacco and cigarette products do not fall under the criteria of essential services.

**4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey about consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

No

**5. Provide the following information relating to data breaches:**

**a. Number of instances of data breaches along-with impact**

No instances of data breach were observed during the reporting year.

**b. Percentage of data breaches involving personally identifiable information of consumers**

No instances of data breach were observed during the reporting year.