



GODFREY PHILLIPS
—INDIA LIMITED—

TOGETHER WE ARE **LIMITLESS**



Annual Sustainability &
Integrated Report
2024-2025

“

There exist limitless opportunities in every industry. Where there is an open mind, there will always be a frontier. ”

- Charles Kettering

When purpose is shared, potential becomes limitless.

Our theme for this year's Sustainability & Integrated Report is rightfully "Together We Are Limitless" and reflects our conviction that collective ambition, collaboration and inclusion unlock extraordinary potential.

At Godfrey Phillips India Limited (GPIL), our guiding philosophy of 'People First' ensures that employees, partners, consumers, and communities are at the heart of every business decision and action. Their ideas, effort, and commitment shape our culture, drive innovation, and power our progress. Our success is not defined by outcomes alone, but by the collective energy behind them. Our growth and success are especially meaningful and fulfilling for us as they belong and are shared with everyone who walks this journey with us. Together, we move forward with confidence, knowing that collaboration is the catalyst that makes us truly limitless.

The Sustainability and Integrated Report of FY 2024-25 shares our journey of integrated value creation, where business performance and sustainability are not on parallel tracks, instead it is deeply interconnected and intertwined. Under the visionary leadership of Dr Bina Modi, GPIL continues to build on its legacy with agility and purpose. We are investing in advanced manufacturing, responsible sourcing, and digital transformation to strengthen our competitiveness while reducing our environmental footprint. Our commitment to transparency, stakeholder engagement, and long-term impact is reflected throughout this report.

As we look ahead, we remain focused on creating shared value, where business success aligns with social and environmental responsibility, fostering inclusive growth and driving long term resilience across our operations. At GPIL, together, we are truly limitless.

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About the Report

Purpose of the Report

GPIL operates within a robust governance framework that ensures leadership accountability, ethical conduct, and alignment with long-term strategic goals. The Company's policies and systems are structured to uphold transparency and act in the best interests of all stakeholders.

This Sustainability and Integrated Report presents a clear view of GPIL's performance across financial and non-financial dimensions. It outlines our strategic direction and value creation model, incorporating key environmental, social, and governance priorities that shape our approach to responsible growth.

Reporting Guidelines and Frameworks

GPIL's third Sustainability and Integrated Report for FY 2024-25 has been developed in alignment with the International Integrated Reporting Framework issued by the International Integrated Reporting Council (IIRC). The report presents a comprehensive view of the Company's performance across key environmental, social, and governance (ESG) areas and is guided by the Global Reporting Initiative (GRI) Standards. It also reflects our alignment with the United Nations Sustainable Development Goals, reinforcing our commitment to responsible and transparent value creation.

Reporting Scope and Boundary

This report reflects GPIL's operations across its core business segments, including tobacco manufacturing and trading. It offers a unified view of both financial and non-financial performance. Social performance and environmental disclosure data include information on both GPIL's cigarette and tobacco operations and its wholly owned subsidiary, International Tobacco Co. Ltd.

Materiality

GPIL continues to proactively identify and address business opportunities and risks while keeping consideration for the primary concerns of its stakeholders. Materiality is a key component of GPIL's sustainability strategy, essential for creating long-term value for all. In FY 2022-23, the Company undertook a materiality assessment to identify critical ESG issues and has since made consistent efforts to improve and deliver on these issues.

Building on this foundation, GPIL conducted a Double Materiality Assessment in September 2025 to evaluate ESG issues from both financial materiality and impact materiality perspectives. This assessment examines how ESG issues affect the Company's financial performance while assessing the Company's impact on the environment and society. The report aligns with the identified material topics, detailing GPIL's approach to the most relevant issues for both the Company and its stakeholders, as well as the progress made in these areas.

Statement from Board

The Board affirms that GPIL's Sustainability and Integrated Report for the FY 2024-25 effectively captures the Company's key priorities, risks and opportunities in the context of long-term value creation. The Board also acknowledges the contributions of senior management and core functional teams whose insights and inputs were instrumental in the development of this report.

Reporting Period

The Sustainability and Integrated Report provides a detailed overview of the Company's performance during the FY 2024-25. To offer a thorough assessment of our sustainability performance, we have included comparative figures from the previous fiscal years, excluding statutory financials. This approach allows for a holistic evaluation of our progress over time.



Message from the Chairperson & Managing Director



“Our environmental approach is guided by the belief that only by acting with responsibility and integrity in the present, we can secure the future for generations to come.”

Dear Stakeholders,

I am pleased to share that the fiscal year 2024-25 has been a remarkable period of growth and achievements for Godfrey Phillips India Limited. Our journey this year has transcended traditional boundaries, embodying our core belief that Together We Are Limitless. We have demonstrated when performance meets purpose, when innovation meets integrity and when business meets benevolence, there are no limits to what we can achieve collectively.

This year has been about reimagining possibilities in an interconnected world where sustainability is also a pathway to limitless growth. We are proving that environmental stewardship, social impact and robust governance can amplify business success.

People First: Unleashing Limitless Human Potential

At GPI, our foundational philosophy of 'People First' continues to guide our approach to all business decisions, at the boardroom to grassroots level. We firmly believe that when people are empowered, encouraged, supported and inspired, they can realise their full potential.

Our commitment to remaining an inclusive workplace has yielded remarkable results. Being recognised as a 'Great Place to Work' for seven consecutive years highlights our efforts at fostering an environment where every individual can thrive without limitations. We have made focused investments in future-ready capabilities, implemented progressive policies and a high-performance work culture that enables employees to perform at their best.

Our growing investment in Human Capital development is reflected in our comprehensive learning and development initiatives, which we believe are essential for nurturing talent and building capabilities that prepare our people for future challenges and opportunities. We are proud to have achieved our ESG target of increasing training hours, a milestone for our commitment to continuous learning and professional growth. This accomplishment also reflects a culture of empowerment and engagement we want to cultivate and maintain in our organisation.

As an organisation closely linked to agriculture and trade, our core values of responsibility, sustainability and inclusivity also ensures that our entire ecosystem, which includes farmers, labourers, retailers and other important stakeholders like small-scale suppliers, also prosper along with our shareholders and employees. This year, we strengthened our water conservation efforts in Andhra Pradesh and near our manufacturing unit in Guldhar, Uttar Pradesh. In our tobacco-growing region of Andhra, we continue to improve access to safe drinking water through Community Water Plants and map existing water plants for efficiency. We are supporting farmers with sustainable community sheds for agricultural product storage and livestock, while driving large-scale awareness on sustainable agricultural practices. We also extended our commitment to daily wage hawkers and traders, launching Swasth Pehal, an ambitious health screening initiative. The pilot program, launched

in four key cities, provides detailed health check-ups and consultations for them and their families, offering valuable insights for future expansion and scaling up of the program. Now extended to 6 states, with around 3000 beneficiaries, we hope to increase our footprint pan India.

People for the Environment: Breaking Barriers to Sustainability

Our environmental approach is guided by the belief that by acting with responsibility and integrity in the present, we can secure the future for generations to come. The interdependence and connection between people and the environment are inseparable and undeniable, and we drive meaningful environmental progress through consistency, collaboration and initiative. This belief forms the foundation of our sustainability strategy.

We take pride that with steady and persistent efforts, we have made small but significant progress in energy efficiency, water management, waste reduction and health and safety indicators. Our renewable energy initiatives now power 19% of our energy consumption, while our innovative water recycling systems have continued to maintain zero liquid discharge in our Leaf facility. We are very close to finalising solar renewable energy to power our operations and it will have a consequential impact on our consumption.



Our afforestation initiatives with biodiversity parks and plantation projects in the semi-arid regions of Andhra Pradesh have had a direct impact on the surrounding communities. As of FY 2024-25, we are maintaining four biodiversity parks spanning 24.25 acres. In addition, in FY 2023-24, we undertook a large plantation project with 70,000 saplings of local species planted over ~300 acres in Prakasam district of Andhra Pradesh. These initiatives support climate mitigation while creating livelihood opportunities for the local population.

The water conservation projects that include constructing check dams, recharging borewells, water tank management and developing ponds in Leaf Division area and around our manufacturing units, have helped in successfully achieving our target to replenish 30% of water consumed by 2030, well before the stipulated timeline. We are aiming towards zero waste to landfill across our operations, and with reducing waste drastically, we are demonstrating our commitment to circular economy principles.

Our Leaf Division early efforts in sustainable agriculture and production under Integrated Production System (IPS) include training and empowering tobacco farmers in regenerative practices, biodiversity promotion, water conservation, climate resilience, integrating technology and mechanisation, and fair labour management. With over 29,766 farmers participating in sustainable agri practices, we have created a model that proves sustainability and productivity are not mutually exclusive and can create a positive loop.



Good Governance: Foundation for Limitless Growth

Our commitment to good governance is an extension of our 'People First' philosophy. The pillars of respect, collaboration, transparency and integrity ensure a larger culture of accountability and ethical conduct. We continue to make focused efforts to ensure that responsible business conduct and openness are embedded into every aspect of our operations, fostering lasting trust amongst stakeholders and in the communities where we operate. The ESG Committee of the Board maintains active oversight of our sustainability journey, reinforcing the linkage between purpose-driven governance and long-term impact. Environmental and social considerations are integrated into every strategic decision, ensuring that sustainability remains integral to our business strategy and stakeholder engagement.

Our commitment is reflected in the achievement of our governance targets. For the third consecutive year, we have maintained zero child or forced labour, zero accidents in factories and offices and zero violation of the Company's Business Code of Conduct, thus indicating that consistent focus on practices become a process. Another notable achievement is our remarkable improvement in our Dow Jones Sustainability Index (DJSI) score, which increased to 64 in FY 2024-25 from 43 in FY 2023-24 and 11 in FY 2022-23. A remarkable increase over two years demonstrates our initiative and intent to integrate ESG effectively into our business practices.



Delivering Success: Sustainable Financial Performance

I am happy to report that our persistent and result driven approach have helped us deliver exceptional financial performance in FY 2024-25. The results are an affirmation that sustainable business practices contribute to long term economic value. This year, on a standalone basis, we attained a Gross Sales Value of ₹14,480 crores and a Net Profit (from continuing operations) of ₹1,124 crores. We will continue to prioritise people, operational excellence, innovation and customer-centric approach to generate outstanding returns across all business segments.

Limitless Vision, Purposeful Execution

I am honoured to present our Sustainability & Integrated Report for FY 2024-25. This report includes our progress, our success and our challenges that we intend to overcome.

The future may seem uncertain with growing conflicts, impact of climate change, societal imbalances, lightning speed of technology versus skills and increased recession risks for major economies. These interconnected events seem complex, but we at GPIL are confident in our ability to traverse the risks, the challenges and embrace the opportunities that come alongwith. We understand that an innovative and proactive spirit, a constantly evolving and adaptable mindset, and steadfast patience for a long-term perspective will be crucial to sustainable growth and success. We are vigorously preparing ourselves for it.

I take this opportunity to extend my gratitude and admiration for all our stakeholders. Our progress as an organisation is not defined by milestones as is by your unwavering support and trust that we continue to receive. Our achievements are a result of shared commitment, collaboration and enduring partnerships. For this, we thank you wholeheartedly.

Our future has infinite possibilities. And we firmly believe, that together as a team, we can be limitless.

Warm Regards,

Dr. Bina Modi

Chairperson and Managing Director
Godfrey Phillips India Limited

Message from the Functional Chief Executive Officer



“We highly value our relationships with all our stakeholders that include supply chain partners, community members, farmers, retailers, customers and investors.”

Dear Stakeholders,

In a world increasingly shaped by geopolitical challenges, economic volatility, disruptions through constantly evolving technology, and climate change calamities, staying focused is more challenging than ever. Yet, amid this uncertainty, one principle continues to guide us with clarity and conviction. Our unwavering commitment to the ‘People First’ philosophy. This approach over the years has ensured that we make all our business decisions through the lens of people, be it employees, customers, farmers, retailers, suppliers or investors. By simply putting care and empathy at the heart of our strategy, we have achieved a high-performance work culture, efficient way of functioning, quick technology adaptation, innovative and superior quality products, strong partnerships with suppliers, high customer satisfaction and maximising shareholder value. It is this human centric mindset that helps us stay purposeful, grounded, and resilient in the most unpredictable times. Most significant is that a truly human centric approach means recognising our responsibility to the environment we all share.

We are continuously trying to make conscious choices and decisions that reduce our carbon footprint and support business and ecological balance. I am happy to present our Sustainability and Integrated Report for FY 2024-25. This report highlights our ongoing commitment to environmental, social, and governance (ESG) initiatives and provides a comprehensive look at our strategies and performance.

I know we are in the right direction as our efforts have been validated with a remarkable increase in our Dow

Jones Sustainability Index Score (DJSI) to 64 in FY 2024-25 from 43 in FY 2023-24.

Exceptional Financial Milestones: Persistence and Trust

We begin by acknowledging our remarkable financial milestones that reflect the strength of ‘People First’ value, the efficacy of our strategy and the potential of sustainable business practices. In the fiscal year under review, on a standalone basis, we achieved a Gross Sales Value of ₹14,480 crores that grew by 34.2% and recorded a Net Profit (from continuing operations) of ₹1,124 crores that grew by 21.7% over last year. These are both a result of strategic execution and the confidence and support of our employees, partners, customers and communities.

The tobacco segment remains the cornerstone of our revenue, contributing 99% of the Gross Sales Value, while our diversified portfolio continues to expand into new growth areas. Our international operations including exports of unmanufactured tobacco have also performed well contributing ₹2,120 crores in net sales underscoring our global presence, strategic partnerships, and technology adoption. These accomplishments demonstrate our ability to navigate diverse markets and environments while leveraging our strengths to drive growth.

People First: Our Commitment to Sustainable Growth

Our ‘People First’ philosophy is beyond a cultural principle; it is a strategic enabler. We view our employees as our most valuable asset. With a focused investment in learning, growth, wellbeing and engagement of our employees, we have propelled operational excellence, high learning curve and skills with a proactive, solution-oriented mindset. We believe their capabilities, commitment and alignment with our purpose directly influence and impact our ability to innovate, execute and deliver value.

We have increased our investments in education and structured learning & development programs, performance driven growth and recognition & rewards. This year, our training man-hours increased by 68% from the FY 2022-23 baseline. We are focusing on enhancing our workforce’s skills across all levels of the organisation and we aim to create a more diversified L&D ecosystem covering an extensive range of subjects.

We continue to remain committed to equality and inclusion and it is reflected in our equal opportunity policy and gender-neutral job descriptions. We are slowly but surely increasing representation of women in our workforce who now are 6% of total employees. We are also happy to announce that we have been recognised as a “Great Place to Work” for the seventh consecutive year. This certification affirms the effectiveness of our people-practice and strength of our workplace culture.

To further reinforce our people-centric initiatives, we have conducted a comprehensive gender pay parity assessment to evaluate compensation equity across roles and levels in our organisation. This initiative supports our broader goal of ensuring a fair and inclusive workplace where merit and contribution remain the foundation for career advancement and compensation decisions.

Additionally, we have implemented a standalone Grievance Redressal Policy and an Ethics Committee to ensure transparent, fair and timely resolution for employee concerns. This framework reinforces and strengthens our governance and our dedication to maintaining the highest standards of workplace integrity and employee well-being.

Building Resilient and Sustainable Relationships

Strategic and strong partnerships remain central to our business model, enabling shared growth and long-term value creation. We highly value our relationships with all our stakeholders that include supply chain partners, community members, farmers, retailers, customers and investors. We prioritise engaging with them to ensure alignment with our ethical standards and our core values of collaboration and inclusivity. We continuously make efforts to partner with responsible and ethical suppliers and vendors, and comprehensive assessments and evaluations ensure alignment with our standards. We have initiated the process of sharing our supplier’s assessment reports transparently in our Sustainability and Integrated Report.

We believe that the sustained growth and success of an organisation is closely tied to the well-being of the communities in which we operate. Our Corporate Social Responsibility (CSR) has been especially designed to deliver both short- and long-term measurable outcomes with focus on environmental sustainability and livelihood.

This year, we expanded on our water conservation efforts by constructing new check dams and restoring existing older structures, to recharge groundwater and create an additional irrigation source for farmers in Andhra Pradesh. 30 of the 36 older check dams were repaired and desilted to maximise benefit and 11 new check dams were constructed this year, bringing the total number to 47 check dams. Additionally, we have constructed 63 Community RO Water Plants in total for access to safe and clean drinking water for our marginalised farmer community. Our target is to provide all our contract tobacco farmers and their communities access to the same, and to ensure that, this year we conducted an extensive RO geotagging project. This initiative was aimed to identify and map all existing RO water plants across 839 villages in five districts of Andhra Pradesh and assess their availability and functionality. This will enable a planned, efficient and faster provision for the disadvantaged.

We continue to promote biodiversity parks and afforestation initiatives with ~70,000 plants under our care. Furthermore, nearly 3,000 people, including daily wage hawkers and their families, benefited from over 100 health camps organised in Delhi, Mumbai, Jammu, and Ahmedabad regions. These initiatives serve to build trust, engage and thus strengthen relationships with the communities while fostering positive change and sustainable development.

Driving Environmental Commitment and Conservation

We recognise that climate change is beginning to present material risks to communities, business, economy and our environmental ecosystems. At GPIL we are making continuous efforts to reduce these risks through focused actions. We have pledged to become carbon-neutral across our manufacturing operations by 2030 and presently our renewable energy initiatives power 19% of our energy consumption. We are striving to expand our clean energy adoption ahead of our planned timeline with solar renewable energy source for our manufacturing units.

We have also made measurable progress in reducing our environmental impact with energy optimisation, waste and water usage reduction. Our efforts have led to 29% reduction in waste intensity and water intensity has decreased by 15% from the previous year. Our Leaf facility has maintained zero liquid

discharge and we continue to work towards zero waste to landfill across our operations. We have substantially diminished the quantity of waste that cannot be recycled or reused. We are committed to establishing circular economy principles across our operations to maximise resource efficiency. We also conducted a comprehensive water risk assessment for our operations and suppliers. This assessment helped us to identify potential water-related vulnerabilities and proactively address water-related challenges, develop mitigation strategies and plan implementation of contingency measures that will ensure business continuity while supporting sustainable water management practices.

We continue to deliver top value to the first stakeholders in our value chain, our farmers. Through the comprehensive Integrated Production System (IPS) for tobacco, we have established a structured framework that incorporates Sustainable Agricultural Practices and Agriculture Labour Practices that include responsible farming, reducing environmental impact, conservation, compliance with social standards on wages, health, safety and human rights. By integrating sustainability and compliance into agricultural operations, we strengthen supply chain integrity and contribute to long-term community development.

Technology Enabling Growth

In today's fast-evolving digital environment, technology is central to how businesses innovate, scale, and deliver value. At GPIL, we are harnessing the power of digital platforms and advanced analytics to strengthen infrastructure resilience and convert data into actionable insights. These efforts are enabling smarter decisions, improving operational efficiency, enhancing transparency, and elevating customer engagement. By embedding digitalisation into our core processes, we are future-proofing our business and also creating a more agile and responsive organisation.

Under our technology transformation strategy, we have undertaken several initiatives aimed at enhancing efficiency, security, customer experience and driving transparency. The major projects include cloud usage optimisation to ensure cost-effective and scalable infrastructure and application landscape consolidation through the retirement of legacy systems to streamline operations. We have also progressed with the

migration from on-premises infrastructure to cloud-based SaaS solutions, enabling greater agility and accessibility. To support modern work environments, we are driving digital collaboration and enhanced user experience initiatives, alongside paperless IT efforts that promote sustainability and operational simplicity. We continue to strengthen our data security and governance and achieve ISO 27001 certification aligned with the latest 2022 standards, reinforcing our compliance posture and trust with stakeholders.

These initiatives are paving the way for a future-ready enterprise that is technologically advanced and deeply aligned with our mission to deliver value, trust, and excellence at every touchpoint.

Committed to Principles and Performance

Business operations have direct and lasting impact on stakeholders, their communities and the environment. It is imperative that we are conscious of the impact of our decisions and actions. We are proud that our 'People First' value directs us to maintain a disciplined approach to sustainable growth. Our governance frameworks are designed to uphold the highest levels of transparency, regulatory compliance and ethical conduct. We continue to meet all our Governance targets. 100% of all our locations underwent training on the Code of Business Conduct, demonstrating the culture of integrity and accountability we want to nurture. We achieved ISO 26000 standards not only for our cigarette manufacturing facilities but also for our corporate office in Delhi. Additionally, our Company continues to be ISO 27001 certified year on year.

In an effort to strengthen our sustainability strategy, we conducted a comprehensive double materiality assessment this year to identify and prioritise ESG issues. This assessment evaluated both the impact of sustainability factors on our business and the influence of our operations on the environment and society. These findings are being used to identify the emerging critical areas, refine our ESG strategies, identify focus areas to deliver meaningful value. This approach will support enhanced risk management, determine opportunities and aligning our operations with long-term objectives.

Looking Forward: Advancing Our Sustainable Journey

As we move towards the future, our focus remains on strengthening the integration of sustainability across all aspects of our business. We recognise the challenges of the industry and the increasing expectations of our stakeholders to adopt sustainable, responsible practices and invest in innovation and technology to reduce the environmental impact of our operations.

Addressing these priorities requires more than internal commitment. It calls for a transparent and inclusive approach involving all stakeholders. We assure you that we are intensifying efforts to achieve carbon neutrality, advance environment conservation and strengthen employee and community engagement. And we invite all our stakeholders to continue supporting us in this journey through active participation, shared responsibility, mutual accountability and trust in our commitment to deliver our best. I extend my sincere appreciation to all our stakeholders for their invaluable feedback and steadfast encouragement which empowers GPIL to pursue commercial success while maintaining the highest standards of environmental, social and governance responsibilities. The future holds unlimited possibilities, and together we will create enduring value. Our legacy and our history stand as a testament to this shared vision.

Warm Regards,

Sharad Aggarwal

**Whole-Time Director &
Functional Chief Executive Officer
Godfrey Phillips India Limited**

About Godfrey Phillips India Limited

At Godfrey Phillips India Limited (GPIL), progress is measured beyond numbers; it is built on people, purpose and a legacy of care and trust. From its inception, the Company believes that empowering individuals and the community is the foundation of enduring success. This belief, embedded in our 'People First' philosophy, continues to shape our culture, guide our decisions and define our impact.

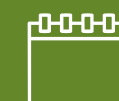
As one of the largest FMCG enterprises of India, and a Fortune 500 and ET 500 India-listed organisation, GPIL is an established and renowned name in the tobacco industry with a portfolio of leading brands such as Four Square, Red & White, Cavanders, and Stellar. Through a strategic arrangement with Philip Morris International, the Company also manufactures and distributes the globally recognised Marlboro brand in India.

Our operations extend beyond domestic markets, with a growing international footprint through our Leaf and International Business Divisions. GPIL exports a wide range of tobacco products that include cigarettes, cut and blended tobacco, and unmanufactured leaf to markets across the Middle East, Africa, Asia, Europe, Australia, and Latin America.

This reach is powered by a combination of cutting-edge manufacturing capabilities, a process-driven approach, and a nationwide distribution network of over 900 distributors and 9,000+ field force members. However, what truly differentiates GPIL is our unwavering focus on people, our employees, partners, customers, and communities, who are central to everything we do. For our unwavering commitment to our culture and our legacy of care, GPIL has been recognised as a Great Place to Work® for seven consecutive years. We continue to strengthen our competitive edge through strategic investments in cutting-edge manufacturing, process innovation, future-ready infrastructure and our people. With a clear focus on operational excellence, environmental responsibility, and long-term stakeholder value, our Company is well-equipped to navigate evolving market dynamics and lead with integrity and impact.



GPIL at a Glance



1936

Year of Incorporation



Delhi, India

Headquarters



1077

Total Workforce



1 Million+

Retailers



950+

Distributors



9000+

Field Force

Key ESG Highlights



Environment

4%

Emission intensity reduction compared to last year

13%

Reduction in energy intensity compared to last year

19%

Renewable energy in total energy mix

15%

Reduction in water intensity over last year

29%

Reduction in waste intensity compared to last year



Social

1.80 Lakhs

Total cumulative CSR beneficiaries

0.2%

Of total revenue as employee well being spends

07

Awareness programs conducted for Value Chain Partners

0

Fatalities & accidents at Workplace (Employees and Workers)

33.5

Average Training Hours Per Person



Governance

85%

Procurement from within India

0

Data breaches

0

Breaches in money laundering and insider trading regulation



Economic

₹14,480 Crores

Gross Sales Value

₹1,124 Crores

Net Profit (from continuing operations)

₹2,349 Crores

Gross Profit

₹95

Dividend per Share

Our ESG Performance

Environment

Energy and Emissions

Targets/ Goals	Progress
50% of total electricity consumed across manufacturing operations to be from renewable sources by 2030	<ul style="list-style-type: none"> ~ 24% of RE in the total electricity mix in FY 2024-25 Increasing renewable energy consumption <div>On Track</div> <div>FY 2018-19FY 2029-30</div>
30% reduction in Greenhouse Gas (GHG)* emissions in cigarette manufacturing operations by 2030 <small>*It includes Scope 1 and 2</small>	<ul style="list-style-type: none"> 14% reduction in GHG emissions Increasing renewable energy consumption Replacing conventional electrical equipment with energy-efficient technologies Undertaking plantation activities <div>On Track</div> <div>FY 2018-19FY 2029-30</div>

Waste Management

Targets/ Goals	Progress
Zero waste to landfill across manufacturing operations by 2030	<ul style="list-style-type: none"> ~95% reduction in landfill disposal Onboarded certified agencies to ensure effective waste recycling Phasing out single-use plastics from the corporate office Continued initiatives to reduce process waste Training employees and workers in waste management initiatives <div>On Track</div> <div>FY 2022-23FY 2029-30</div>

Water Management

Targets/ Goals	Progress
Replenish 30% of water consumed by 2030, and each year thereafter	<ul style="list-style-type: none"> 220,973 KL of maximum capacity of 32 check-dams <div>Achieved</div> <div>FY 2022-23FY 2029-30</div>
5% reduction in water consumption per unit of production in cigarette manufacturing by 2030	<ul style="list-style-type: none"> 18% reduction in water consumption per unit of production in cigarette manufacturing units (Guldhar and Rabale) Installation of water-efficient technologies, such as Adiabatic Cooling Tower. Wastewater is effectively treated and recycled for non-potable uses Training employees and workers in water management initiatives <div>Achieved</div> <div>FY 2022-23FY 2029-30</div>

Biodiversity

Targets/ Goals	Progress
Zero deforestation in the supply chain of paper used in cigarette sticks by 2030	<ul style="list-style-type: none"> Completed the vendor finalisation process to commence procurement of zero-deforestation certified packaging paper <div>On Track</div> <div>FY 2022-23FY 2029-30</div>
100% of the tobacco purchased from GPI contracted farmers will not use highly hazardous pesticides (HHPs) as defined by FAO and WHO guidelines (YOY)*	<ul style="list-style-type: none"> Continued zero use of HHPs by our contract farmers, as per FAO & WHO guidelines <div>Achieved</div> <div>FY 2022-23FY 2029-30</div>

Social

Community Development

Targets/ Goals	Progress
To ensure 100% of GPIL contracted farmers have access to clean drinking water within 3 km of their habitat by 2030.	<ul style="list-style-type: none"> Mapped & geotagged 839 villages, identifying RO plants and potable water sources for targeted interventions 63 community RO water plants installed <div>On Track</div> <div>FY 2022-23FY 2029-30</div>

Human Capital Development

Targets/ Goals	Progress
Zero accidents in factories and offices for more than 10 years; Continuous endeavor to maintain zero accidents at factories and office premises (YoY).	<ul style="list-style-type: none"> Zero accidents and fatalities for 04 years <div>Achieved</div> <div>FY 2022-23FY 2029-30</div>
100% of contracted farmers are to be trained in a safe working environment and Personal Protective Equipment (PPE) during the usage of Crop Protection Agents (CPA) and handling green leaf	<ul style="list-style-type: none"> 100% of the contracted farmers have been trained <div>Achieved</div> <div>FY 2022-23FY 2029-30</div>
Continue to be an equal opportunity employer (YoY).	<ul style="list-style-type: none"> Equal Opportunity Policy enforced Gender-neutral JDs issued Consultants are prompted for gender-balanced resumes. <div>Achieved</div> <div>FY 2022-23FY 2029-30</div>
Continue to be a 'Great Place to Work' organization (YoY).	<ul style="list-style-type: none"> Awarded 'Great Place to Work' certification for 7th consecutive year <div>Achieved</div> <div>FY 2022-23FY 2029-30</div>
20% increase in learning manhours by FY'25 and sustain thereafter	<ul style="list-style-type: none"> 68% increase in learning manhours Targeted training programs on emerging technologies and contemporary challenges like AI, climate mitigation and adaptation, digital transformation etc. <div>Achieved</div> <div>FY 2022-23FY 2029-30</div>

Human Rights

























Targets/ Goals	Progress
Endeavour to have zero child labor and no forced labor across operations (YoY).	<ul style="list-style-type: none"> Zero complaints were received in FY 2024-25 100% plants assessed for Child Labour (Human Rights Due Diligence) <div>Achieved</div> <div>FY 2022-23FY 2029-30</div>

Governance

Corporate Governance

Targets/ Goals	Progress
Establish an ESG Committee on Board	<ul style="list-style-type: none"> ESG Committee formed in FY 2022-23; Reviewed progress on climate risk, biodiversity, and human rights assessments in FY2024-25. <div>Achieved</div> <div>FY 2022-23</div>
Zero tolerance for violation of Company's Code of Conduct and 100% employee training on Code of Conduct	<ul style="list-style-type: none"> 100% locations trained on Code of Conduct; 100% new employees trained during onboarding Zero violations reported. <div>Achieved</div> <div>FY 2024-25</div>
Adherence to applicable laws and regulations. Zero tolerance for deviations	<ul style="list-style-type: none"> Maintained zero tolerance for deviations <div>Achieved</div> <div>FY 2024-25</div>
Obtain ISO 26000 certification (Social Responsibility) for cigarette manufacturing facilities by 2028	<ul style="list-style-type: none"> ISO 26000 validation obtained for manufacturing facilities and corporate office (Delhi) from TUV. <div>Achieved</div> <div>FY 2024-25</div>
Ensure year-on-year compliance with ISO 27001 certification for Information Security	<ul style="list-style-type: none"> Continued ISO 27001 compliance for information security management. <div>Achieved</div> <div>FY 2024-25</div>

Value Creation Model

CAPITALS	INPUTS	VALUE CREATION PROCESS & STRATEGY	OUTPUTS	OUTCOMES	UN SDGs	STAKEHOLDERS IMPACTED
 Financial Capital	<ul style="list-style-type: none"> Net Worth: ₹4,409.1 Cr Current Assets: ₹2,889.5 Cr Capex: ₹113.6 Cr 	<div> <p>Our Core Philosophy</p>  </div>	<ul style="list-style-type: none"> Gross Sales Value: ₹14,480 Cr Revenue from Confectionery Division: ₹79 Cr Revenue from exports (including unmanufactured tobacco): ₹2,120 Cr Domestic cigarettes production: 938 million/month 	<ul style="list-style-type: none"> Positive financial returns to investors Long-term business sustainability Economic contribution through tax payments 	 	<ul style="list-style-type: none"> Investors Government Bodies Leadership
 Human Capital	<ul style="list-style-type: none"> Permanent Employees & Workers: 1,077 Employee Benefits Expenditure: ₹390.10 Cr Employees and Workers Covered under health and safety trainings 77.5% 		<ul style="list-style-type: none"> Total training hours 22,257 Great Place to Work® certifications: 7 	<ul style="list-style-type: none"> Employment generation and skill development High levels of employee engagement Enhanced workplace safety and wellbeing 	  	<ul style="list-style-type: none"> Employees Leadership
 Natural Capital	<ul style="list-style-type: none"> Total Energy Consumption: 120.7 TJ Total Water Withdrawal: 76,363 KL Renewable Energy Consumed: 23.12 TJ 		<ul style="list-style-type: none"> Water Discharged with Treatment: 2,579 KL 32 Check dams assessed (using volumetric analysis) 11 new check dams constructed Plantation of 70,000 trees over 300+ acres 	<ul style="list-style-type: none"> Reduced environmental footprint Water conservation and management Enhanced biodiversity and ecosystem services 	   	<ul style="list-style-type: none"> Investors Government Bodies Employees Communities Customers
 Intellectual Capital	<ul style="list-style-type: none"> R&D Expenditure: ₹12.78 Cr NABL: ISO 17025 certification 		<ul style="list-style-type: none"> Continual product innovation Quality-certified processes Technology advancement initiatives 	<ul style="list-style-type: none"> Enhanced product quality and services Competitive advantage through innovation Industry leadership in standards 		<ul style="list-style-type: none"> Investors Government Bodies Employees Suppliers Customers Leadership
 Social & Relationship Capital	<ul style="list-style-type: none"> Community Initiatives: 8 Projects Total CSR Expenditure: ₹7.17 Cr 		<ul style="list-style-type: none"> CSR Beneficiaries: 1,80,000+ A large scale survey and geo tagging of all water plants in 839 villages to identify regions in immediate need of potable water 4 Biodiversity Parks (1 handed to community, 3 maintained) 	<ul style="list-style-type: none"> Positive social and environmental impact Strong stakeholder relationships Community empowerment and development 	    	<ul style="list-style-type: none"> Communities Government Bodies Suppliers
 Manufactured Capital	<ul style="list-style-type: none"> Number of Plants: 3 Number of Offices: 12 		<ul style="list-style-type: none"> Production capacity optimisation Geographic presence expansion Operational efficiency improvements 	<ul style="list-style-type: none"> Enhanced production capabilities Market reach expansion Operational excellence 	 	<ul style="list-style-type: none"> Investors Government Bodies Employees Suppliers Customers Leadership

Stakeholder Engagement

Our stakeholders are integral to our organisational resilience and enable us to translate our strategic vision into operational excellence. The insights we receive through continuous and periodical engagement with our stakeholders, help us develop a unified pathway forward with an emphasis on quality, social and environmental responsibility. This engagement, rooted in transparency, partnership and reciprocal respect is critical to inclusive and collective long-term growth and success.

We recognise the unique value each stakeholder group brings to our organisation and we remain committed to fostering purposeful, transparent, impactful and respectful relationship. We have tailored engagement and channels for dialogue to reflect the distinct preference of each stakeholder group and ensure that communication remains relevant, reinforce our alliances and are aligned with mutual goals.

We follow a three-pronged approach to the stakeholder engagement process that includes :

Open and continuous dialogue

Establishing clear channels for periodical two-way communication.

Insight driven prioritisation

Identifying and understanding key concerns and expectations.

Proactive response and alignment

Addressing issues with agility and integrating stakeholder feedback into our decision-making process.



Leadership



Strategic Importance:

The Company's leadership team is a strategic asset, driving long-term value creation by aligning talent development with organisational goals. Their deep industry expertise and mentorship not only enhance individual capabilities but also build a resilient, future-ready workforce that supports innovation, operational excellence, and sustained competitive advantage.

Modes of Engagement

- Events and meetings
- Team-building sessions
- Employee surveys
- Townhalls
- One-on-one sessions with HR and leadership

Key Expectations

- Meaningful responsibilities
- Career mapping, professional growth
- Learning & Development, upskilling
- Competitive remuneration and benefits
- Positive work culture
- Reward & Recognition
- Work-life balance

Our Approach

- Investment in professional development
- Career advancement opportunities
- Competitive pay and benefits
- Continuous engagement through structured meetings and feedback sessions
- Wellness programs

Employees



Strategic Importance:

Their long-term experience, commitment and sense of security empower them to take initiative, and contribute meaningfully. Fostering an environment where employees feel valued not only enhances productivity and performance but also builds a resilient, future-ready workforce aligned with our long-term objectives.

Modes of Engagement

- Townhalls, conferences and events
- Team-building activities, workshops and training sessions
- Employee surveys
- Company social media handles, website, engagement and well-being programs
- One-on-one meetings with HR and leadership

Key Expectations

- Healthy, safe and secure working environment
- Support for mental, emotional and physical well-being
- Career mapping, , learning and growth opportunities
- Rewards and recognition
- Fair wages and equal opportunities

Our Approach

- Commitment to a safe, secure, and healthy environment, engaged workplace culture and work life balance
- Extensive e-learning and development programs
- Open, merit-based compensation practices
- Timely payment of wages
- Recognition programs for exceptional performance
- Wellness sessions for mental and physical well-being

Investors



Strategic Importance:

Support our financial growth and help shape our strategic direction through their expectations around performance, governance, and sustainability. Their confidence and insights are essential to our long-term success.

Modes of Engagement

- Website
- Annual General Meetings
- Annual Reports
- Quarterly Earning Presentations
- Newspaper advertisement and publications
- Shareholder/Investors grievance forum

Key Expectations

- Consistent ROI growth
- Competitive advantages
- Regulatory compliance
- Strong reputation
- Effective corporate governance
- Ethics and integrity
- ESG commitment and disclosure

Our Approach

- Quarterly and annual communication of financial information, strategies, and business prospects
- Continuous monitoring and improvement of performance
- Focus on providing optimal returns
- Commitment to responsible corporate citizenship
- ESG performance reporting and sustainability roadmaps

Customers



Strategic Importance:

Shape our organisational success, innovation, and growth as they directly impact revenue, influence brand reputation, and ensure market relevance. Their choices and loyalty are key to sustaining our competitive edge.

Modes of Engagement

- Emails
- Town hall meetings
- Conferences and events
- Annual Reports and Sustainability Reports
- Websites

Key Expectations

- High-quality products
- Fair pricing
- Diverse product range
- Quick problem redressal
- Enhanced customer experience

Our Approach

- Priority on customer satisfaction
- Development of a diverse product catalogue aligned with customer demands
- Focus on long-lasting, mutually beneficial partnerships
- Active collaboration in addressing contemporary challenges

Suppliers



Strategic Importance:

Shape our operational efficiency, product quality, and innovation by ensuring timely delivery and responsible sourcing. Their reliability, collaboration, and shared commitment to standards are vital to our business continuity and growth.

Modes of Engagement

- Emails
- Onboarding assessments
- One-on-one sessions
- Supplier surveys
- Training programs
- Grievance redressal mechanism
- Conferences and meetings

Key Expectations

- Fair and transparent procurement practices
- Compliance and regulatory expectations
- Continuity of orders
- Sustainable practices

Our Approach

- Continuous review of procurement policies
- Prioritisation of high-quality suppliers
- Periodic assessments to ensure sustainable practices
- Focus on timely, affordable, sustainable, and ethically sourced products

Government Bodies



Strategic Importance:

Influence our compliance, operational priorities, and sustainability efforts through policies and public initiatives. Their guidance and collaboration are essential to fostering responsible growth and positive societal impact.

Modes of Engagement

- Evidence and data-based advocacy
- Direct engagement
- Through industry bodies
- Annual Reports
- Compliance reporting
- Website

Key Expectations

- Regulatory compliance
- Ethical and responsible business practices
- Environmental compliance
- Timely tax and statutory payments

Our Approach

- Adherence to all regulations and guidelines set by governmental authorities
- Timely payment of taxes and statutory dues
- Maintenance of ethical and responsible business practices
- Compliance with environmental standards for pollution, waste, water, energy

Community



Strategic Importance:

The community's (retailers, hawkers and farmers) active participation contribute to our social license to operate, shaping public perception and reinforcing our reputation. Inclusive development, support and engagement strengthens local economies and enhance employee well-being and performance. Community trust and collaboration is essential for creating shared value, driving equitable and sustainable growth across value chain.

Modes of Engagement

- Telecalls and surveys
- Training and workshops
- Field visits
- CSR programs

Key Expectations

- High-quality products and competitive pricing, trade offers
- Robust customer service, timely delivery and support
- Social programs for community development
- Training in Good Agriculture Practices (GAP), new technologies
- health and safety protocols
- Sustainable and profitable livelihood
- Collaborative plans for growth

Our Approach

- Trainings and safety protocols for tobacco farmers,
- Support for superior produce quality, competitive pricing and robust support & service framework
- Strong Corporate Social Responsibility (CSR) program for improved standards of living Focus on sustainable and profitable livelihoods

ESG Rating Agencies



Strategic Importance:

Assess ESG performance - influencing investor decisions, corporate reputation, and access to capital. Help identify risks and opportunities, benchmark performance, and ensure transparency and accountability in sustainability practices.

Modes of Engagement

- Annual Reports and Sustainability Reports
- News articles and advertisements
- Company social media handle and website

Key Expectations

- Transparent communication and disclosures
- Regular communication of progress through press releases and reports

Our Approach

- Comprehensive ESG disclosure and reporting
- Transparent communication of sustainability initiatives
- Regular progress updates through multiple communication channels



Materiality Assessment

We acknowledge that identifying and prioritising the most relevant environmental, social, and governance (ESG) topics is fundamental to driving sustainable business performance and creating sustained stakeholder value. Our materiality assessment is an essential part of our sustainability commitment and enables us to determine which issues are most significant to our stakeholders and critical to the future success of our business operations.

We have been conducting comprehensive materiality assessments every two years, finalised with the approval of our Board of Directors. The previous materiality assessment was completed in FY 2022-23, including extensive stakeholder engagement for insights.

In FY 2024-25, we undertook a detailed double materiality assessment aligned with the concept of

double materiality, guided by structured stakeholder consultation processes. This assessment incorporated best-in-class international practices and benchmarked against globally recognised frameworks and standards, including Global Reporting Initiative (GRI) Standards 2021, European Sustainability Reporting Standards (ESRS), Sustainability Accounting Standards Board (SASB), World Economic Forum (WEF) ESG Framework, MSCI ESG Ratings, and sector-specific insights relevant to the tobacco industry and consumer goods sector.

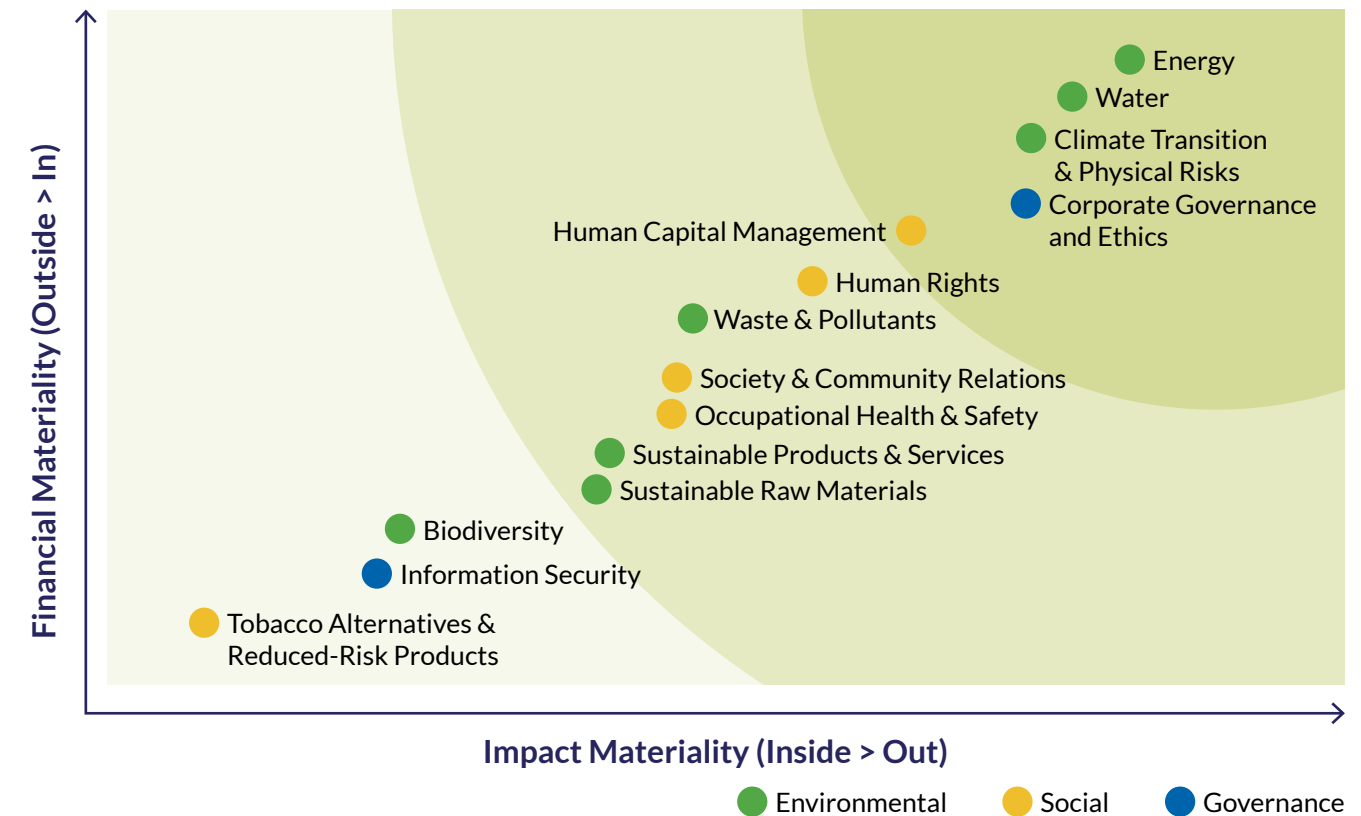
The material topics identified through this assessment serve as the foundation for our target setting and strategic planning processes. Furthermore, our CEO compensation is linked to the achievement of ESG targets, ensuring executive accountability and alignment with our sustainability commitments.

We followed a seven-step approach to determine our material topics as prioritised by internal and external stakeholders:

Define Scope, Approach and Boundary	<ul style="list-style-type: none"> Analysed business activities, value chain, and geographic locations to define boundary and scope.
Identify and Prioritise Stakeholders	<ul style="list-style-type: none"> Identified internal and external stakeholders through a stakeholder mapping exercise. Categorised stakeholders based on their level of influence on our operations and decisions.
Map Potential Topics	<ul style="list-style-type: none"> Identified potential material topics, benchmark against peer reports, global standards, and rating agencies.
Identify Impacts, Risks and Opportunities (IRO)	<ul style="list-style-type: none"> Identified and reviewed relevant impacts, risks, and opportunities in detail.
Engage with Stakeholders for Impact Assessment	<ul style="list-style-type: none"> Assessed the significance of the impacts through quantitative and qualitative analysis. Considered the scope, scale, likelihood, and irremediability for impact materiality; and magnitude and likelihood of risks and opportunities for financial materiality.
Analyse responses to Identify & Prioritise Material Topics	<ul style="list-style-type: none"> Prioritised material topics based on their significance for stakeholders and business in the form of a materiality matrix.
Review and Finalise Material Topics	<ul style="list-style-type: none"> Reviewed and finalised material topics in discussion with Executive leadership.

Result of Double Materiality Assessment

Following a comprehensive assessment of impact and financial materiality, we have developed a materiality matrix that categorised 5 topics as high, 6 as medium, and 3 as low significance. The materiality matrix has been evaluated and will be shared with our Board of Directors. Also, to ensure the organisation-wide synchronicity, these topics will be integrated into our long term business strategy and implementation plan is underway in consultation with functions.



Material Topics	Priority	Material Topics	Priority	Material Topics	Priority
1. Energy	High	6. Human Rights	Medium	12. Biodiversity	Low
2. Water	High	7. Waste & Pollutants	Medium	13. Information Security	Low
3. Climate Transition & Physical Risks	High	8. Society & Community Relations	Medium	14. Tobacco Alternatives & Reduced-Risk Products	Low
4. Corporate Governance and Ethics	High	9. Occupational Health & Safety	Medium		
5. Human Capital Management	High	10. Sustainable Products & Services	Medium		
		11. Sustainable Raw Materials	Medium		

Associated Impact	Risk/Opportunity	Financial Risk	Stakeholders Impact	Approach to Mitigation, in case of risk
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Energy

Positive	<ul style="list-style-type: none"> Opportunity: Transition to renewable energy presents opportunity to reduce OPEX and improve ESG performance as dependence on fossil fuels for manufacturing increases exposure to volatile prices and possible carbon taxes, posing cost risks. Transition to electric fleets can lower long term costs and emissions 	Positive	Internal Stakeholders: Management, Employees External Stakeholder: Regulators	Not Applicable
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Water

Negative	<ul style="list-style-type: none"> Risk The Guldhar factory is situated in a water-stressed area, making it subject to possible regulations . In tobacco farms, water stress can lead to a reduction in tobacco yield and deterioration of quality. 	Negative	Internal Stakeholders: Management External Stakeholder: Farmers, Community, Suppliers, Regulators	<ul style="list-style-type: none"> Deployed advanced technologies, systems & process optimisation to reduce freshwater and groundwater usage Implementation and enhancement of Water Recovery and Reuse Systems Infrastructure improvement and maintenance for water storage and usage
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Climate Transition & Physical Risks

Negative	<ul style="list-style-type: none"> Increase in temperature could impact labour' productivity and the supply chain Climate change impact and changing weather pattern can reduce tobacco yield Weather-related logistics disruptions can delay deliveries causing revenue loss 	Negative	Internal Stakeholders: Management, Employees, Workers External Stakeholder: Farmers, Community, Suppliers, Regulators	<ul style="list-style-type: none"> Conducted climate risk assessment to understand the climate risks relevant to the Company's operations and value chain and comprehensive adaptation plan underway to safeguard its operations against climate impact
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Associated Impact	Risk/Opportunity	Financial Risk	Stakeholders Impact	Approach to Mitigation, in case of risk
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Corporate Governance & Ethics

Positive	<ul style="list-style-type: none"> Opportunity Strong governance ensures regulatory compliance and enhances brand reputation 	Positive	Internal Stakeholders: Management, Employees, Workers External Stakeholder: Farmers, Community, Suppliers, Regulators	Not Applicable
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Human Capital Management

Negative	<ul style="list-style-type: none"> Risk Training in manufacturing facilities is essential for overall productivity, R&D for innovation, and competitiveness. Also, talent management ensures workforce stability and engagement Gender imbalance in workforce may lead to reputational risks. 	Negative	Internal Stakeholders: Management, Employees, Workers	<ul style="list-style-type: none"> Implementation of Equal Opportunity Employment Policy Initiatives to increase the number of women at all levels Tailored programs for women employees Learning & Development programs including range of courses, job related education, coaching and mentoring, leadership and soft skills trainings
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Human Rights

Negative, Positive	<ul style="list-style-type: none"> Risk Unfair labour practices by suppliers can expose GPIL to reputation risks and business disruption Opportunity Implementing inclusive hiring practices can improve workforce diversity and enhance innovation and productivity. 	Negative, Positive	Internal Stakeholders: Management, Employees, Workers External Stakeholders: Regulators, Farmers, Suppliers	<ul style="list-style-type: none"> Guldhar factory follows the ISO 26000 guidance on social responsibility 100% of employees are trained on the human rights policy Conducted Human Rights Assessment across all offices,operations and tobacco supply chain Regular trainings for farmers on labour practices
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Associated Impact	Risk/Opportunity	Financial Risk	Stakeholders Impact	Approach to Mitigation, in case of risk
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Waste & Pollutants

Negative	<ul style="list-style-type: none"> Risk Improper waste disposal can lead to soil and water contamination, regulatory penalties, and reputational damage. Financial implications may include potential fines and increased compliance costs. 	Negative	Internal Stakeholders: Management, Employees, Workers External Stakeholders: Regulators, Farmers	<ul style="list-style-type: none"> Management strategy to minimise waste generation and promote a circular economy through reduce, reuse and recycle Ensures compliance with Extended Producer Responsibility (EPR) norms, and the Plastic Waste Management Rules (2016)
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Society & Community Relations

Positive	<ul style="list-style-type: none"> Opportunity Investing in community programs deepens stakeholder trust and positions the company as socially responsible Providing training and support for sustainable farming practices can improve community resilience and diversify income sources. 	Positive	Internal Stakeholders: Management External Stakeholders: Community, Regulators, Retailers	Not Applicable
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Occupational Health & Safety

Negative, Positive	<ul style="list-style-type: none"> Risk Farm workers and labourers face health risks from pesticides and nicotine in tobacco. These health risks persist in upstream supplier regions Opportunity Training tobacco farmers on safe pesticide use helps protect their health and reduce exposure risks. 	Negative, Positive	Internal Stakeholders: Management External Stakeholders: Farmers, Suppliers, Regulators	<ul style="list-style-type: none"> Conduct regular training programs, awareness camps, and meetings to emphasise the importance of adhering to health & safety standards. This includes advocating the use of GTS kits during harvesting, Personal Protective Equipment (PPE) kits during chemical application, and masks while grading tobacco
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Associated Impact	Risk/Opportunity	Financial Risk	Stakeholders Impact	Approach to Mitigation, in case of risk
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Sustainable Products and Services

Negative, Positive	<ul style="list-style-type: none"> Risk Post consumption waste contribute to microplastic pollution and toxic leachates Manufacturing waste pollutes the environment if not properly managed. Opportunity Switching to biodegradable materials offers a scalable, resource-efficient solution to a more sustainable cigarette product 	Negative, Positive	Internal Stakeholders: Management External Stakeholders: Suppliers, Regulators	<ul style="list-style-type: none"> Investment in R&D, for sustainable solutions for product and packaging Onboarding CPCB-certified vendors for responsible plastic waste disposal Introduced biodegradable packaging elements like paper blanks and TOR
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Sustainable Raw Material

Negative, Positive	<ul style="list-style-type: none"> Risk Land use and agrochemical application in tobacco farming degrade soil health and biodiversity, while material procurement, primarily fertilisers, involves significant resource extraction and energy consumption. Opportunity Use of biodegradable materials for cigarette packaging reduces carbon footprint and improves brand value. 	Negative, Positive	Internal Stakeholders: Management, External Stakeholders: Farmers, Suppliers, Regulators	<ul style="list-style-type: none"> Educating and training farmers on Good Agriculture Practices (GAP) periodically Conducted detailed climatic and soil assessment and implementation of initiatives for sustainable farming including water conservation, soil conservation, plantation etc Exploration for alternate materials for product and packaging
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Governance Structure

Board of Directors



Dr. Bina Modi

Executive and
Non-Independent Director

(Also Chairperson &
Managing Director)

Dr. Modi is Chairperson of Modi Enterprises - KK Modi Group, a multibillion-dollar conglomerate with extensive interests in agrochemicals, tobacco, direct selling, cosmetics, fashion, luxury and gourmet restaurants, and education. As Chairperson and Managing Director of Godfrey Phillips India Limited, she plays a vital role in aligning the core leadership team with the Company's vision and goals while upholding the core values of the organisation. She is also the Chairperson and Managing Director of Indofil Industries Limited and holds directorship in Indo Baijin Chemicals Private Limited, a joint venture. She also helms other businesses that include the Ego chain of specialty restaurants, Bimox luxury salon and Bina Fashions, a luxury boutique.

She has been conferred with a Ph.D. Honoris Causa by Dr. K.N. Modi University and Jharkhand Rai University. Dr. Bina Modi is a recipient of several awards. In 2024, she was honoured by the esteemed former Vice President of India, Shri Jagdeep Dhankhar, for her 'Outstanding Contribution to the cause of Corporate Social Responsibility'.



Sharad Aggarwal

Executive and
Non-Independent Director

(Also Functional Chief
Executive Officer)

Sharad is the Functional Chief Executive Officer and Whole-Time Director on the Board of Godfrey Phillips India. At the helm of managing and supervising all Domestic & International businesses of GPIL, Sharad's focus is on technology-driven organisational growth through digitisation, automation, AI/ML, multi-cloud, and robotics. He emphasises on continuous employee skilling and empowerment for organisational agility and efficiency. He is a Harvard ALP alumnus, a graduate from REC, Nagpur and a PGDBM holder from IMT, Ghaziabad. Sharad is also a certified Six Sigma Black Belt.

He is member of various industry bodies like PHD Chamber of Commerce, FICCI and serves as Chairman of the Tobacco Institute of India, a representative body of tobacco manufacturers, farmers, exporters and ancillaries. He is also a Director of International Tobacco Company Limited.



Charu Modi

Executive and
Non-Independent Director

Charu Modi is the Executive Director of Godfrey Phillips India Limited and a principal promoter of Modi Enterprises - KK Modi Group. An educational entrepreneur, she is the Co-founder and Chancellor of K.K. Modi University. Charu Modi's academic background includes an MBA from Thunderbird School of Global Management, USA, and she is also an alumna of the prestigious Harvard Business School, having completed the President's Program in Leadership.



**Subramanian
Lakshminarayanan**

Non-Executive and
Independent Director

Subramanian Lakshminarayanan, a retired IAS officer, has over 36 years of experience. He has served in senior positions across the Ministry of Home Affairs, Ministry of Communications and Information Technology, Ministry of Information and Broadcasting, and various departments of the Government of Madhya Pradesh, including Tourism, Culture and Public Relations, Mines, Mineral Resources, Revenue, and Relief and Rehabilitation. His final government role was as Secretary of the Union Ministry of Home Affairs. He has also served as Vice Chairman of UNESCO's Communication Development Programme in Paris for five years and was awarded an Honorary Doctorate by Foro De Federaciones, Mexico, in March 2008. Presently, he is also serving as a Director in Cartrade Tech Limited, Elcom Innovations Private Limited and Elcom Systems Private Limited. He holds a Master's degree in chemistry and a postgraduate diploma in Advanced Social and Economic Studies from the University of Manchester, UK.



Avtar Singh Monga

Non-Executive and
Independent Director

Avtar Singh Monga is a Banking & Financial Services Industry veteran with over 40 years of experience in building enterprises in leadership positions, both for India and global firms. He set up Bank of America's Global Capability Centre BA Continuum in multiple countries and served as its Managing Director for almost a decade. He has also been part of the GE Capital India Management Team, where he spearheaded the SBI Card JV as well as Transport Financial Services as CEO. He was also Chief Operating Officer and Head Retail Bank with IDFC First Bank. He was tasked to build a ground-up technology-led bank with highly differentiated customer service.

Mr. Monga has been mentoring several successful industry leaders as well as advising global and local start-ups. He is a fellow member of the Institute of Directors. Further, he holds the position of Director in RNFI Services Limited, 3I Infotech Limited, Fintech Association For Consumer Empowerment, Azimutgrc Technologies India Private Limited, Stride Capital Consultants Private Limited and Hostbooks Limited. He is also a Designated Partner of Continuum Excellence LLP.



Ajay Vohra

Non-Executive and
Independent Director

Ajay Vohra is a qualified chartered accountant and lawyer with 39 years of experience in domestic and international tax law. His presence on the Board helps GPIL operate within the legal and regulatory framework. As a leading arguing counsel before Tax Tribunals, High Courts, and the Supreme Court, he has significantly contributed to the country's tax jurisprudence. Ajay Vohra has been inducted into The Legal 500's Hall of Fame for Asia Pacific and has held key positions, including Chairman of the International Fiscal Association, India, the Direct Taxes Committee of the PHD Chamber of Commerce and Industry, and the Vice Chair of the Tax Law Committee of the International Pacific Bar Association.



Sumant Bharadwaj

Non Executive and
Independent Director

Sumant Bharadwaj is an advocate and partner at the firm "Legal Remedy." He is a member of the Bar Council of Delhi, the Supreme Court Bar Association, the Lawyers Committee of the USA, Amnesty International, the Bar Association of India Steering Committee, and the International Association for Religious Freedom in Frankfurt, Germany, and holds an M.A., an LL.B. and a Ph.D.



Nirmala Bagri

Non Executive and
Independent Director

Nirmala Bagri brings over 40 years of experience and expertise in finance, accounts, and human resources. She also holds position on the Board of Directors at APM Industries Ltd. and Bagri Udyog Pvt Ltd.



Paul Janelle

Non-Executive and
Non-Independent Director
(w.e.f. 16th May 2025)

Paul Janelle is a seasoned business executive with over 25+ years of experience with Philip Morris International (PMI).

His expertise lies in strategy, business development, general management, finance, and he has led large, complex businesses as well as small start-ups.

He had extensive international experience in Czechia, Hong Kong, Indonesia, Russia, and Switzerland. Paul holds a Master's degree in Business Administration from Webster University and a Bachelor's degree in Science and a BBA from the University of Ottawa.



Board Accountability Framework

Our governance framework ensures robust oversight and accountability through structured processes that prioritise shareholder interests and regulatory compliance. Shareholder approval is required for any changes to Articles of Association, safeguarding fundamental governance rights and ensuring transparency in corporate decision-making. We maintain a comprehensive Succession plan policy that is applicable for the Board and the senior leadership, including the CEO and provides for orderly leadership transition and continuity of strategic direction. Board members are elected periodically, ensuring regular accountability to shareholders. Our governance structure operates without limitations to directors' liabilities, with board members being fully accountable under applicable laws and regulations, including the Companies Act, 2013, and SEBI's regulatory framework, thereby upholding the highest standards of fiduciary responsibility and corporate governance.

Management Governance

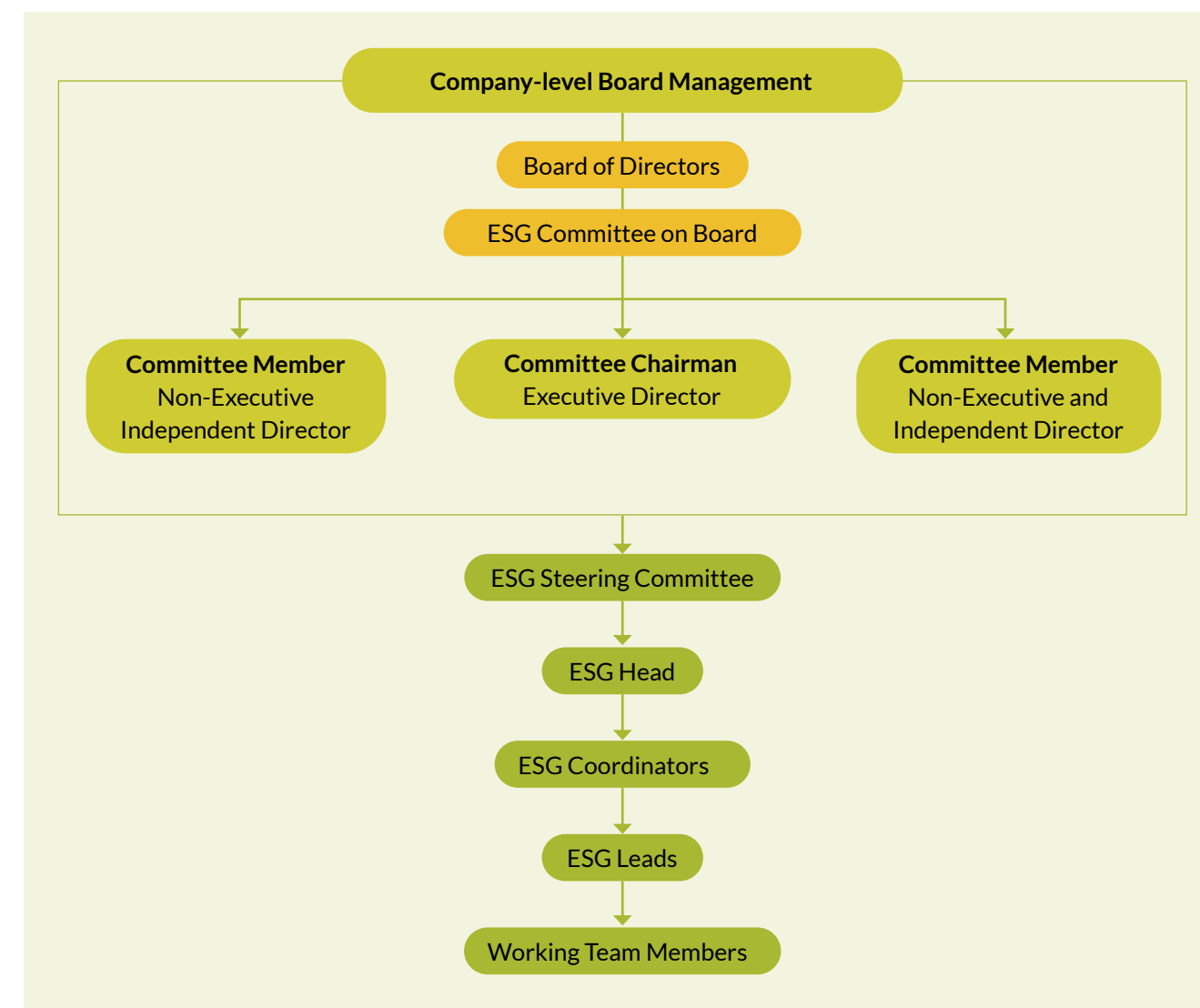
GPIL operates under a robust management governance structure led by our Chairperson and Managing Director, Dr Bina Modi, and Functional CEO, Sharad Aggarwal, who have been pivotal in steering the Company towards becoming one of the leading companies in the FMCG sector in India. The management team follows established protocols for decision-making, risk assessment and operational oversight, with clear accountability frameworks across different business verticals, including tobacco and confectionery products. For the continued and long-term success of the Company, we have established a transparent CEO compensation structure with performance-linked variable components tied to distinct metrics: financial metric based on profitability, and market share growth in the cigarette business, new business initiatives and Company's performance against sustainability goals. The management governance framework emphasises transparency in reporting, adherence to regulatory compliance across multiple product categories and implementation of best practices in areas such as supply chain management, quality control and stakeholder engagement.

Sustainability Governance

As an organisation with operations across multiple geographies, we recognise the need for a robust governance structure and a framework to drive our ESG commitments effectively. Our sustainability governance structure ensures sustainability business strategy, strategic direction and decision-making, seamless implementation, monitoring, and consistent reinforcement of our commitment to responsible business practices.

This comprehensive governance framework integrates ESG principles across all operational

levels, establishing clear accountability mechanisms, systematic performance and impact monitoring and standardised reporting processes. Through this structured approach, we foster transparency, operational resilience and sustainable long-term value creation for all stakeholders while ensuring that our sustainability commitments translate into measurable outcomes across the organisation in all business and manufacturing units.



Our governance structure enables active participation at all levels, ensuring detailed oversight in framing, implementing, managing and monitoring of initiatives. With clearly defined roles and stakeholder

engagement at regular intervals, we effectively track progress, enhance accountability, and drive timely execution of our sustainability commitments.

Board-level ESG Governance

At the highest level, the Board provides strategic oversight and approves key ESG initiatives that drive the Company's sustainability agenda. The Board ESG Committee, headed by Sharad Aggarwal, Functional Chief Executive Officer and Whole-time Director, meets periodically and plays a critical role in reviewing ESG performance, overseeing sustainability reporting processes, assessing how key material issues are being managed and identifying areas where actions need to be refined and converted into executable solutions.

The Board remains proactive in ensuring that global best practices and industry developments are integrated into GPI's ESG strategy, keeping the Company competitive, forward-thinking, and aligned with evolving sustainability benchmarks.

Executive-level Management

The **ESG Steering Committee** serves as the crucial link between strategy formulation and on-ground execution and provides strategic direction to GPI's ESG agenda. The Committee is headed by the Functional Chief Executive Officer, Sharad Aggarwal. The Steering Committee is provided quarterly updates and it ensures continuous alignment with business priorities.

The **ESG Head** anchors and directs efforts toward comprehensive ESG strategy implementation, engaging with both internal and external stakeholders to drive meaningful progress. The ESG Head is fully responsible for reviewing, supervising and measuring performance against ESG plans and vision, including strategic interventions to ensure targets are achieved.

Throughout the process, ongoing communication between the ESG Head and executive management ensures seamless flow of directives and efficient execution. The ESG Head serves as key custodian of GPI's ESG roadmap, holding responsibility to translate strategic goals into actionable, high-impact initiatives and coordinate ESG reporting as per evolving standards and frameworks.

Operational-level Implementation

At the operational level, dedicated ESG teams execute GPI's sustainability initiatives at the grassroots level with comprehensive coordination mechanisms across all departments.

ESG Coordinators report to the ESG Head, integrating ESG into cross-functional areas, overseeing data authenticity at an aggregated level, project monitoring, analytics and impact reporting.

ESG Leads manage their respective Environmental, Social, and Governance pillars, ensuring target achievement and validating BRSR data across all locations.

ESG Working Team members serve as SPOCs in each ESG pillar, assisting with data collation, verification, ground-level implementation and progress, and dedicated BRSR reporting requirements.

This structured approach drives consistent adoption, accountability, and measurable impact across all organisational levels.



Risk Management

At Godfrey Phillips India Limited (GPIL), we recognise that effective risk management is essential for sustainable business operations and long-term value creation. In an increasingly complex and volatile business environment, a robust risk management strategy becomes essential for navigating uncertainties and making informed decisions. Our ability to identify, assess and mitigate risks while simultaneously capitalising on emerging opportunities determines our resilience and competitive advantage. Our comprehensive risk management approach ensures that all businesses are assessed from a local and international risk perspective. Macro factors of the economy, consumer and regulation are studied to see the probability and impact (if at all) of these factors on business. Similarly, the emerging factors are also studied to assess their risks across different time horizons. These are then integrated into business planning so that the near or long-term business plans have adequate consideration of these risks. It is

imperative to note that the tobacco industry operates within a unique risk landscape characterised by added regulatory oversight and ever-changing consumer preferences. Hence, these challenges demand an alternative approach that goes beyond compliance to foresee developments in the value chain and activate mitigation levers long before the risks start to impact business. Our ethos on risk management ensures that awareness of risks precedes action through timely mitigation.

The integrated risk management process serves as a dynamic tool that not only evolves with changing business conditions and stakeholder expectations but also ensures timely interventions. This framework enables us to maintain operational continuity, protect our brand reputation, safeguard employee welfare and deliver consistent returns to our shareholders while contributing positively to the communities we serve.

Risk Governance



GPIL operates a comprehensive risk governance framework built on a three-tier structure that ensures robust oversight and accountability across all organisational levels. At the apex, the Board of Directors maintains ultimate responsibility for risk governance, establishing enterprise risk appetite and ensuring adequate resource allocation for effective risk management. The Board delegates specialised oversight to its Risk Management Committee, comprising Directors, including an Independent Director who provides objectivity and diverse expertise. This Committee meets biannually to review and approve risk management policies, monitor enterprise-wide risk exposure, and evaluate mitigation effectiveness to ensure business continuity.

At the executive level, our Chief Risk Officer (CRO) translates Board-approved strategies into actionable implementation plans, leading a cross-functional

Risk Management Team of senior managers who conduct regular assessments, develop targeted mitigation strategies, and ensure policy adherence throughout the organisation. This integrated structure facilitates seamless communication flows, with the Risk Management Team providing detailed analysis to the CRO for strategic decision-making, while the CRO maintains continuous dialogue with the Risk Committee through regular reporting.

Our framework is further strengthened by a dedicated internal audit team conducting bi-annual assessments of internal control effectiveness, complemented by renowned external third-party auditors and consultants who independently evaluate compliance systems. The Board-established Audit and Risk Committees oversee financial reporting integrity, regulatory compliance, auditor independence, and internal control systems across all business verticals.

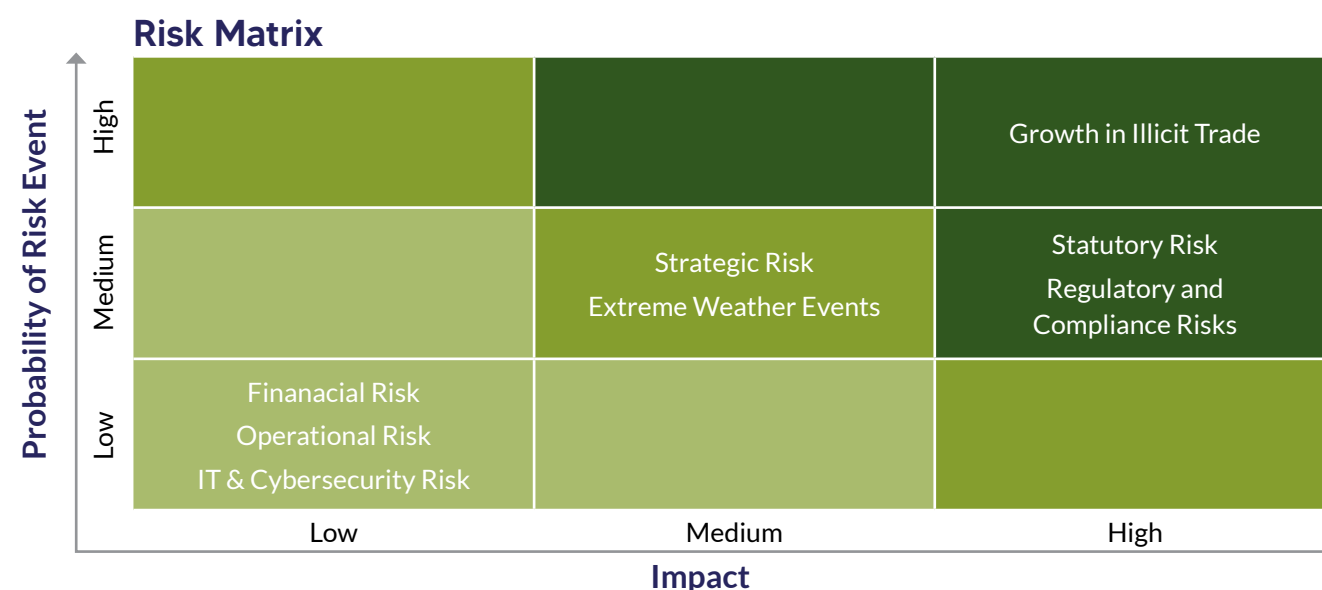
Risk Management Process



Our risk management framework is embedded in critical business functions, enabling us to manage risks to achieve objectives. We identify risks in business functions through a consistent methodology. Regular quarterly business-level review meetings are held to formally discuss risk management, where risks are assessed and decisions are taken basis the insights from monitoring reports.

To foster a culture of risk management, the Company has implemented comprehensive training programs

at all organisational levels. These programs equip employees with the knowledge and skills to identify, assess and mitigate potential risks affecting employees, operations, stakeholders and the environment. Additionally, we conduct specialised onboarding training for Non-Executive Directors to enhance their understanding of risk management principles and practices, enabling informed decision-making aligned with GPIL's strategic objectives and sustainability goals.



Mitigation

Risk Category	Risk Description	Mitigation Strategies
Operational Risks	Operational risks arise from internal business processes and activities. Key risk drivers include the implementation of new business models, the launch of new service offerings, and scaling operational volumes, which may create challenges in service delivery and meeting agreed service-level commitments. These risks have low probability due to existing internal controls and alternative operational arrangements, with medium impact that is typically short-term, as business continuity protocols are activated immediately upon risk detection.	<ul style="list-style-type: none"> Conduct comprehensive vendor and supplier assessment programs to minimise supply chain vulnerabilities Implement rigorous evaluation frameworks for new business models to ensure proactive risk identification and avoidance
Strategic Risks	Strategic risks represent potential obstacles to achieving long-term business objectives and strategic goals. These risks are inherent to our corporate direction and strategic planning processes. They are assessed as medium-probability events driven by regulatory changes and competitive market dynamics, with medium impact levels, as our business model incorporates built-in risk mitigation mechanisms.	<ul style="list-style-type: none"> Establish resilient business model architecture with integrated business continuity components Develop adaptive strategic planning processes that respond effectively to market and regulatory changes. To counter the rising threat of illicit and duty-not-paid brands, the organisation will strengthen enforcement collaboration with authorities and explore market sanity.
Information Security and Cybersecurity	Digital transformation and expanded IT infrastructure usage create exposure to data privacy breaches and cyber threats, including risks from legacy software systems, malicious cyber-attacks, and system vulnerabilities. While probability remains low due to predominantly internal process controls, the potential medium impact could significantly disrupt daily operational continuity and business performance.	<ul style="list-style-type: none"> Maintain ISO 27001 certification annually to ensure compliance with international information security management standards Execute phased implementation of advanced cybersecurity technologies and protocols
Regulatory and Compliance Risks	Geographic expansion exposes GPIL to diverse local regulatory frameworks and legal compliance requirements across multiple jurisdictions. The evolving global regulatory environment for tobacco products creates substantial challenges for revenue sustainability and growth. Operations in India face particular scrutiny under the Cigarette and Other Tobacco Products Act (COTPA) and various state-level regulatory measures, with potential long-term implications for sales performance and revenue generation.	<ul style="list-style-type: none"> Maintain proactive stakeholder engagement with regulatory authorities and active participation in industry associations to advocate for sector interests Develop compliant product innovation strategies and competitive brand portfolios aligned with evolving regulatory requirements

Risk Category	Risk Description	Mitigation Strategies
ESG (Environmental, Social and Governance) Risk	With the growing environmental, social and governance concerns like climate change and related extreme weather conditions, pollution, labour or human rights issues, etc., the need to manage them effectively has been gaining prominence across the industry	<ul style="list-style-type: none"> Deploy technology and process interventions to maximise productivity from natural resources; for instance, GPIL has reduced water usage per unit of final product produced In response to climate change and water scarcity affecting agricultural regions, adopt climate-resilient farming techniques and invest in water-efficient practices. Working closely with communities involved in the value chain by understanding and solving their concerns on environmental or social aspects Put in place processes that ensure strong governance across ways of working
Growth in Illicit Trade	Illicit trade in tobacco harms industry and society by diverting sales from legitimate businesses, reducing tax revenue, and increasing organised crime and health risks. Stringent regulations, reduces legitimate sales and profits while damaging brand trust with low-quality counterfeits and duty not paid products.	<ul style="list-style-type: none"> Engage with the government for a stronger governance structure to curb illicit and counterfeit products.

Risk Category	Risk Description	Mitigation Strategies
Emerging Risk		
Geopolitical & Supply Chain Risk	Ongoing regional conflicts and instability in Central Asian and Eastern European regions threaten supply chain operations. These geopolitical tensions disrupt tobacco value chain, procurement, inflate raw material costs, and restrict access to export markets. The Company may face operational delays, inventory challenges, and potential market gain losses in affected regions, directly impacting revenue and profitability. Additionally, downstream distribution networks may experience extended delivery times and logistical bottlenecks.	<ul style="list-style-type: none"> Establish multiple sourcing locations across different geographical regions Develop long-term partnerships and conduct regular supplier evaluations Develop scenario-based response strategies for various geopolitical situations
Sustainability Compliance Risk	Rapidly evolving sustainability frameworks and ESG regulations across global markets create compliance challenges for traditional industries. Stricter environmental standards demand transparency in carbon footprint, sustainable practices, and responsible operations. Non-compliance risks include regulatory penalties, market access restrictions, increased operational costs, investor concerns, brand reputation damage, and competitive disadvantages against ESG-compliant peers.	<ul style="list-style-type: none"> Establish comprehensive sustainability frameworks aligned with international standards Implement robust reporting mechanisms with third-party certifications Track emerging sustainability regulations across key markets



Financial Capital

Godfrey Phillips India Limited is committed to long-term growth and sustained progress and Financial Capital serves as a fundamental keystone within our organisation's structure, business operations and strategic growth plans. Our robust financial position and strong cash generation capabilities provide a solid foundation for GPII's growth. Through disciplined capital allocation and a stringent cash flow monitoring system, we can identify and invest in strategic opportunities. These investments help us enhance operational capabilities, continuously improve

human resources, and deliver sustainable returns to shareholders.

We maintain a conservative financial approach that balances growth investments with financial stability, ensuring long-term value creation while preserving financial flexibility to navigate market uncertainties. Our comprehensive financial management framework encompasses capital structure, optimisation, liquidity management, risk mitigation, and strategic investment planning.

UNSDGs Addressed



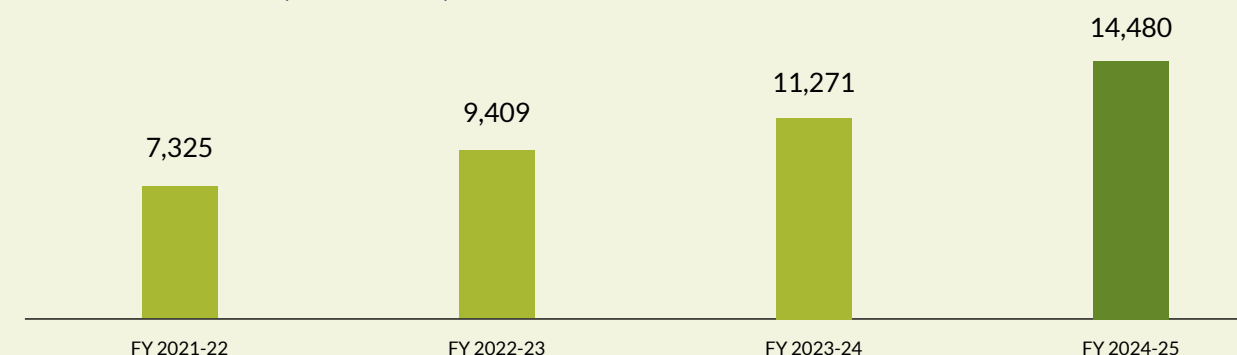
Financial Performance

FY 2024-25 marked strong financial performance for GPII with standalone revenue of ₹6,758.49 crores, up 39%, driven by volume growth in the cigarette business and unmanufactured tobacco, along with successful new product launches. We recorded an EBITDA of ₹1,160 crores with a margin of 8.0%, reflecting operational efficiency and effective cost management. Our standalone PAT (from continuing operations) witnessed commendable growth of 21.8% to ₹1,124 crores. At the core of our corporate strategy is maximising shareholder returns, vividly illustrated

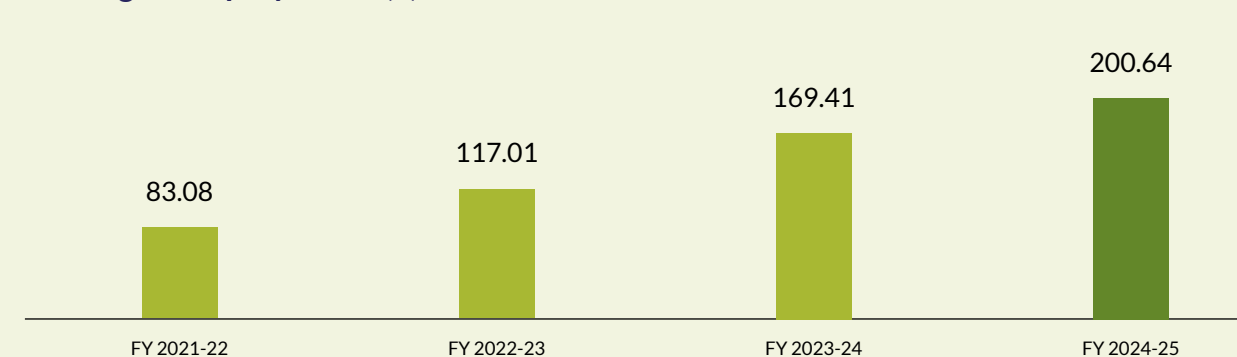
by our consistent market capitalisation growth and strong dividend performance that reflects investor confidence in our business model.

We have consistently maintained that shareholder value creation continues to be amongst our stated priorities. Building upon that intent is our dividend recommendation of ₹95 per equity share (final dividend of Rs. 60 and interim dividend of Rs. 35) for FY 2024-25, compared to ₹56 per equity share declared in the previous year, representing a 69.6% increase in dividend payout.

Gross Sales Value (in ₹ Crores)



Earning Per Equity Share (₹)



Credit Ratings

GPII maintains strong credit ratings with AA+ from CRISIL for long-term borrowing programs and A1+ for short-term facilities, reflecting a very high degree of safety and minimal credit risk. These ratings

underscore our robust business fundamentals, prudent financial management and consistent cash generation capabilities that ensure strong debt servicing ability across market cycles.

Strategic Priorities

GPI's strategic priorities are centred on focusing on the core business of tobacco, while also building growth levers for tomorrow. Reinforcing gains in the domestic market, accelerating international expansion and driving innovation across product portfolio – together define the roadmap. The Company continues to strengthen its brands by enhancing brand equity of core brands through product value additions, and packaging improvements while making focused investments in new products and their

variants. Innovation in products remains a key pillar, supported by a strong distribution network, expanded access through permissible new age channels and deeper penetration into untapped markets and new geographies. There is a concerted effort to ensure wider product availability and enhanced accessibility for the customers. GPIL has also diversified its export portfolio, further strengthening its overseas footprint and long-term growth potential.



Investments in Human Capital

Our steadfast commitment to the 'People First' philosophy is visible in the investment we make. We believe that investing in people, in our people, community members, and sustainable operations is beyond responsibility; it is a catalyst for achieving long-term growth and resilience. In FY 2024-25, we invested ₹13.45 crores in our employee well-being initiatives, making a 10.3% increase over the previous year. These investments encompass comprehensive training and development programs, enhanced healthcare initiatives, robust health insurance benefits

and are designed to foster an engaged, skilled, healthy and satisfied workforce.

Our community development efforts are tailored to meet the specific needs and requirements of the region and its rural populations and create meaningful impact. These investments are covered under our Corporate Social Responsibility (CSR) programs. We make efficient utilisation of our CSR expenditure pool and support a wide range of community development initiatives throughout the financial year.

Our community investment allocation is detailed below:

Community Development Initiative	Investment Allocation (%)
Plantation	5%
Community Sheds for Agri-produce	24%
Community RO Water Plant	3%
Biodiversity Parks Maintenance	4%
Admin and Branding	11%
Check Dams Assessment	1%
Health Camps	14%
Community Awareness Programs	3%
Check dam repair and construction	35%

In parallel, we continue to advance our ESG integration by investing in energy efficient technologies and energy conservation measures that include waste heat recovery systems on screw vacuum pumps, new air handling units in the secondary manufacturing department with HVAC systems, adiabatic cooling tower system, replacement of old-generation boilers with energy-efficient boilers equipped with economisers, and installation of automatic condenser tube cleaning systems in water chillers, to name a few.

Note: A detailed overview of these initiatives can be found in our Natural Capital, Social and Relationship Capital and Human Capital sections.



Intellectual Capital

At Godfrey Phillips India, transformation, quick adoption and adaptation have become the lens for the new Information Age we are in. Value and wealth creation models have significantly changed, with Intellectual Capital becoming a crucial currency for business. Knowledge and experience, data and information, R&D and innovation now provide a competitive advantage while delivering exceptional value. In a dynamic business environment like ours, a pragmatic focus on Intellectual Capital is crucial for driving strategic transformation, achieving operational excellence and fostering stakeholder trust.

We invest consistently in our human resources as we believe it provides us with a differentiating advantage. It is our constant endeavour to cultivate a high-performance culture that promotes learning, knowledge, skills and abilities. We reward high skill

and experience, knowledge sharing and transfer, collaborative mindset, and adaptation agility. Our prudent talent acquisition, robust employee training that includes leadership development programs, digital capability initiatives, and knowledge-sharing platforms ensures a supportive framework for empowering employees across all levels. By fostering a workplace that values continuous improvement, encourages innovation, and promotes a proactive and creative mindset, we ensure our intellectual assets are aligned with our long-term vision and sustainability objectives.

This section outlines how our Intellectual Capital contributes to innovation, governance, brand strength and stakeholder engagement, reinforcing our commitment to being a responsible and future-ready organisation.

UNSDGs Addressed



Innovation and Technology

With periodical economic turbulence, organisations have to continuously and consistently invest in new solutions to maintain and grow their business. GPI places innovation and technology at the heart of our business strategy, recognising them as critical drivers of our competitive advantage and sustainable growth. Our technological advancement strategy encompasses Research and Development (R&D) product development, manufacturing excellence, quality assurance and environmental sustainability.

Our innovation strategy is forward-looking and designed to ensure resilience and sustained growth in a highly competitive industry and market. We prioritise portfolio diversification while reinforcing our core product offerings, aligning our efforts with evolving consumer expectations. To remain agile and responsive, we have adopted a structured approach to new product development and enhancement of existing products, integrating market intelligence, global trends, consumer insights, and regulatory compliance into every stage of the innovation lifecycle. Furthermore, we continuously monitor global market dynamics, technological advancements and emerging consumer behaviours to inform our innovation roadmap. This allows us to deliver solutions that meet current demands and also anticipate future market shifts. Our commitment to innovation is demonstrated through our substantial investments in Research & Development and deployment of advanced manufacturing and testing technologies sourced from across the world. These investments empower us to accelerate time-to-market, continuously improve product quality and maintain a competitive edge so our offerings remain relevant, differentiated and value-driven in a rapidly evolving business ecosystem. Our R&D department, equipped with the necessary resources and capacity to test novel components and ingredients, plays a pivotal role in our success in securing approvals and certifications to regulatory standards. Moreover, we have monitoring processes in place to periodically assess progress in product development, cost reduction and workflow effectiveness. Our R&D's

ISO 17025-accredited laboratory is equipped with modern technologies to ensure the highest standards of product quality. Our laboratory plays a crucial role in product development processes, enabling rigorous analytical testing techniques implemented to measure numerous product-specific parameters across our product lines. We take considerable pride in our in-house development capabilities of various product components, which reflect our commitment to technological self-reliance and innovation-driven growth. We are engaged in the development of alternative formulations across product categories, which include the use of substitute raw materials and the refinement of product development processes, aimed at achieving optimal resource utilisation without compromising on quality or compliance standards. By designing and engineering key product components internally, we reinforce our control over quality, intellectual property and production agility, which are critical factors in today's fast-evolving industrial landscape. These initiatives, aligned with our sustainability goals, also enhance our ability to adapt to supply chain volatility, regulatory shifts, and changing consumer preferences.



Key Innovation Initiatives:



Advanced Laboratory Capabilities

Our ISO 17025-accredited laboratory is equipped with cutting-edge analytical testing technologies for comprehensive product quality assessment and development



Manufacturing Technology Upgrades

We upgraded AMK drives and motors of the KT-2 stem cutter with a futuristic SIEMENS control system to enhance precision and operational efficiency



In-house Engineering Solutions

We designed and developed an in-house rejection conveyor for a high-speed cigarette-making machine, demonstrating our indigenous technological capabilities



Visual Inspection Systems

We adopted an advanced visual inspection system for brand mix check at the drying drum on the cigarette packing machine to ensure product consistency and quality



Indigenous Detection Systems

We adopted an indigenously developed tube-filter detection and rejection control system for the cigarette-making and packing machine, showcasing our self-reliant technological approach



Automated Quality Control

We designed and developed an in-house missing packet detection system for the bundling unit of a high-speed cigarette packing machine to eliminate packaging errors and ensure complete product delivery

Environmental Measures in Manufacturing and R&D

Our commitment to sustainability ensures focus on minimising environmental and social impact by investing in advanced machinery, implementing efficient processes and integrated systems. For example, our prudent and planned use of recycled raw materials not only reduces waste but also contributes to significant operational cost savings.

We have been diligent in our adoption of comprehensive Environmental Management Systems (EMS) and Energy Management Systems (EnMS), aligned with globally recognised ISO 14001 and

ISO 50001 standards. These frameworks guide our resource management practices by identifying and mitigating key environmental risks, while also establishing robust monitoring and evaluation mechanisms to drive continuous improvement in our environmental performance.

In addition, our R&D department employs novel techniques, experiments and testing methodologies to continually improve and develop environmentally friendly processes and products.

Key Manufacturing and Environmental Initiatives:



Sustainable Manufacturing

Investment in state-of-the-art machinery and processes that utilise recycled raw materials for waste reduction and cost optimisation.



Environmental Monitoring

Implementation of rigorous monitoring and assessment processes for continuous environmental performance enhancement.



Information Technology

In response to accelerating technological change and shifting market dynamics, GPIL has adopted a deliberate and structured approach to digital transformation. Our focus is on embedding digital capabilities across core business functions to enhance agility, streamline operations and support long-term growth. Key initiatives include the modernisation of IT infrastructure, implementation of automation tools and deployment of secure, scalable systems. These efforts are designed to improve process efficiency, reduce operational risk and enable data-driven decision-making across the organisation.

Our digital strategy also emphasises the use of technology to strengthen engagement with stakeholders, improve customer experience and service delivery, support learning & development and innovation. By aligning digital investments with business priorities, we are building a more responsive and resilient enterprise.

We aspire for a digital transformation that positions us to navigate complexity, unlock new opportunities, and deliver sustained value in a rapidly evolving business environment.

Key Information Technology Initiatives:



Information Security

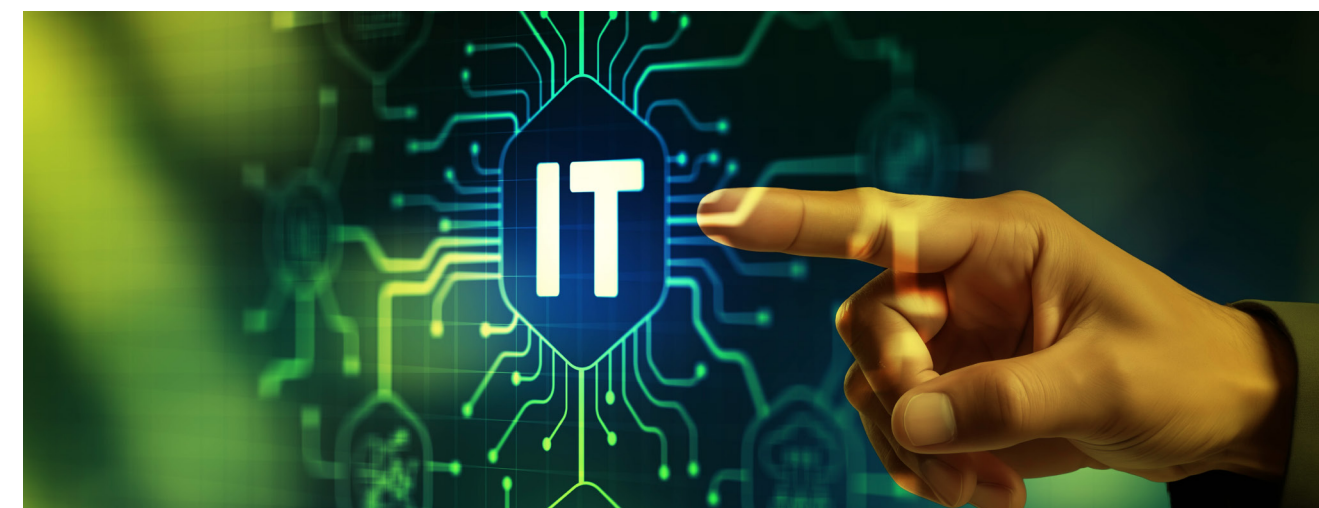
In today's interconnected digital landscape, safeguarding information assets is a critical component of operational integrity and stakeholder trust. From financial losses to reputational damage and regulatory penalties, the consequences of security breaches are significant and far-reaching. As cyber risks continue to evolve in complexity and frequency, establishing a resilient and proactive information security framework has become an imperative.

Recognising the increasing frequency and sophistication of cyber threats, we have established a comprehensive Information Security Management System (ISMS) to mitigate risks and ensure business continuity. This system is built on clearly defined policies, structured governance and advanced

infrastructure protection. It incorporates continuous monitoring, regular audits and adaptive controls to maintain the effectiveness of our security measures in a dynamic threat landscape.

Our framework is aligned with global standards such as ISO 27001, helping us meet regulatory requirements and industry expectations. The framework employs a multi-layered defence strategy that works to prevent, detect and respond to threats, while supporting business continuity and operational efficiency.

By taking a proactive and comprehensive approach to information security, we ensure that our organisation remains resilient and, most importantly, maintains the trust of our clients, partners and stakeholders in an increasingly evolving digital world.



Policy and Governance

To safeguard our digital infrastructure and ensure confidentiality, integrity and transparency of information, we have implemented a comprehensive Information Security Policy. This policy serves as a foundation for our cybersecurity framework while clearly defining the protocols and responsibilities required to manage and protect critical information assets.

The policy outlines the scope of our security efforts, covering applicable systems, data classifications and personnel roles. It also establishes key operational practices, including password governance, data encryption standards and secure communication

protocols, which are essential to maintaining a secure and compliant digital environment. Additionally, the policy mandates regular cybersecurity training programs for all employees to ensure they are equipped with the knowledge and skills necessary to identify, respond to, and prevent security threats effectively.

All employees are also responsible for reporting cybersecurity incidents by notifying the Cyber Security Team or IT helpdesk through emailsecurity-gpi@modi-ent.com upon observing any security incident.

Our policy framework is built on five key pillars:

1

Continuous improvement of our security systems through regular reviews and updates to controls.

2

Data integrity and protection across its entire lifecycle, supported by strong encryption and access management.

3

Threat monitoring and response through proactive surveillance and structured incident handling procedures.

4

Defined responsibilities for all employees, with clear role-based obligations to uphold security standards.

5

Third-party security requirements for suppliers and service providers, 5 enforced through assessments and contractual agreements.

To ensure effective implementation of the policy, our cybersecurity governance is established through a structured framework that manages and oversees all cybersecurity efforts, aligning security strategies with business objectives and regulatory requirements. At the board level, our Risk Management Committee provides strategic oversight and governance of cybersecurity risks, ensuring that information security threats are appropriately identified, assessed, and mitigated in alignment with the Company's risk appetite and regulatory obligations.

Executive oversight is provided by our IT Steering Committee (ITSC), which includes CIO/HEAD-IT, CHRO, CFO, CLO/Head-Legal, IT Leads as key members, while our Head of Cybersecurity plays a crucial role in implementing policies and procedures, conducting IT risk assessments and ensuring cybersecurity measures are effectively integrated throughout the organisation. We complement this governance structure with regular training and awareness programs that educate employees about cybersecurity threats and best practices, ensuring a well-informed workforce that supports our policy objectives.



Information Security Infrastructure

Our information security infrastructure is built on multiple layers of advanced protection to safeguard our digital assets. We have implemented sophisticated network security measures, including firewalls, intrusion detection systems, and secure VPNs/ Zero Trust Network Access (ZTNA) to protect against external and internal threats. Strict access control mechanisms are enforced throughout our systems, ensuring that only authorised personnel can access sensitive data and systems based on their specific roles and responsibilities. We enhance data protection through comprehensive encryption for data at rest and in transit, reliable backup solutions for business continuity and advanced data loss prevention technologies that monitor and control information movement. Our infrastructure operates under continuous monitoring and logging capabilities, enabling real-time detection and response to potential security incidents through automated threat analysis and response procedures. This robust security framework is validated by our ISO 27001 certification, demonstrating our commitment to internationally recognised information security management standards.

Information Security Infrastructure Audit

Periodic infrastructure audits are a critical component of our security framework. We conduct comprehensive internal and external audits to evaluate the effectiveness of our information security infrastructure. Regular assessments of security controls, policies and procedures are performed, along with vulnerability and penetration testing to identify and remediate potential security weaknesses. Detailed audit reports are generated with remediation plans to address identified issues and improve our overall security posture. These reports are presented to our IT Steering Committee (ITSC) to keep them informed about our information security control systems.

Manufacturing Capital

Manufacturing Capital represents the physical infrastructure and technological assets that enable GPIL to deliver value across its operations. This includes factories, machinery, logistics systems and other production-related facilities that are essential to meeting business objectives and stakeholder expectations.

Strategic investment in manufacturing capabilities is central to our growth and competitiveness and GPIL continues to upgrade its facilities with energy-efficient technologies and advanced production systems to enhance operational performance, improve product quality, and reduce environmental impact. These investments not only support long-term business resilience but also align with our broader goals of resource efficiency and emissions reduction.

UNSDGs Addressed



Technological Innovation across Units and Processes

GPIL is committed to continuously upgrading its machinery to enhance energy efficiency and production capabilities, and it adopts infrastructure aimed at reducing resource consumption.

1

Implemented meticulous oversight in operation and maintenance alongside an enthalpy-driven system within HVAC, leading to a 2.9% enhancement in energy savings per million units

2

Facilitated swift changeovers and minimised reliance on diesel generators, culminating in an annual conservation of 210,000 units.

3

Enhanced the KT-2 stem cutter by upgrading AMK drives and motors, integrating an advanced SIEMENS control system for futuristic performance

4

Innovatively designed and developed an internal rejection conveyor tailored for the high-speed cigarette manufacturing machine.

5

Implemented a visual inspection system to verify brand mix at the drying drum on the cigarette packaging machine.

6

Embraced a locally engineered tube-filter detection and rejection control system, optimising the cigarette production and packaging process.

7

Crafted and deployed an in-house missing packet detection system for the bundling unit of the high-speed cigarette packaging machine.

8

Advanced technologies installed, including a 250KVA modular UPS and a 3MW transformer, at its manufacturing facilities to optimise energy use and minimise losses

9

GPIL has adopted green refrigerants at its cigarette manufacturing facility by installing a 75 TR unit of R-410A, supporting environmentally sustainable operations

Additionally, GPIL has undertaken a series of initiatives to optimise energy efficiency and reduce consumption across its facilities. The installation of a Ring Main Unit at the cigarette production facility has significantly cut down high-speed diesel usage during power outages, improving sustainability. To further refine energy management, GPIL has introduced PLC-based systems

tailored for the efficient operation of canteen AC units, ensuring precise control and reduced energy expenditure. Additionally, the company has equipped its UPS and compressor rooms with ducted exhaust systems, effectively dissipating excess heat and enhancing operational efficiency.

Waste Management

The Company's Waste Management Strategy is rooted in minimising waste production and advocating for a circular economy through the reuse and recycling of materials. GPIL meticulously monitors its manufacturing units for hazardous waste, ensuring processes comply with regulations to maintain waste within permissible limits. Across its facilities, the Company implements standardised measures that prioritise waste minimisation, source segregation and authorised recyclers for responsible disposal. Adhering to Extended Producer Responsibility (EPR) guidelines, the Plastic Waste Management Rules (2016) and regulations from the Central Pollution Control Board (CPCB), GPIL actively engages in waste management initiatives.

These efforts include partnering with external entities to transform wastepaper and filters into alternative boiler fuel, introducing biodegradable packaging materials for products like cigarette packs to optimise waste utilisation and incorporating Li-ion batteries in UPS systems to enhance energy efficiency and reduce battery waste due to their extended lifespan. Additionally, GPIL recycles intermediate packaging materials such as wooden pallets, HDPE pallets and paperboard skillets to support a circular economy. The Leaf Division also collects empty CPA containers and fertiliser bags, handing them over to local vendors for recycling.

Water Management

The Company is committed to significantly reducing water discharge post-treatment by implementing strategic water management solutions. Rainwater harvesting systems and effluent treatment plants have been installed across various manufacturing facilities to enhance water storage and promote reuse. Notably, GPIL's Reconstituted Tobacco Manufacturing facility operates as a Zero Liquid Discharge site and other locations have integrated diverse water management practices to recycle and reuse wastewater, thereby lowering water discharge rates.

In its efforts to further diminish water usage in manufacturing, the Company has incorporated several innovative technologies. These include the deployment of air-cooled screw vacuum pumps and upgrades to AHUs with humidification features. In the Ghaziabad factory, the water distribution system has been comprehensively enhanced with section-wise monitoring to detect and correct deviations or waste, resulting in a remarkable 31% reduction in water usage over the past three to four years, Rabale Factory has reduced by 10%.

Nigrawati Pond before development by Guldhar Factory



Nigrawati Pond after development



Human Capital

'If people in an organisation can be the best version of themselves, the business will then be the best version of itself' is oft quoted in GPIL by our Chairperson, Dr Bina Modi. At GPIL, our commitment to excellence begins with our people. Our humanistic approach towards Human Capital and their development is driven by the ingrained "People First" philosophy. Recognising that our employees are the foundation of our organisational success and long-term sustainability, we believe that by prioritising their well-being, professional growth and career aspirations, we foster a culture that drives business excellence and success. Our Human Capital strategy is centred on maintaining an inclusive, diverse and empowering workplace where every individual is valued, respected

and provided with meaningful opportunities to realise their own potential while contributing to our shared goals. This 'People First' approach steers our talent acquisition and retention practices, employee engagement framework, comprehensive capability building programs, leadership development and our commitment to a safe, healthy and collaborative work environment. By placing our people at the heart of our business decisions and investing in their development and welfare, we strengthen both individual growth and organisational capabilities. This approach enables us to remain agile in a dynamic market landscape, contribute positively to the communities we serve and create enduring value for all stakeholders.

UNSDGs Addressed



Diversity and Inclusion

At GPIL, fostering an inclusive and equitable workplace where every employee is empowered, feels genuinely valued and respected, is a strategic imperative. We believe that diversity is a key driver of our organisational strength as it brings together varied perspectives, experiences and talents that drive innovation and business excellence. Our commitment to diversity and inclusion is woven into our organisational culture and is reflected in our comprehensive policies, programs and practices that promote and ensure equal opportunities and fair treatment for all employees, across all levels.



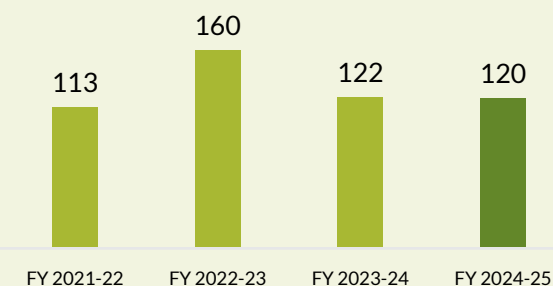
Equal Opportunity Employment

We are committed to our Equal Opportunity Employment Policy that ensures fairness, respect and dignity for all. The policy strictly prohibits discrimination based on age, ethnicity, colour, gender, marital status, disability, religion or religious beliefs, caste or orientation. It ensures that all employees and potential hires are evaluated and provided opportunities based solely on merit, performance, capability and potential, consistent with our organisational needs.

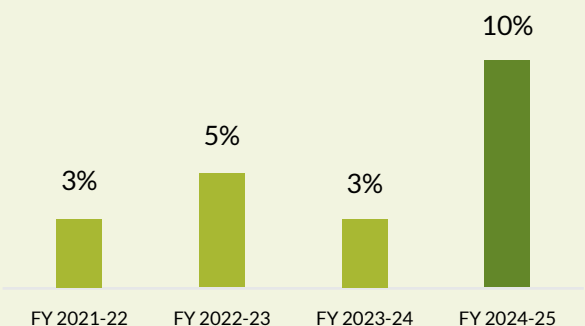
To promote inclusivity from the outset, we have designed gender-neutral job descriptions that encourage diverse applications and foster equitable hiring practices.

Our Equal Opportunity Employment Policy is fully compliant with the Rights of Persons with Disabilities Act 2016, affirming our commitment to non-discrimination and the provision of appropriate support systems for individuals with disabilities. Recognising the importance of accessibility in increasing participation of Persons with Disability (PwD) in the workforce, we have taken proactive steps to ensure that our facilities are accessible to employees and visitors with disabilities. We remain committed to continually evolving our workplace practices to accommodate diverse needs and enabling every employee to contribute effectively and meaningfully to our collective success.

New Hires

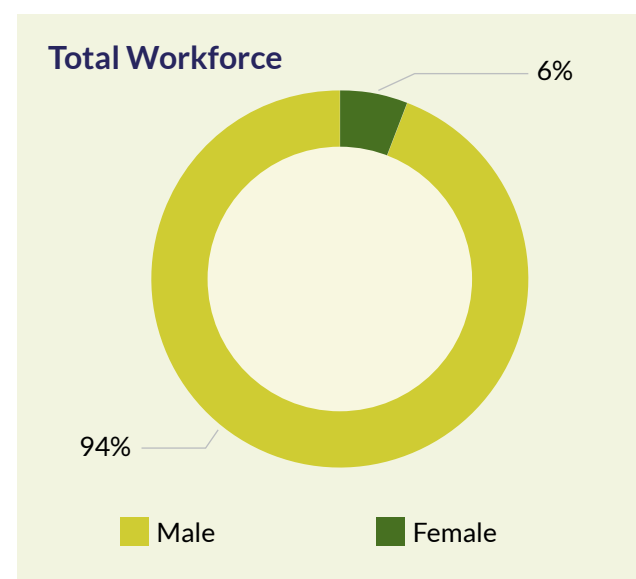


Internal Hiring (%)



Diversity and Gender Inclusion

It is a known fact that a diverse workforce enhances organisational performance by bringing in varied perspectives and problem-solving approaches. Diversity also strengthens decision-making and contributes to a collaborative, respectful and resilient work environment. We are committed to advancing gender equity and creating an environment where all employees can grow, excel and succeed in their careers. In FY 2024-25, our efforts have resulted in 6.8% of women employees in management roles, with 10 women joining in the financial year, reflecting the impact of our focused initiatives to drive diversity. Our strategic initiatives to increase women's participation across all levels include flexible work schedules and arrangements for new mothers, tailored travel entitlements and structured training programs for professional development, mentorship and networking. To ensure a safe work environment, there is a strong Internal Committee (IC) in compliance with Prevention of Sexual Harassment (PoSH) regulations, which is fully empowered and independent of any influence. The members meet regularly and hold larger meetings with women periodically to understand



and proactively address needs. GPIL also complies with the Rights of Persons with Disabilities Act 2016, and our facilities are accessible with infrastructure modifications and assistive technologies. We continue to build on these efforts and leaders actively model respectful conduct, encourage listening and empathetic problem-solving for all our team members to emulate.

Parameters	FY 2025
Share of women in the total workforce (as % of the total workforce)	5.8%
Share of women in all management positions, including junior, middle and top management (as % of total management positions)	6.8%
Share of women in junior management positions, i.e. first level of management (as % of total junior management positions)	5.2%
Share of women in top management positions, i.e. maximum two levels away from the CEO or comparable positions (as % of total top management positions)	5.3%
Share of women in management positions in revenue-generating functions (e.g. sales) as % of all such managers (i.e. excluding support functions such as HR, IT, Legal, etc.)	6.0%
Share of women in STEM-related positions (as % of total STEM positions)	4.3%

Equitable Remuneration and Fair Practices

At GPIL, we acknowledge that equitable remuneration and compensation are key enablers in attracting and advancing talent from diverse backgrounds. Our compensation is designed to ensure fairness and equity with remuneration decisions based solely on performance output, relevant experience, skills, and qualifications. We continue to maintain a no-discrimination policy across all demographic factors, including gender, age, caste, disability and marital status. Our pay structure is benchmarked against

industry standards, and applying a merit-based approach, we ensure that all employees receive competitive compensation. This approach reinforces a workplace culture where talent and contribution are primary drivers of career progression, recognition and financial reward and opportunities are earned fairly and transparently. Our diversity and inclusion are further strengthened by this environment, enabling employees to thrive, contribute meaningfully and grow alongside the organisation with pride.

Gender Pay Gap Assessment

GPIL is committed to advancing gender equality by steadily increasing the number of women in its workforce, ensuring equitable development opportunities and promoting pay equity for all employees. With the objective to gain a better understanding of gender pay structure in the organisation, we conducted our first gender pay parity assessment in FY 2024-25. The gender pay analysis reveals mixed trends across different metrics. The overall mean gender pay gap stands at -3%, indicating that women earn slightly more on average

than men, while the median gap is -15%, suggesting a more pronounced advantage for women at the midpoint of the pay distribution. However, bonus disparities tell a different story: the mean bonus gap is 11%, favouring men, whereas the median bonus gap is -31%, favouring women. At the executive level, women earn significantly higher than men in both base salary and with incentives. Men earn more at the management level, whereas women lead again at the non-management level.

Employee Level	Average Women Salary	Average Men Salary
All employees (base salary only)	1,856,336	1,794,807
All employees (base salary + other cash incentives)	1,964,541	1,938,770
Top Management* (base salary only)	11,894,477	11,487,643
Top Management* (base salary + other cash incentives)	12,953,336	12,973,082
Middle & Junior Management (base salary only)	1,583,580	1,772,376
Middle & Junior Management (base salary + other cash incentives)	1,671,883	1,895,341
Non-management level (base salary only)	845,590	591,536

*Top Management includes all employees who are a General Manager or above, in designation

These figures highlight mixed trends across levels and bonus structures. Moving forward, we will continue to ensure fairness in our pay structure with a focus on implementing enhanced salary frameworks, conducting detailed compensation reviews for management and non-management roles, and establishing more consistent bonus structures to strengthen pay equity across all organisational levels. These insights reinforce

our commitment to transparency and continuous improvement in gender parity.

GPIL will continue to review these metrics regularly and implement targeted initiatives to close gaps and promote gender pay equity across all levels of the organisation.

Indicator	Difference between men and women employees (%)
Mean gender pay gap	-3%
Median gender pay gap	9.50-15%
Mean bonus gap	11%
Median bonus gap	-31%



Talent Management

Building a future-ready workforce is integral to GPI's long-term growth plan. Our talent strategy focuses on a dual-track approach.

- One aspect is continuous efforts on strengthening our employer brand and streamlining our hiring process to identify and engage with diverse talent aligned with our values, and
- Second is focused investment in continuous learning, internal mobility, recognition, short-term and long-term incentive plans and fast-tracking of high-potential individuals.

We have continued to strengthen our talent retention by implementing comprehensive leadership development programs, providing support for higher education and certifications, and offering stretch programs that enable all individuals to set personal targets aligned with organisational goals and career growth plans, ensuring a smoother transition for succession. We also have an internal recruitment program where job openings are released within the organisation first. Anyone meeting the criteria or wanting to explore career progression or change is allowed to apply and attempt, which enables business continuity.

Our commitment to fair employment practices is supported by comprehensive programs. They include providing wages above minimum statutory

requirements with the objective of aligning with cost-of-living considerations, monitoring working hours, including overtime management, and ensuring employees are paid for overtime work. We routinely monitor the gender pay gap to achieve equal remuneration for men and women and regularly engage with workers' representatives on working conditions to maintain transparent communication channels. Additionally, we expand social protection coverage for workers beyond public programs and ensure employees are taking their paid annual leave entitlements, promoting work-life balance and overall well-being across our organisation.



Employee Turnover Rate

Parameters	Junior	2022		2023		2024		2025	
		Male	Female	Male	Female	Male	Female	Male	Female
Age	18-30 years	31.0%	0.0%	37.5%	9.1%	34.3%	5.4%	26.6%	30.4%
	30-50 years	16.3%	19.5%	17.4%	19.0%	13.5%	14.0%	30.6%	37.8%
	Over 50 years	15.7%	20.0%	19.8%	0.0%	7.2%	0.0%	16.2%	66.7%
Management Level	Junior	23.0%	16.7%	25.5%	11.8%	25.2%	7.4%	31.8%	18.2%
	Middle	15.4%	13.3%	20.3%	15.4%	10.5%	10.7%	24.1%	46.2%
	Top	14.5%	40.0%	13.7%	0.0%	7.0%	0.0%	17.9%	57.1%
Total		19.0%		21.8%		17.1%		28.2%	

Voluntary Turnover Rate

Parameters	Junior	2022		2023		2024		2025	
		Male	Female	Male	Female	Male	Female	Male	Female
Age	18-30 years	28.6%	0.0%	28.0%	9.1%	30.4%	5.4%	24.1%	26.1%
	30-50 years	14.5%	19.5%	15.9%	9.5%	12.8%	14.0%	9.5%	10.8%
	Over 50 years	4.8%	0.0%	6.2%	0.0%	3.6%	0.0%	1.2%	0.0%
Management Level	Junior	19.6%	16.7%	19.9%	11.8%	23.4%	7.4%	17.1%	12.1%
	Middle	13.9%	13.3%	16.4%	7.7%	8.5%	10.7%	7.9%	23.1%
	Top	6.5%	0.0%	8.5%	0.0%	5.2%	0.0%	1.8%	0.0%
Total		15.8%		16.9%		15.4%		12.5%	

Training and Development

We view employee growth and long-term career development as essential to our sustained business performance, growth and success. Our talent development strategy is designed to develop highly skilled and empowered individuals and help them reach their full potential.

Right from the start, we ensure that new hires have comprehensive onboarding to help them understand their roles and responsibilities and how they fit within the organisation. The efficiency of the onboarding training program is ensured by empowering subject matter experts to create function-specific modules that are interactive and collaborative.

We have designed structured learning and development programs that include a range of courses from technical and technology courses for specific skills to professional development that includes job education, training, mentoring and leadership soft skill building. The soft skills include workshops on communication, decision-making, conflict resolution and delegation. Recognising India's rich diversity, our training programs incorporate organisation-wide Unconscious Bias & Inclusion modules and utilise bilingual formats in regional offices to ensure comprehensive participation and understanding across our diverse workforce.

We actively promote collaborative learning through cross-functional teams and internal networks, enabling employees to engage with colleagues beyond their immediate roles. These platforms facilitate knowledge sharing, innovation, and skill development through peer-to-peer learning, project collaborations, and professional communities of practice.

Our IT department conducts specialised training programs for all employees and workers on cybersecurity and generative AI, equipping employees with the skills to effectively utilise new digital tools and processes while driving increased productivity.

Our training programs also include reskilling initiatives to mitigate the negative effects of industrial or climate transition, ensuring our workforce, including the factory workers, remains adaptable and equipped to navigate evolving business landscapes and sustainability requirements.

We are also looking into investing in upgrading training tools that will help us better deliver, monitor, and measure our training programs. These initiatives are tailored to align employee aspirations with business needs, enabling career progression and capability enhancement while preparing our employees for future challenges and opportunities.

Leadership Training Program: Case Study

Recognising the critical role of leadership in driving organisational success, the 'Mid-Level Leadership & Role Transition' training was designed to equip emerging leaders with the skills needed to navigate evolving responsibilities and lead with impact. The program focused on strengthening leadership capabilities, enhancing people management skills and supporting smooth transitions into higher roles. Key learning areas included achieving work-life balance by balancing task and relationship orientation, understanding the nuances between

being people-oriented or results-driven, choosing between being nice or effective, firm or flexible. The training also emphasised personal accountability, encouraging a shift from collective to individual ownership and highlighted the importance of communication as the foundation of strong professional relationships. Conducted physically at the Head Office, the training engaged 26 employees (2 female and 24 male) from junior to mid-level roles (Deputy Manager to Senior Manager), contributing a total of 416 training manhours.



Talent Pool Program for Leadership Development: Case Study

GPIL has successfully implemented a Talent Pool Program for Sales to identify and accelerate the growth of High Potential (HiPo) employees within the organisation. These individuals, nominated by their supervisors for exceptional performance and leadership potential, are provided with fast-track opportunities to advance their careers. This year, two rounds of Talent Pool were conducted for Area Sales Manager (ASM) roles, resulting in 53% of positions being filled internally, with seven of the thirteen open roles filled by identified high potential Assistant Managers. For Assistant Managers (AMs),

inclusion in this pool is highly prestigious as it offers a direct jump in role and responsibilities, reflecting both recognition and trust in their capabilities. This initiative demonstrates how Learning & Development and talent promotion are strategically aligned to meet GPIL's business requirements while fulfilling the career aspirations of deserving employees. By investing in structured development and internal mobility, GPIL has created a win-win approach that strengthens its leadership pipeline, reduces reliance on external hiring and fosters a culture of growth and engagement.



Average Training Hours

FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
19.6	19.7	27.3	33.5

Average Training Hours (Management)

Parameters	Junior	FY 2021-22		FY 2022-23		FY 2023-24		FY 2024-25	
		Male	Female	Male	Female	Male	Female	Male	Female
Age	18-30 years	30.0	7.1	29.6	20.5	34.6	21.8	44.2	50.5
	30-50 years	18.6	6.1	18.0	8.5	25.6	21.5	30.5	19.9
	Over 50 years	13.0	2.8	13.9	6.4	25.5	11.2	25.1	20.2
Management Level	Junior	28.9	3.7	25.0	7.5	31.6	13.9	38.7	43.6
	Middle	14.2	6.7	16.1	13.0	24.2	23.4	29.4	32.0
	Top	1.9	1.0	11.2	13.4	21.9	22.6	20.6	19.7

Average amount spent per FTE on Training and Development

FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
7,534	6,153	2,098	4,882



Employee Performance & Benefits

Our 'People First' value encourages a culture of recognition and rewarding employee performance as it is fundamental to creating motivated, engaged and high-performing workforce. Our comprehensive performance management system is designed not only to provide clear expectations, periodical feedback, transparent output measurement criteria, but also to acknowledge consistent effort and value driven behaviours that meet organisational goals. Recognition is embedded into our workplace practices and ranges from structured reward programs to informal acknowledgments reinforcing a sense of purpose, belonging and motivation. Coupled with competitive compensation and holistic benefit packages, this approach enhances employee satisfaction, well-being and drives sustained performance.

Additionally, Godfrey Phillips Employees Share Purchase Scheme was launched, which provided critical employees, at certain grades and above, the opportunity to buy Company shares at a discounted price with a structured 4-year payout period. The scheme has delivered significant organisational benefits by enhancing the sense of ownership among participants, improving overall job satisfaction and employee engagement levels, and strengthening our talent retention capabilities. Since the launch of the scheme in 2023, 83% of the eligible employees have been the part of it.



Employee Performance Management System

We follow a comprehensive employee performance management mechanism to ensure fair evaluation of employee performance. Our Performance Management System aims at managing employee performance in alignment with our organisational objectives, focusing on both developmental inputs and appropriate reward mechanisms. The system includes Key Result Areas, Performance & Competency Assessment, and Post-Appraisal Feedback Discussions with SMART goals that include Areas of Responsibilities with appropriate weightages and clear target metrics. Our open and participatory system ensures fairness and transparency, while the online system ensures speedy reach to every location.

We implement multidimensional performance appraisal through talent review calibration discussions and matrix manager inputs, with senior employees' assessments including key employee sentiment and team attrition metrics. Our team-based approach ensures that each employee's variable component is based on Individual, Function and Company Performance, with each function rated on achievement of performance objectives to compute variable payouts, maintaining the importance of team collaboration. The annual performance cycle ensures self-evaluation followed by manager evaluation, reviewer evaluation, and closure through Performance Feedback Discussions. Additionally, we encourage agile conversations where managers conduct regular check-ins with team members throughout the year through calendar discussions and frequent feedback sessions, ensuring expectations are clear and feedback is shared in a timely manner to promote continuous improvement and alignment with organisational goals.

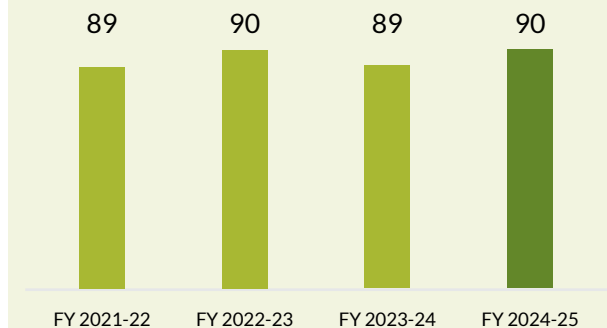
Employee Engagement

At GPIL, we appreciate that our talent retention, productivity and business success can be credited largely to our engaged workforce and our efforts. Focus on transparent and comprehensive communication, feedback mechanisms, reward and recognition programs and well-being initiatives continue to be an important part of our resource strategy.

Understanding what influences high engagement is critical, and we consistently drive open communication and dialogue at all levels through various channels like townhall meetings, open houses, conferences, departmental briefings, events and one-on-one sessions with leadership and supervisors. This ensures employees are informed about company developments, can voice their opinions and concerns in an encouraging and supportive environment, while the Company can address rising issues early.

We also actively monitor employee sentiments through structured surveys, including the Great Place to Work survey, an internationally recognised benchmark for workplace culture and employee satisfaction. This survey tracks key metrics and captures insights on job satisfaction, motivation, work-related happiness, work-life balance, and stress levels. We analyse results thoroughly and develop targeted action plans to address concerns, continuously enhancing our employee experience.

Employee Satisfaction Survey



Recognition is also a key driver of engagement, and we invest in various employee recognition programs. They are delivered through various initiatives, including the prestigious KK Modi Excellence Award, Achiever's Certificate, Long Service Awards and Spot Recognition that recognises employees at all levels and across manufacturing, branch and division. Our stretch programs also come with recognition for individuals who go above and beyond to achieve exceptional outcomes from their efforts. Our sustained focus on employee well-being and engagement has earned us the prestigious Great Place to Work certification for the seventh consecutive year, affirming our commitment to maintaining \workplace where employees grow and thrive, professionally and personally.



Employee Well-Being Programs

Our employee well-being is fundamental to our organisation's talent retention and productivity. Our holistic approach to wellness is designed to promote and support the mental, emotional and physical health of our employees. We have implemented a range of initiatives to address the diverse needs of our employees, providing access to resources, support systems and programs that enable them to flourish personally as well as in their professional area. By embedding well-being into our workplace culture, we aim to create an environment where every individual feels emotionally connected to their team, their department, their office and the organisation at large.

Our comprehensive employee support also extends throughout their entire life cycle with GPIL, including thoughtfully designed retirement transition programs that provide personalised guidance and financial support. We offer assistance with retirement planning, continued access to health insurance benefits, including coverage for pre-existing conditions, and recognition activities that celebrate employees' contributions and legacy. Our HR team remains actively involved throughout the transition process, ensuring employees receive the support and guidance they need, reflecting our values of treating every employee with dignity and respect throughout their journey with us.



Details on other programs are provided as follows:

Physical Well-being	Emotional Well-being	Financial Well-being
<p>Retirement Provisions (Pension, Gratuity, Provident Fund, Superannuation)</p> <p>Group Accident policy (GPA)</p> <p>Group Term Life Insurance (GTLI)</p> <p>Periodic Medical Check-ups</p> <p>Employee Health Scheme (covering in-patient and out-patient treatment)</p> <p>Bi-weekly physiotherapy session at HO</p> <p>Free nutritious meal at HO and factories</p> <p>Vaccination drives</p> <p>Sport activities (e.g., cricket matches)</p> <p>Specialised doctors' workshop on health and nutrition</p> <p>Medical health check-up at the office</p>	<p>Emotional health and stress management webinars</p> <p>Parental Leave (Maternity leave of 26 weeks)</p> <p>Flexible hours and case-based work from home for female employees upon their return from maternity leave</p> <p>Unlimited casual leaves for non-primary caregivers</p> <p>Flexible work policy (Flexibility for employees to clock 8 hours by starting work between 8:30 – 10:30)</p> <p>Part-time working arrangement through retainer-based engagements</p> <p>30 minutes naptime break in the afternoon at Head Office</p> <p>Celebrations of major festivals, Founder's Day, birthdays, picnics, cultural shows by employees, Fun Fridays,</p>	<p>Retirement Provisions (Pension, Gratuity, Provident Fund, Superannuation) Employee Stock Ownership Plan</p> <p>Bonuses for Stretch programs, high performance</p> <p>Benefits such as home loan assistance, interest-free vehicle loan, laptop loan, and special medical assistance in case of medical exigency</p>

Occupational Health and Safety

As a part of our broader Human Capital development strategy, we place strong emphasis on creating a safe and healthy work environment, recognising its direct impact on employee productivity. Adopting best practices in occupational health and safety not only impacts our overall performance and our reputation as a responsible corporate citizen, but it also helps attract and support talent retention. Our achievement of zero fatalities over the past 04 years demonstrates

the effectiveness of our stringent safety management systems.

Our safety framework is built on proactive hazard identification, systematic risk assessment, preventive measures and supported by continuous improvement initiatives. We prioritise prevention over reaction, investing in robust safety systems, regular training and a culture of accountability.



Safety Policy and Governance

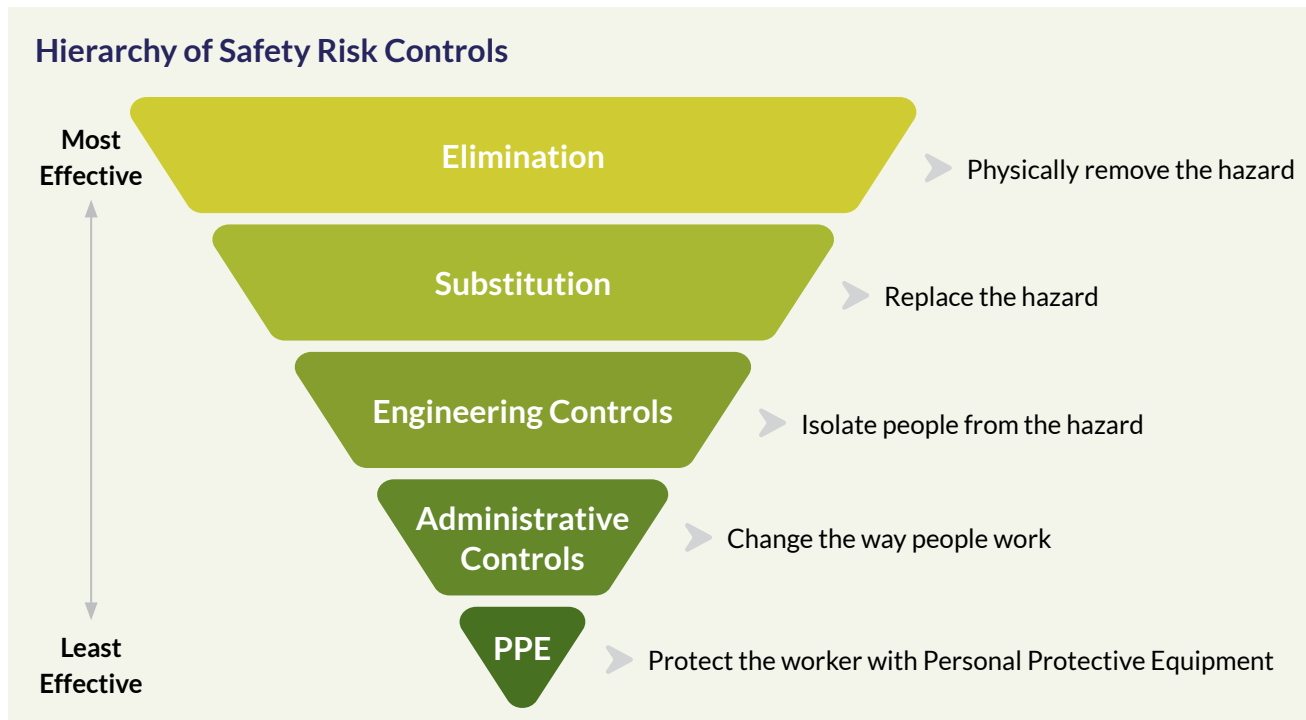
Environmental, Health, and Safety (EHS) policy is the foundation of our governance framework, and we ensure that the policy undergoes regular review by our governance structure to incorporate industry best practices, regulatory updates, and operational insights. We have implemented internationally recognised ISO 45001 standards in manufacturing units, complemented by additional globally recognised standards such as ASPECT IMPACT and OCP, creating a robust multi-standard approach that ensures comprehensive workplace safety management.

Our governance structure reinforces this commitment through strategic oversight and operational accountability. The Board of Directors and senior leadership allocate resources for safety initiatives and set directions for safety governance with clearly defined roles and responsibilities cascading from senior executives to frontline employees. At the apex

of this framework is a board-level ESG committee that periodically reviews the system's efficacy, supported by Health and Safety Management Committees at the factory level, which are tasked with the day-to-day execution of health and safety practices. This integrated policy-governance approach embeds safety considerations into all decision-making processes. Furthermore, periodical training sessions are conducted to ensure that all employees and workers are equipped with knowledge and skills to align their activities with the requirements of the safety management system. These training programs foster a culture of awareness, initiative and proactive action, responsibility and continuous improvement and help all personnel not only be empowered with safety decisions but also cascade awareness of the Company's safety policies, procedures, and standards across all levels.



Safety Management Framework



OHS risk and hazard assessments are conducted to identify what could cause harm in the workplace, remaining primary to our OHS management system. Periodic assessments are conducted to identify emerging hazards, evaluate new risks arising from operational changes, equipment modifications or external factors. These assessments use both quantitative and qualitative methodologies, applying established criteria for probability and severity as a part of business standard operating processes.

Zero Occupational Fatality for Last Four years

For each identified risk, prioritised action plans are developed and integrated to address those risks, featuring specific control measures, clear responsibility and defined key performance indicators to monitor progress and effectiveness. We have integrated comprehensive actions to prepare for and respond to emergency situations, ensuring robust preparedness across all facilities.

Regular progress evaluation is conducted to assess effectiveness in reducing and preventing health issues and risks against established targets. Additionally, internal inspections are systematically performed to maintain safety standards. The incident reporting and tracking mechanism demands documenting health and safety incidents, including near-miss reporting, which are shared periodically with the central teams.

In the event of any incident or near-miss event, established procedures are followed to investigate work-related injuries, ill health, diseases and incidents using thorough root cause analysis with established methodologies and multi-disciplinary investigation teams. The findings are communicated across facilities to ensure awareness, learning and application of new insights. Regular internal and external audits are also conducted to evaluate system effectiveness, with all findings recorded and fed into a structured process. The inputs and analysis are shared across the organisation through safety communications, training program updates and cross-facility knowledge sharing forums to facilitate continuous improvement.

OHS criteria have been introduced in procurement and contractual requirements, ensuring that safety considerations extend throughout our value chain. The inputs and analysis are shared across the organisation through safety communications, training program updates and cross-facility knowledge sharing forums to facilitate continuous improvement.

Parameters (million-hours worked)	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
LTIFR (Contractors)	0	0	0	0
LTIFR (Employees)	0	0	0	0

Parameters (Number)	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Fatality (Contractors)	0	0	0	0
Fatality (Employees)	0	0	0	0



Human Rights

Businesses play a very important role in promoting Human Rights and have the power to drive them not just in their operations but in communities too. The increased debate about Human Rights violations along with exploitative labour practices, pollutive industrial activities, data mismanagement and others, makes it imperative to integrate respect for Human Rights into business practices.

Human Rights is integral to our corporate ethos, not just to uphold our Company's integrity and reputation

but also to retain trust amongst our stakeholders, enhance employee engagement and morale and strengthen community partnerships. GPIL has a strict non-tolerance policy for Human Rights transgressions across our operations, supply chain, offices and communities where we function. Our structured and comprehensive approach includes robust policies, rigorous due diligence, and collaborative partnerships and is also designed to systematically identify, prevent, and mitigate any adverse human rights impact that may arise within our operations and tobacco value chain.



Human Rights Commitment

Policy Framework

Our Human Rights commitment is anchored in an extensive policy and governance framework that guides our operations. The Human Rights Policy, which serves as the foundation for our commitment to respecting and protecting Human Rights, outlines clear principles and standards that govern our conduct and decision-making processes. Additionally, we have articulated key Human Rights principles such as prohibition of child and forced labour, ensuring workplace health and safety and upholding all other fundamental rights in our Supplier's Code of Conduct. All our suppliers are required to provide their written acknowledgement at the time of onboarding to ensure compliance with the Code, creating a unified approach to human rights across our entire value chain.

Training and Capacity Building

Our Human Rights commitment is supported by training programs for all our employees. Employees undergo mandatory training on our Business Code of Conduct, Whistleblower Policy, Anti-bribery & Anti-Corruption and Human Rights Policy, ensuring consistent understanding and adherence across the organisation. Through these regular training sessions and mandatory training during onboarding, we build awareness and capacity across our workforce to effectively identify and address human rights issues in their daily operations, making every employee an active participant in upholding our human rights standards. In addition, our robust policies for Grievance Redressal, Equal Opportunity and Whistle Blower provide employees and stakeholders with safe, transparent and confidential channels to raise concerns and report transgressions. This framework ensures accountability and ethical conduct, with any violations being addressed promptly and responsibly.

100% of Our
Locations are Trained on
Human Rights Policy

Human Rights Impact Assessment

In September'24, we conducted a comprehensive Human Rights Impact Assessment (HRIA). This assessment covered 100% of our operations, including manufacturing units, the corporate office, and sales offices, and approximately 80% of our supply chain locations. The assessment was conducted using international standards and frameworks to ensure a comprehensive evaluation of our human rights performance.

Our systematic HRIA process followed a structured four-stage approach to ensure thorough evaluation and actionable outcomes, mainly

- Defining the assessment boundary and identifying stakeholders across operations and the value chain,
- Followed by a detailed review of the company's processes and policies against international standards to ensure alignment with global best practices,
- Thirdly, involving stakeholders through on-site visits, anonymous surveys, in-person interviews, and Focus Group Discussions, and
- Finally analysing findings to build a risk matrix based on likelihood and occurrence, enabling prioritised action planning and targeted interventions for the most critical areas.

Stakeholder Consultation

The assessment encompassed diverse stakeholder categories to ensure thorough coverage of all potentially affected groups. This broad stakeholder engagement helped capture diverse perspectives and identify Human Rights risks that may affect different groups in varying way.

The stakeholders included :

- Employees
- Workers
- Farmers
- Women Farmworkers
- Farm Labourers
- Local Community, Families and Children

The assessment covered nine critical Human Rights areas:

- 1** **Working Conditions**, including working hours and working environment standards
- 2** **Labour Rights** encompass employment contracts, prevention of child labour and forced labour, human trafficking, freedom of association, and collective bargaining
- 3** **Right to Privacy** covering personal data protection and workplace monitoring mechanisms
- 4** **Health, Safety and Well-being**, including workplace safety protocols, personal protective equipment, health and safety grievance mechanisms, accident insurance, and wellness benefits
- 5** **Freedom of Speech** with expression freedom and feedback mechanisms
- 6** **Workplace Discrimination and Harassment**, covering sexual harassment and discrimination grievance mechanisms
- 7** **Diversity and Inclusion** during recruitment and employment
- 8** **Fair Remuneration**, including salary and benefit terms, with timely and equal compensation
- 9** **Learning and Development** opportunities through training sessions and career management programs

Human Rights Due Diligence

Human Rights Due Diligence is an ongoing and meticulously designed process at GPIL to identify, prevent, and mitigate any adverse human rights impacts that may arise within our operations and tobacco value chain. Our due diligence framework serves as the cornerstone of our efforts to uphold human rights, ensuring that potential risks are systematically addressed and managed through continuous monitoring, assessment, and improvement.

Our human rights due diligence encompasses all aspects of our business operations, from our

manufacturing facilities and corporate offices to our extensive tobacco supply chain. Additionally, our framework includes robust risk identification processes for potential new business relations, ensuring that human rights considerations are evaluated and integrated before entering into any future partnerships or business arrangements. We recognise that effective due diligence requires ongoing engagement with stakeholders, regular assessment of our practices, and proactive measures to address identified risks before they materialise into actual human rights violations.

Assessment Findings and Risk Categorisation

The Human Rights risk assessment indicated that there are no areas of high risk at GPIL, demonstrating the effectiveness of our existing Human Rights management systems. The potential risks were mapped to a matrix based on severity and likelihood of occurrence and categorised into low, moderate, and high risks through quantitative analysis to enable targeted intervention strategies. This comprehensive assessment has enabled us to develop a detailed understanding of our Human Rights landscape and formulate targeted mitigation strategies. The findings serve as a valuable input towards

further strengthening our Human Rights management process in the organisation.

Zero Human Rights
Violation Incidents reported in
FY 2024-25



Social and Relationship Capital

At GPIL, we recognise that Social and Relationship Capital is fundamental to our long-term sustainability and value creation. It reflects the strength of our relationships with stakeholders and our ability to foster trust, collaboration, and shared success across the value chain.

In line with our 'People First' philosophy, we are committed to fostering meaningful engagement with all our stakeholders that including customers, suppliers, employees, farmers, and the wider community.

Our stakeholder engagement model is structured around transparency, accountability and ethical conduct. We ensure open communication, responsive grievance mechanisms and inclusive participation in

decision-making processes. These practices help align our operations with stakeholder expectations and reinforce mutual trust.

Long-standing partnerships with Wholesale Dealers (WDs), suppliers, business associates and farmers reflect the strength of our relationship-driven approach. Our community development programs further demonstrate our commitment to inclusive growth and social impact.

By integrating stakeholder trust into our core business practices, GPIL continues to strengthen its social capital supporting sustainable growth, enhancing brand reputation, and contributing to a resilient and inclusive value chain.

UNSDGs Addressed



Community Development

At GPIL, Corporate Social Responsibility (CSR) along with being an integral part of our commitment to sustainable and inclusive growth, has always been a part of our legacy. We believe that true business growth is sustainable only when it uplifts communities and nurtures the environment. Rooted in agriculture and trade, our commitment goes beyond commerce. It extends to creating opportunities, strengthening livelihoods and building ecological resilience.

Our CSR framework is anchored in a board-approved policy that defines our focus areas and principles of

engagement. Oversight is provided by a dedicated CSR Committee at the Board level, which ensures that initiatives are strategically aligned, effectively implemented and regularly reviewed for impact.

Through targeted programmes, we aim to address critical community needs, promote equitable development, and contribute meaningfully to the regions in which we operate. This structured approach enables us to deliver measurable outcomes while reinforcing our role as a responsible corporate citizen.



Our CSR Program

GPIL remained focused on initiatives in water conservation, safe drinking water access, sustainable agriculture, preventive healthcare and environmental stewardship.

The activities ranged from constructing and repairing check-dams to improve water supply for irrigation, to mapping potable water sources for efficient targeted interventions and supporting farmers with community sheds and awareness programs on best practices. These efforts are designed to create and deliver long-term, inclusive impact.

With the aim of reaching out to other members of our communities, we also piloted an ambitious

program Swasth Pehal, a health screening initiative for daily wage hawkers across major cities. This program ensures access to preventive healthcare for the economically challenged workers who play an important role in our distribution network. Our biodiversity parks and plantation sites continue to flourish, offering green spaces that protect native species, reduce impact of climate change while offering recreational space and livelihood opportunities for our farmers community.

Every initiative reflects our conviction that responsible growth means putting people and planet at the heart of progress.

Access to Safe Drinking Water

Ensuring access to clean drinking water is a key focus of GPI's community development agenda. Recognising water as essential to both health and livelihood, the Company has committed to providing safe drinking water within a 3-kilometre radius of all farming villages that our contracted tobacco reside in.

In many of these regions of Andhra Pradesh, high fluoride levels and limited freshwater availability pose serious health and environmental risks. To address this, GPI launched a comprehensive initiative in FY 2024-25 to scientifically map and geotag existing potable water sources across 839 villages, extending beyond its immediate operational areas. This exercise covered both primary and secondary sources, offering a detailed understanding of safe water accessibility.

To support this effort, a custom mobile application was developed, enabling trained field teams to collect real-time data on the functionality, capacity and reach of Community Reverse Osmosis (RO)

Water Plants and other drinking water facilities. The insights now inform targeted interventions and long-term planning.

To date, GPI has installed 63 RO plants across the region, each equipped with borewell recharge systems and wastewater tanks to promote sustainable water use and groundwater replenishment. Building on the results of the mapping exercise, the Company plans to commission 20 additional Community RO units in FY 2025-26, prioritising areas identified as high-need.

This initiative is a key step toward achieving GPI's broader ESG target of universal access to safe drinking water for all contracted farmers. By combining technology, data-driven planning and community engagement, the Company is contributing to improved public health and long-term water security in drought-prone and water-stressed areas.



Water Conservation

In Andhra Pradesh's tobacco-growing regions, water is a lifeline. The area lies in a rain shadow belt, with low groundwater tables and limited canal irrigation, which pushes farming to be heavily dependent on rainfall. Recognising this challenge, GPI has invested significantly in building, maintaining and assessing water conservation structures that enable sustainable agriculture and strengthen climate resilience.

We are also planning expansion of our water conservation efforts to other regions. In the process, we undertook a feasibility study to build rainwater

harvesting structures near our manufacturing unit in Guldhar, Ghaziabad in Uttar Pradesh. According to the Ground Water Department's report, the groundwater level in 2016 was recorded at 24.9 meters, but by 2023, it had dropped to 33 meters, an alarming reduction of over 7 meters in just seven years. Basis the findings of the feasibility study in FY 25-26, GPI is planning construction of rainwater harvesting structures to support the ground water table of the region.



Upgrading Capacity of Existing Check-Dams

Over the years, GPIL has constructed a total of 36 check-dams across key tobacco-growing districts of Andhra Pradesh. These check-dams play a crucial role in storing rainwater, recharging groundwater, and ensuring alternate irrigation availability during dry spells. For farmers, they are a vital support system to secure their primary crop and to cultivate a secondary crop, thereby enhancing their income and livelihood stability.

However, the region's harsh climatic conditions, unseasonal heavy rains, strong winds and the natural overgrowth of vegetation, gradually reduce the water-holding capacity of these structures. Following a detailed field assessment,

GPIL identified that 30 out of 36 check-dams that required restoration and strengthening to maintain optimal functionality,

The maintenance activities included bund reinforcement for improved water retention, vegetation clearance to ensure easier flow channels and structural repairs of older check-dams spread across 24 villages in 3 districts. This activity was crucial for maximising water conservation and for ensuring long-term structural safety and sustained community benefit. By upgrading existing assets, the Company ensured that these check-dams continue to perform at full potential, supporting both farmers and the local ecosystem.



Volumetric Analysis of Check-Dams

To assess the tangible impact of these efforts, GPIL conducted a volumetric analysis of 32 functional check-dams across the region. This detailed technical study involved measuring water levels at 10-metre intervals to calculate the total and actual water conservation capacity post-repairs. The exercise was verified by the District Irrigation Departments, adding credibility to the technical process.

The findings reaffirmed that the check-dams collectively provide a total storage capacity of over 220,973 cubic meters, with 210,514 cubic meters of water (equivalent to 210,514 kilolitres) stored post-monsoon in FY 2024-25. This conserved water directly supported nearly 10,000 farmers, while also contributing significantly to groundwater recharge, soil moisture retention, and local ecosystem balance.



Building New Check-Dams for Future Resilience

In addition to upgrading existing infrastructure, GPIL expanded its conservation footprint by constructing 11 new check-dams across three districts of Andhra Pradesh, in collaboration with three implementation partners. These newly built structures have extended the reach of water security to around 625 direct beneficiaries and over 27,000 indirect beneficiaries, strengthening the agrarian economy in the water-stressed region.

With this expansion, GPIL's total number of check-dams now stand at 47, each representing a step towards sustainable water management and climate resilience. Looking ahead, the Company plans to construct 12 additional check-dams in FY 2025-26, further supporting new villages and farming clusters. These interventions are designed to deliver both direct agricultural benefits and broader environmental outcomes, including enhanced groundwater recharge and biodiversity restoration.



Environment Conservation

GPIL integrates environmental responsibility into its core business and community initiatives. We recognise the planet as our foremost stakeholder and are committed to ensuring that growth aligns with

ecological sustainability. Our conservation efforts aim to balance operational needs with ecosystem preservation, promoting long-term environmental resilience across our value chain.

Large-Scale Plantation in Semi-Arid Regions

In FY 2023–24, GPIL undertook a large-scale plantation drive in the semi-arid belt of Andhra Pradesh, planting 70,000 trees across three rain-shadow villages — Sangapuram, P. Venkatapuram, and Kalavalapalle. The initiative was designed to enhance green cover, improve local microclimates, strengthen soil and water retention capacity in these ecologically fragile areas.

The selection of seven native tree species was made based on detailed climatic and soil assessments to ensure optimal survival and minimal water dependency. In FY 2024–25, ongoing plantation maintenance activities, including weeding, pest management, fertilisation and periodical watering

were conducted in collaboration with SNIRD, GPIL's implementation partner. Additionally, trenches were dug for water conservation and tree protection, while continuous enumeration and growth monitoring were carried out to assess tree health.

An expert horticulturist review confirmed that the plantations have achieved strong root establishment and are now ready to thrive independently under natural conditions. This marks the beginning of a self-sustaining green ecosystem that will continue to contribute to carbon sequestration, soil restoration and local biodiversity in the years to come.



Biodiversity Parks

Over the years, under its CSR programme, the Company has developed and nurtured four biodiversity parks spanning 24.25 acres, housing a total of 9,450 trees. These parks serve as green sanctuaries that promote native biodiversity, restore degraded ecosystems and foster community ownership of environmental resources.

In FY 2024–25 too, GPIL in partnership with implementation partner EFFORT, continued to maintain three biodiversity parks located in Darsi, Parchur, and Kurichedu. Routine yet essential activities such as fertilization, weeding, watering and pruning were carried out to ensure the health and vitality of the flora. Additionally, structured community engagement programmes were conducted to build local capacity and commitment for long-term maintenance, a key step toward achieving self-sustenance.

During the year, the Vithamrajupalli Biodiversity Park was successfully handed over to the local community for care, a milestone that reflects GPIL's belief in creating enduring impact beyond the lifecycle of CSR support. The ongoing maintenance covers 23.25 acres and 9,336 trees, contributing to a thriving ecosystem where native birds, insects, and small animals have found safe habitats.

These green zones have also generated local employment opportunities, blending environmental restoration with social empowerment. In FY 2025, the Darsi Biodiversity Park is scheduled for handover to the community, while Kurichedu and Parchur parks will continue to receive basic maintenance support in FY 2025–26.



Prioritising Health

GPIL's community outreach extends beyond its farming ecosystem to include informal stakeholders such as daily wage hawkers and small traders who are integral to our value chain. An economically challenged community, they serve vital role of bridging wholesale dealers and retailers and ensuring that products reach markets and consumers efficiently.

Recognising the limited access organised healthcare, GPIL launched Swasth Pehal, a preventive health screening initiative tailored to their needs.

The pilot programme, conducted in partnership with HEAL Foundation and Thyrocare, was rolled out across four cities of Jammu, Delhi, Ahmedabad and Mumbai. Camps were held at the offices of wholesale dealers to ensure accessibility and minimal disruption to work routines. Participants underwent comprehensive health assessments, including vital screenings and consultations with qualified medical professionals. Along with adult

family members of the daily wage traders, the camp was also open to the local communities.

Each participant underwent a detailed health assessment covering both non-invasive and blood-based tests, followed by a personal consultation with qualified doctors. The process included checking vital health parameters such as blood pressure, body composition, bone density, sugar levels, cholesterol, liver and kidney function and vitamin deficiencies. Participants also received on-site medical advice and their test reports were shared directly with them by the medical team to maintain confidentiality and build trust.

Beyond diagnostics, the initiative fostered awareness around preventive healthcare, often overlooked in this segment. Encouraged by the pilot's success, GPIL plans to expand Swasth Pehal in FY 2025-26 across all eight sales branches, covering nearly 20 states and reaching thousands more in its value chain.

Good Agricultural Practices

GPIL continues to strengthen its commitment to sustainable agriculture through initiatives that directly support the farming community. In FY 2024-25, 103 new community agricultural sheds were established, taking the total number of sheds to 324. These sheds are essential for safe agri-produce storage and livestock shelter, proving valuable during erratic weather conditions. Recognizing their impact, GPIL has further plans to construct over 100 additional sheds in the coming financial year. This year, 704 farmers directly benefited from these facilities.

A key evolution in the shed design has been the transition from wood-based structures to those built with concrete pillars and galvanized metal

rods. This change not only increases the longevity of the sheds but also contributes to environmental conservation by reducing deforestation.

Alongside infrastructure support of agri sheds, farm ponds etc, GPIL places strong emphasis on promoting sustainable agriculture practices through community awareness initiatives. During FY 2024-25, 130 training sessions and awareness camps for farmers were conducted in 65 villages, expanding the total outreach to 140 villages. These initiatives aim to integrate the farming community into all stages of our programs, from design and implementation to day-to-day usage, ensuring their active participation and support in CSR initiatives and program.



Supply Chain Management

In today's interconnected and transparent business environment, supply chain management is beyond a mere function of operational efficiency. Our supply chain is an integral part of our business journey and a cornerstone of our corporate reputation, stakeholder trust and long-term value creation. Connecting suppliers, manufacturers and distributors to deliver quality products to our consumers across India and international markets, our resilient and well-governed supply chain reflects our commitment to quality, compliance and responsible business practices. We operate a comprehensive network that encompasses raw material sourcing, manufacturing operations, packaging, distribution and retail partnerships. We recognise that effective supply chain management has a direct impact on business performance and customer satisfaction. Our approach focuses on building strong partnerships, implementing robust quality systems and leveraging technology to enhance visibility and efficiency. The 'People First' philosophy also ensures that the Company prioritises supplier development, risk management and continuous improvement to

create a progressive supply chain that supports growth objectives while contributing to broader economic and social development in the communities we operate in.

Our aim to create a sustainable supply chain is supported by systematic supplier assessments that evaluate the performance of our critical suppliers on ESG parameters. Through our structured supplier development program, we provide training, technical assistance and capacity-building support to help partners meet our standards. This has served to enhance their operational capabilities and competitive positioning too.

The Company has also invested in AI, analytics and knowledge-powered platforms for superior supply chain management. The technology has unlocked working capital benefits, reduced write-offs, improved planning accuracy and established end-to-end visibility of the entire supply chain with dashboards for select KPIs that help transparency.



Policy Implementation

We have established a comprehensive Supplier Code of Conduct that applies to all suppliers providing services, raw materials, finished goods or other products to the Company. This Code outlines essential Environmental, Social, and Governance (ESG) principles and serves as an essential component of our responsible procurement framework. All suppliers must acknowledge and comply with this Code during the onboarding process, establishing clear expectations for ethical business practices, environmental stewardship, and social responsibility.

Within our tobacco supply chain, we uphold an Integrated Production System that ensures Agriculture Labour Practices (ALP) and Good Agricultural Practices (GAP) standards that define sustainable tobacco agriculture and production. These standards include comprehensive provisions

for sustainable and best agricultural practices, environmental conservation, human rights protection, labour practices compliance, child labour prevention and health and safety management.

To reinforce our commitment to responsible sourcing, suppliers with better ESG performance are preferred in supplier selection, contract renewal or awarding processes. Our purchasing practices towards suppliers are regularly reviewed to ensure alignment of the Company's procurement practices with the Supplier Code of Conduct, preventing potential conflicts with ESG requirements. This approach is supported by training programs for our buyers and internal stakeholders for proactive initiatives in supplier ESG programs, ensuring consistent implementation of our sustainable supply chain policies across all procurement activities.



Supply Chain Governance

We have a multi-tier supply chain governance structure to ensure effective implementation of our supply chain strategy and oversight of ESG compliance across our supplier network. Our governance framework is led by a designated supply chain team headed by senior leadership, which oversees the development and execution of our comprehensive supply chain strategy, including sustainability initiatives and supplier relationship management.

This governance structure ensures clear accountability and decision-making authority at multiple organisational levels. Our Board of Directors receives periodic updates on supply chain performance, ESG compliance metrics, risk assessments and strategic initiatives, enabling informed oversight and strategic guidance.

Supply Chain Assessment

Within our tobacco supply chain, we implement a comprehensive assessment protocol for tobacco farmers, focusing on Agriculture Labour Practices (ALP) and Good Agricultural Practices (GAP) standards. Our dedicated Field Technicians and our buyers from the agronomy team conduct systematic on-site evaluations through regular field visits, continuously monitoring farmer adherence to sustainable agricultural practices and ensuring ongoing compliance with established standards. This primary assessment is complemented by periodic third-party on-site assessments of contracted farmers, providing an additional layer of independent verification and quality assurance. This integrated assessment framework ensures robust monitoring of our tobacco supply chain while maintaining the highest standards of agricultural sustainability and labor practices.

Further, in our non-tobacco supply chain, we have launched a comprehensive assessment program starting with the evaluation of our critical suppliers across key ESG parameters. Our systematic approach begins with screening our 3,775 tier-1 non-tobacco suppliers to determine their criticality based on ESG dimensions, business relevance, country-specific factors, commodity risk and sector-specific criteria.

Post screening, we conduct comprehensive desk reviews of critical suppliers to evaluate their performance against ESG criteria. Through this evaluation process, suppliers are categorised based on their assessed risk levels: high, medium, or low. Our assessment methodology is grounded in recognised international standards, including the 9 BRSR principles, UN Guiding Principles on Business and Human Rights (UNGPs), and the International Labour Organisation (ILO) Conventions. The assessment process integrates quantitative performance metrics with qualitative evaluations to deliver comprehensive insights into supplier capabilities and identify areas for enhancement.

Following our comprehensive assessment, few suppliers have been identified as high-risk. This outcome highlights both the robustness of our supplier evaluation framework and the need for targeted intervention. To address this, we will initiate a structured improvement program focused on mitigating identified risks. This program will include tailored action plans for each supplier, clear timelines, and measurable performance indicators. Progress will be monitored regularly through enhanced oversight mechanisms to ensure sustained compliance and continuous improvement.

Criteria	FY 2024-25
Total number of Tier-1 suppliers	3,775
Total number of significant suppliers in Tier-1	15
% of total spend on significant suppliers in Tier-1	40%
Total number of significant suppliers in non-Tier-1	0
Total number of significant suppliers (Tier-1 and non-Tier-1)	15

The scope covers non-tobacco suppliers accounting for 45% of total procurement spend. Supplier criticality was determined by selecting those with individual procurement spend exceeding 1%

Supply Chain Development

Our supplier development program is structured around three main components designed to strengthen supplier capabilities and embed sustainable practices across our supply chain. This approach aligns

with industry best practices and supports long-term partnerships that foster mutual growth, quality and operational excellence.

The program includes

Risk Mitigation and Compliance

We are implementing targeted mitigation plans based on the supplier's assessment to proactively address identified risks, especially under ESG pillars. In our tobacco supply chain, farmers face significant risks such as Green Tobacco Sickness (GTS) and exposure to hazardous chemicals, including pesticides and fertilisers. To mitigate these risks, we conduct regular training programs, awareness camps and meetings to emphasise the importance of adhering to safety standards.

Training and Awareness

Regular training, awareness and engagement programs are being held to promote best practices and capacity-building initiatives for farmers. This comprehensive approach is aligned with industry best practices and focuses on creating long-term partnerships that drive mutual growth and operational excellence. The program for farmers extends beyond safety measures to also include technical training on sustainable agricultural practices, introducing mechanisation initiatives and technology for farming and financial literacy programs. Further, for our non-tobacco suppliers, we will begin a targeted capacity-building program starting with the suppliers falling in the higher risk category (compared to other assessed suppliers). As part of the program, they would also be given access to ESG benchmarks against industry peers, enabling them to evaluate their performance relative to market standards and identify opportunities for continuous improvement in their environmental, social, and governance practices.

For the downstream value chain, we have already started training for our logistics partners. In FY 2024-25, we covered four key logistic partners. The training included reduction of emissions, transitioning of vehicles to CNG & electric, advancing towards the latest Euro emission norms and enhancing safety measures and social security for workers and drivers as some of the main topics.

Continuous Improvement

We continue to support our suppliers with capacity-building to help meet the changing market environment, rules and regulations, quality demands and compliance standards that cannot be compromised. Regular monitoring and feedback mechanisms ensure continuous improvement and adaptation of development initiatives based on emerging needs and challenges.

Further, we regularly engage with our suppliers to enhance their understanding and implementation of our ESG standards through comprehensive information sessions and targeted training programs on our supplier ESG program, processes and requirements.

By implementing these comprehensive measures, we ensure a safer and more sustainable supply chain while fostering a culture of continuous improvement among its suppliers, creating value for all stakeholders involved in our operations.

Natural Capital

In today's rapidly evolving climate landscape, responsible environmental and natural resource management is not a choice but an imperative. At GPI, we recognise the urgency of acknowledging that environmental resources are finite and irreplaceable. Addressing the challenges by prioritising conservation, regeneration, and responsible utilisation of natural assets is critical to business. Our approach is rooted in consistent integration of sustainable practices into our operations, embracing circular economy principles

and investing in innovative solutions to minimise our environmental footprint. Our proactive efforts have resulted in efficient resource management practices, waste reduction initiatives, environmental monitoring programs, biodiversity conservation and efforts in clean energy adoption and carbon neutrality. This strategy enables us to respond effectively to climate challenges while creating enduring value for our stakeholders, while safeguarding the natural systems that support life and livelihoods.

UNSDGs Addressed



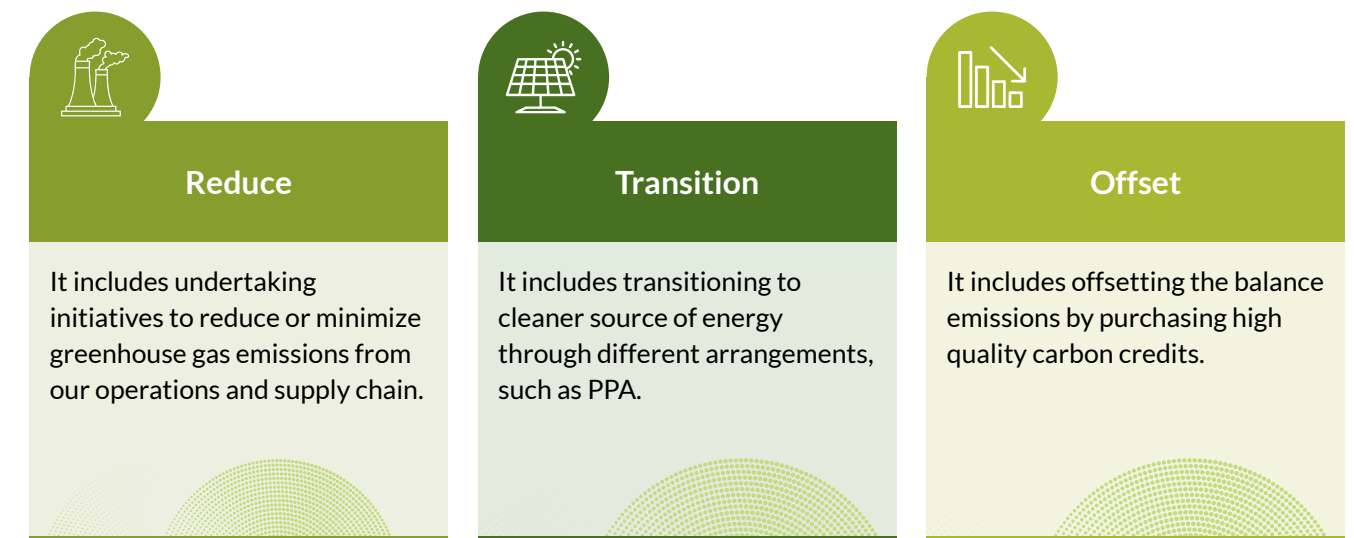
Energy and Emissions Management

Climate change is increasingly recognised as a material risk with far-reaching implications for businesses, economies and communities. A growing frequency and intensity of climate-related hazards such as extreme weather events, coastal flooding, prolonged heatwaves, droughts and wildfires are emerging as significant threats to operational continuity, supply chains, and long-term sustainability.

At GPI, we acknowledge the multifaceted challenges presented by climate change. Our core business, fully dependent on tobacco cultivation, is inherently

sensitive to climatic conditions. Optimal growth requires stable weather patterns, including moderate temperatures, controlled humidity and timely rainfall. Disruptions such as droughts, excessive rainfall or heat stress can adversely impact crop yields, escalate input costs and strain logistics and distribution networks.

In response, we have instituted systems and processes aimed at mitigating high-priority climate-related risks and enhancing resilience across our value chain. The Company is committed to a structured, three-pronged approach to address climate change:

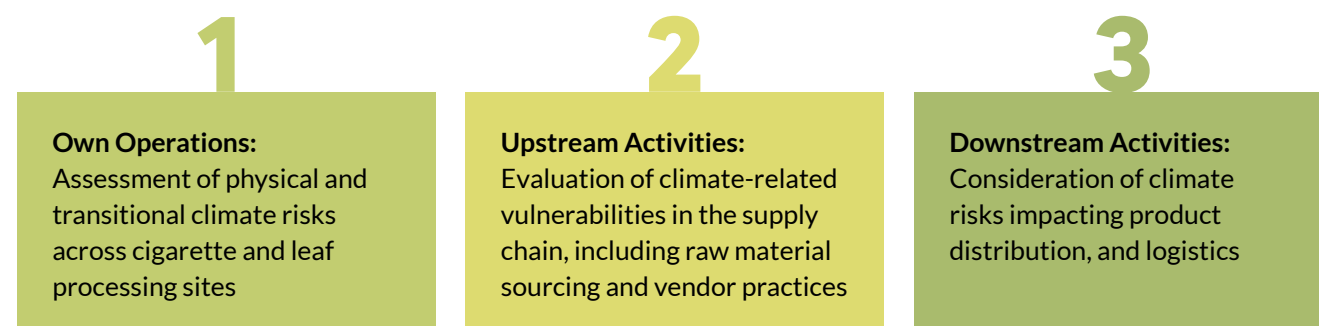


In FY 2023-24, we undertook a comprehensive Climate Risk Assessment as part of our strategic sustainability agenda, marking a significant step in enhancing our understanding of climate-related risks and their potential impact across our operations. This foundational assessment enabled us to identify key vulnerabilities, evaluate exposure to climate hazards, and develop targeted mitigation and adaptation strategies.

Our response to climate risk management begins through the systematic identification of risks

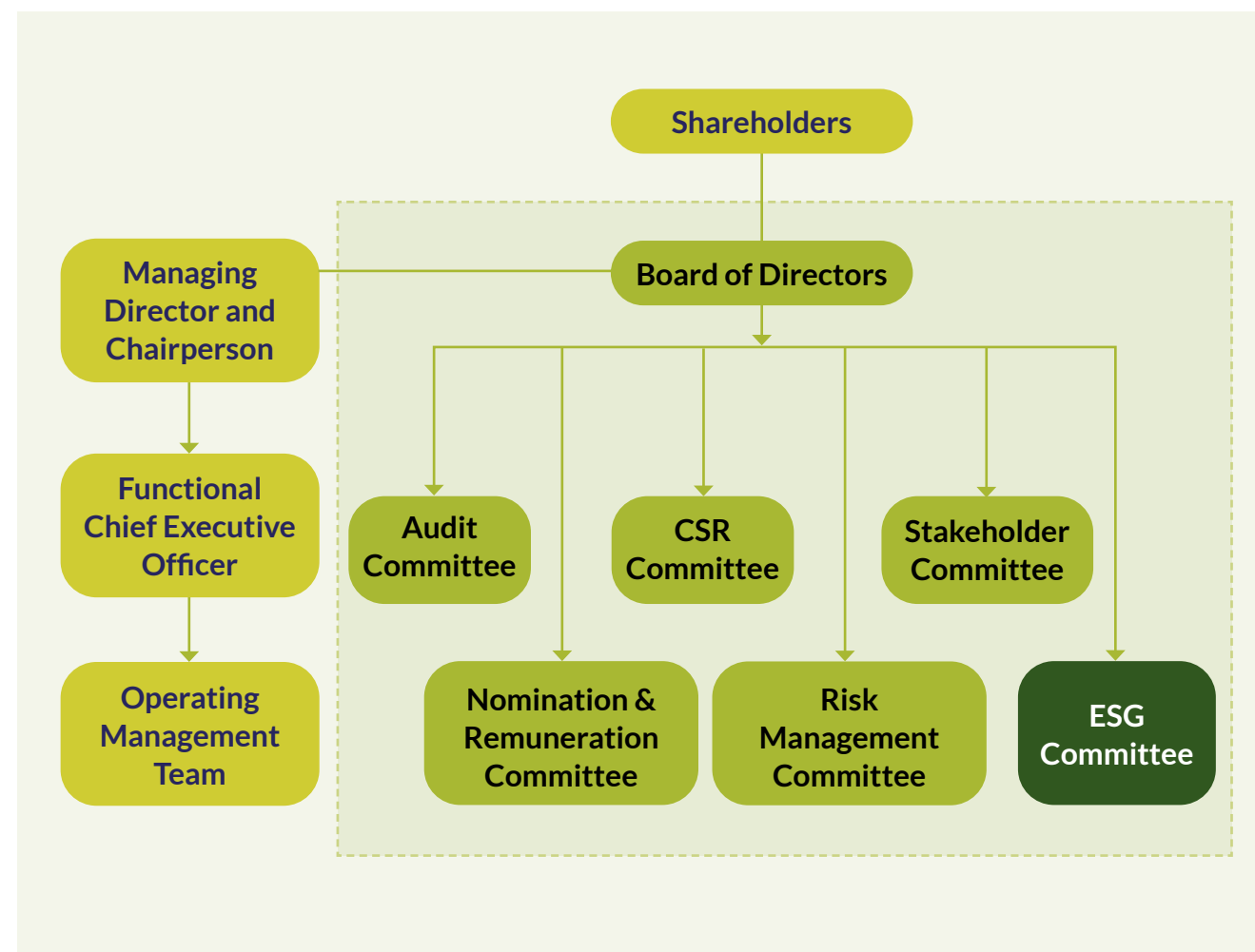
or opportunities and their importance to our organisation. Following the thorough risk identification process, we have categorised the identified risks into categories, including Legal Risk, Current regulations, Emerging regulations, Technology Risk, Reputational Risk, Market Risk, and Acute and Chronic Physical risks. Once categorised, an in-depth assessment is conducted to prioritise them based on their likelihood and severity, using both qualitative and quantitative measures, ultimately ranking risks as low, medium, or high.

Building on this framework, we have adopted a comprehensive approach to climate risk assessment, covering all critical stages of our value chain:



Aligned with this assessment, we have set emission reduction targets to mitigate operational impact on the climate. Recognising the dynamic nature of climate risks, GPI intends to conduct such assessments periodically to remain responsive to evolving environmental conditions and regulatory expectations. This ongoing evaluation will support the Company in aligning its operations with global best practices and stakeholder expectations.

The following section outlines GPI's climate-related disclosures in accordance with the Task Force on Climate-related Financial Disclosures (TCFD) framework, reflecting our commitment to transparency and proactive climate governance.



Climate Governance

GPI's Board of Directors provides strategic oversight of the Company's affairs, including the integration of ESG considerations into core business strategy. ESG governance is driven through the ESG Committee, comprising a balanced mix of executive and independent Directors with diverse industry expertise. This Committee is responsible for guiding and monitoring the Company's ESG initiatives, including climate risk management.

Climate-related matters are reviewed annually at the Board level. At the management level, the ESG Executive Committee ensures effective execution of ESG priorities and climate-related targets. The Committee meets annually and reports progress to the Board, offering strategic direction and performance review.

Sakshi Anand, Chief Human Resources Officer and Head of ESG, oversees the integration and implementation of ESG into business. She reports to the Executive Committee on ESG progress, ensuring alignment between operational execution and strategic ESG goals.

For our Functional Chief Executive Officer, performance evaluation is integrated with the Company's ESG strategy. ESG goals are incorporated into the evaluation system with monetary incentives tied to achieving our ESG targets, including 50% renewable electricity across manufacturing operations and a 30% reduction in Scope 1 & 2 GHG emissions in cigarette manufacturing by 2030. Plant heads are accountable for location-specific ESG targets, including emission reduction, energy efficiency, and waste reduction, while employees across various levels are assigned ESG targets relevant to their roles and functions. Outstanding contributions toward achieving these sustainability objectives are also recognised through our most prestigious recognition – KK Modi Excellence Awards for employees, which also considers the sustainability performance of the employees to ensure commitment.

ESG-linked KPIs are embedded in the performance measurement system and impact performance outcomes of employees. This approach supports a culture of sustainability-driven leadership and ensures that climate and ESG performance are considered in decision-making at all organisational levels.

Strategy

We conducted a climate scenario analysis to evaluate both physical and transition risks, using RCP 2.6 and 8.5 pathways for physical risks, and NGFS Current Policies and Net Zero scenarios for transition risks.

This assessment identified two key vulnerabilities:

- **Potential cost escalation** due to anticipated carbon taxation and regulatory shifts.
- **Agricultural sensitivity** in tobacco cultivation, resulting from changing climate conditions.

Building on these insights, we are actively implementing climate-resilient measures across our operations through a structured timeline approach based on risk priority and impact severity:

Less than 5 years:

Immediate-risk areas, including acute physical risks (flooding, extreme weather events) and urgent transition risks (current regulatory compliance, carbon pricing mechanisms)

5 to 10 years:

Medium-term risks encompassing chronic physical impacts (temperature changes, water stress) and evolving transition risks (emerging regulations, market shifts)

More than 10 years:

Long-term strategic risks related to sustained climate impacts and comprehensive regulatory transformations

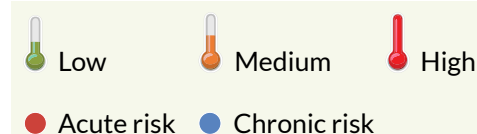
We continuously identify areas for improvement, having initiated short-term actions and are finalising long-term mitigation strategies to strengthen our climate adaptability. These efforts are part of an ongoing commitment to periodically reassess climate risks and remain aligned with evolving environmental and policy landscapes.

Further, we are committed to integrating climate risk criteria and adaptation planning into all new operations and expansion projects from the design phase onwards. This comprehensive approach encompasses strategic site selection based on climate resilience factors, advanced climate modelling assessments, and seamless integration of sustainable technologies to ensure climate-adaptive infrastructure development.

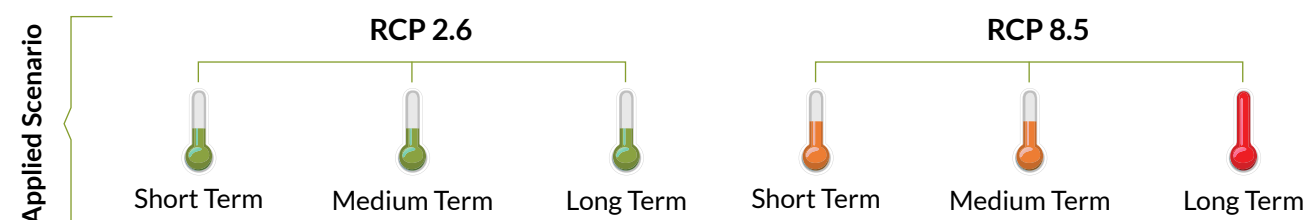


Climate Scenario Analysis for Physical Risks

Risks and Opportunities



Cyclones



Impact:

GPIL's facilities are projected to face varying degrees of crop damage, ranging from minor yield reductions to significant losses in quality. Additionally, extreme weather events such as flooding and high winds may lead to operational disruptions and downtime, impacting overall productivity and supply continuity.

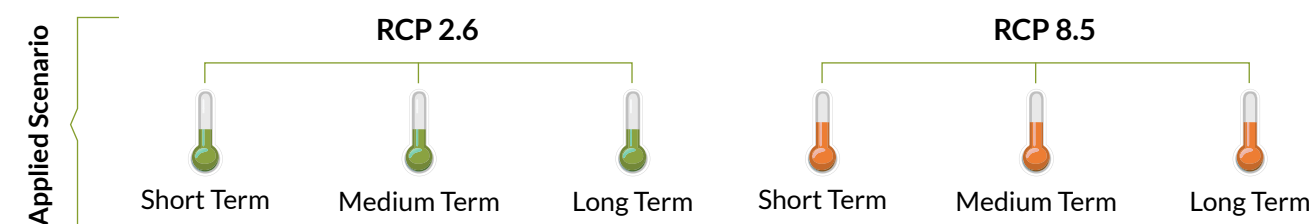
Mitigation Plan:

Leaf Division (Ongole)

- GPIL has put in place proactive measures to strengthen climate resilience across its agricultural operations. The Company actively monitors weather forecasts and leverages early warning systems provided by government agencies to anticipate and respond to adverse weather conditions
- To safeguard crop quality and reduce climate-related losses, GPIL is investing in semi-permanent barns constructed from sustainable materials for secure and climate-resilient storage. Additionally, the Company is exploring the use of natural and artificial windbreaks and shelterbelts to protect crops from extreme weather events and enhance field-level climate adaptation



Water Stress



Impact:

Water stress across GPIL's facilities is projected to intensify over time. While tobacco is relatively drought-tolerant and manufacturing processes are not heavily water-dependent, prolonged water scarcity could result in smaller leaf sizes, reduced crop quality, and lower productivity during early growth stages. Additionally, rising water costs may contribute to increased operational expenses, underscoring the need for efficient water management and long-term resource planning.

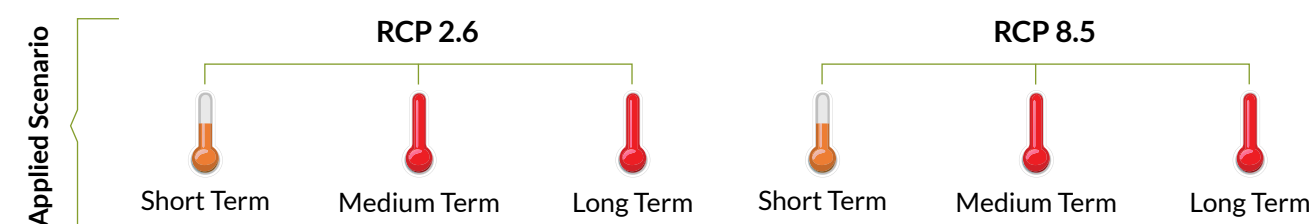
Mitigation Plan:

Manufacturing Units (Guldhar & Rabale) and Leaf processing sites (Ongole)

- GPIL is actively adopting water-efficient practices across its operations. In parallel, the Company is developing water harvesting infrastructure to support groundwater recharge and enhance long-term water sustainability.



Change in Precipitation



Impact:

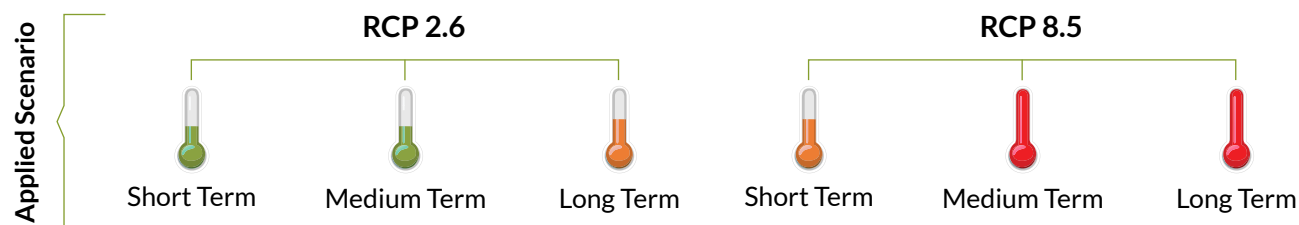
Tobacco cultivation, which depends on well-distributed rainfall, is currently experiencing minimal impact on yield and growth. However, projections indicate that over time, increasing annual precipitation, extreme rainfall events, minor flooding, and elevated humidity levels may begin to moderately or significantly affect crop performance, product quality, and overall operational efficiency.

Mitigation Plan:

Leaf Division (Ongole)

- GPIL is leveraging its weather monitoring systems to receive early warnings and take timely action to minimise the impact of adverse weather conditions.
- To further support climate resilience, the Company is providing infrastructure to help farmers safeguard their produce from weather disruptions and will continue to do so.

Change in Temperature



Impact:

An increase in hot days is expected to intensify the frequency of heatwaves, posing health risks to farm workers and reducing overall productivity. Rising specific humidity levels may further compromise tobacco leaf quality, while elevated temperatures could delay harvest cycles and time-to-market—impacting retailers, sales teams, and the broader distribution network.

Mitigation Plan:

Leaf Division (Ongole)

- Under the Integrated Production System, we are actively promoting environmentally responsible and sustainable farming practices among IPS tobacco farmers to enhance productivity while preserving natural resources.
- In parallel, the Company is working closely with farming communities to strengthen Agricultural Labour Practices. These efforts aim to protect workers from the health and livelihood risks associated with rising temperatures, ensuring safer and more resilient working conditions.

Climate Scenario Analysis for Transitional Risks

As part of our climate risk assessment, we have analysed transitional risks across multiple dimensions, including current regulation, emerging regulation, technology risk, legal risk, market risk, and reputational risk. Through the assessment, we have identified the long-term challenges and strategic opportunities in a changing climate landscape. The assessment highlighted two major risks, which are as follows:

Carbon Pricing and Regulatory Shifts:

While India's net-zero target is set for 2070, increasing global climate commitments may accelerate domestic policy action. Carbon pricing mechanisms, including taxation, could be introduced between 2040 and 2050. Stricter environmental regulations may also impact operational costs and compliance requirements.

Evolving Consumer Preferences and Market Dynamics:

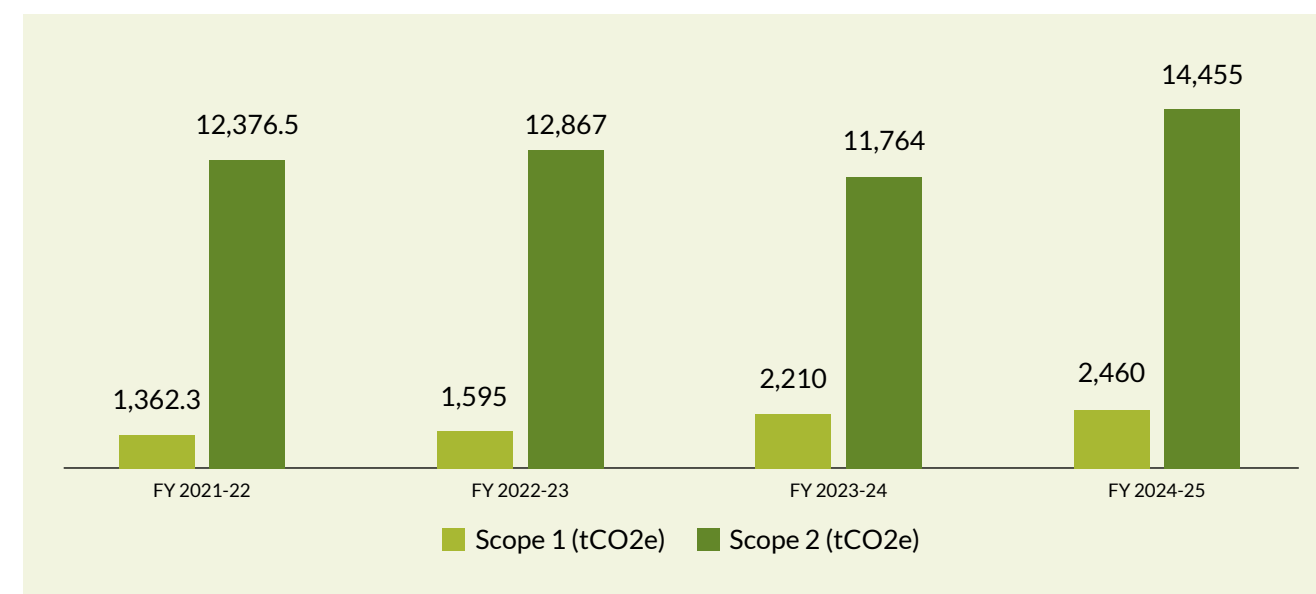
In the short term, consumer behaviour across tobacco formats is expected to remain stable. However, over the medium to long term, shifts in consumer preferences, combined with potential regulatory tightening, could affect demand. This underscores the strategic importance of exploring adjacent categories within the tobacco sector to ensure long-term business resilience.

Climate Metrics & Targets

We have aligned our climate-related disclosures with the TCFD framework to ensure transparency and accountability in managing climate risks and opportunities. We have set measurable targets to reduce our emissions footprint through strategic initiatives such as energy efficiency measures, increased use of renewable energy, and collaboration across our value chain.

Note : Detailed progress on our emission reduction targets is mentioned in the "Our ESG Performance" section of the report.

Our Board-level ESG Committee conducts a biannual review of our progress on the targets to assess resilience under various climate scenarios and to support our long-term sustainability goals.



Net Zero Strategy and Roadmap

GPIL is deeply committed to advancing its sustainability agenda and is actively working toward achieving carbon neutrality by 2030. In alignment with global climate goals and based on insights from its Climate Risk Assessment Report, the Company is currently evaluating its long-term strategy.

Building long-term resilience is not only a climate imperative but also a strategic business priority. GPIL's approach is rooted in a comprehensive action plan that includes:

- Enhancing energy efficiency across operations and facilities
- Accelerating the shift to renewable energy sources
- Investing in credible carbon offset mechanisms to balance residual emissions

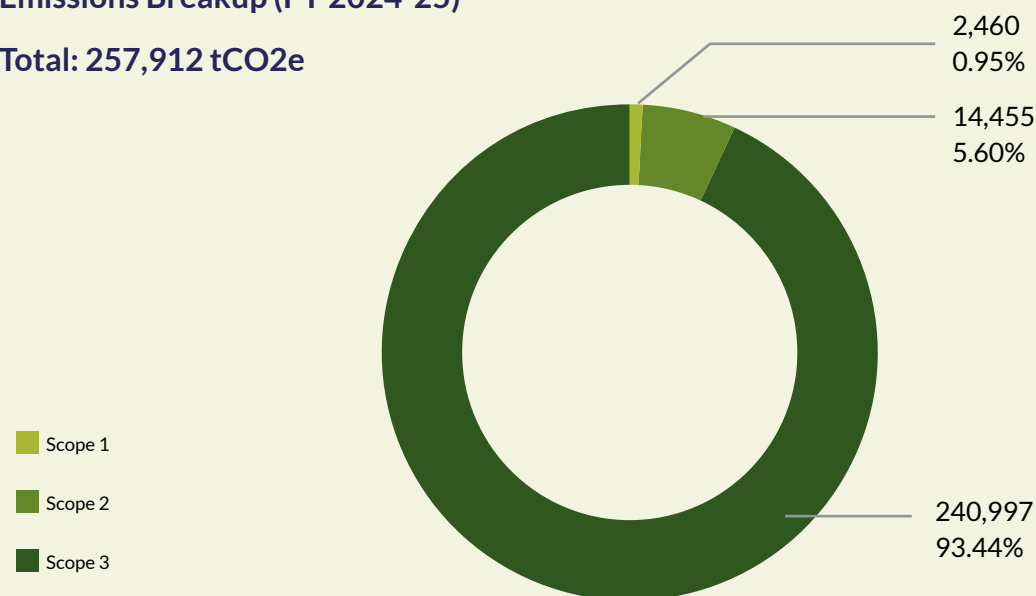
As a foundational step, GPIL has completed a detailed baseline assessment of its GHG emissions along with LCA, which has helped identify key emission hotspots and set realistic, science-aligned reduction targets.

This roadmap will continue to evolve, ensuring that GPIL remains agile and responsive to emerging climate risks, regulatory developments, and stakeholder expectations. The Company's commitment to carbon neutrality is not only about reducing emissions, it is about building a resilient, future-ready business that contributes meaningfully to global climate action.

GPIL's energy mix at presents reflects a significant reliance on grid electricity at 59%, which constitutes over half of its total consumption. The remainder is sourced from a combination of renewable and non-renewable fuels. Recognising the environmental impact of indirect energy use, the Company has made reducing associated emissions a priority. To advance this goal, GPIL is steadily increasing its adoption of renewable energy across key operational sites. During the reporting period, solar energy contributed approximately 23.12 TJ, underscoring the Company's commitment to clean energy integration and long-term decarbonisation.

Emissions Breakup (FY 2024-25)

Total: 257,912 tCO₂e



Energy Consumption within the Organisation

Fuel and Energy Consumed	UoM	FY 2024-25
Non-Renewable Energy (Fuel and Grid Electricity)	TJ	97.61
Renewable Energy	TJ	23.12

Emissions Management and Decarbonisation Strategy

GPIL has undertaken a detailed emissions inventory across its operations and value chain, covering direct emissions, energy-related indirect emissions and other indirect emissions linked to upstream and downstream activities. This comprehensive exercise has enabled the Company to identify key emission sources and develop a focused roadmap for reduction.

To further strengthen its sustainability framework, GPIL has conducted a Life Cycle Assessment (LCA) to evaluate the environmental impact of its products and processes from raw material sourcing to end-of-life. The LCA provides a focused and critical insight into resource use and emissions intensity, supporting data-driven decision-making and prioritisation of interventions.

The current decarbonisation strategy includes:

- **Improving energy efficiency** through advanced technologies and operational optimisation
- **Expanding renewable energy adoption**, including solar investments and clean energy partnerships

- **Implemented an ISO 50001-certified energy management system** to institutionalise energy-saving practices, including regular energy audits to identify opportunities for improving energy performance
- **Conducting regular energy efficiency training programs** for employees to raise awareness of energy consumption reduction and embed energy-conscious behaviours across the organisation
- **Exploring verified carbon offset projects** to address residual emissions in the future

GPIL remains committed to transparent monitoring and reporting, with regular updates shared with stakeholders to demonstrate progress and reinforce accountability. These strategic actions form part of a broader sustainability journey aimed at reducing environmental impact and building long-term business resilience.

Category (tCO ₂ e)	FY 2023-24	FY 2024-25
Category 1 & Category 2: Purchased Goods & Services and Capital Goods	205,487	182,871
Category 3: Fuel & Energy	3,654	2,832
Category 4: Upstream T&D	8,471	6,034
Category 5: Waste Generated	68	17
Category 6: Business Travel	1,430	1,159
Category 7: Employee Commute	1,478	1,410
Category 10: Processing of sold products	-	46,574
Category 11: Use of sold products	81	100
Total	220,669	240,997

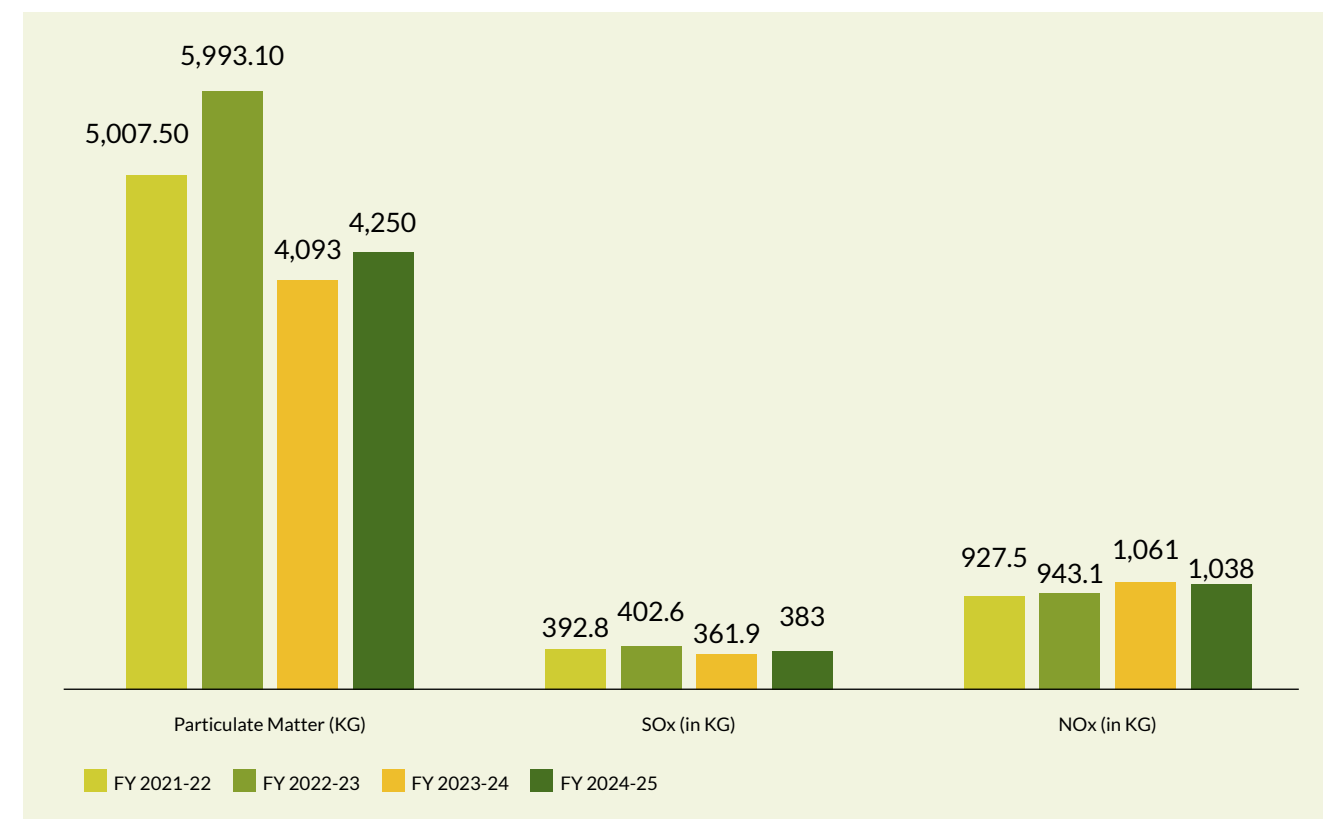
We have updated our category 3 emissions data for FY 2023-24 to include electricity transmission and distribution (T&D) losses, which have resulted in higher reported emissions compared to our previous year's disclosure. Additionally, for Category 5 emissions in FY 2024-25, the adoption of updated DEFRA emission factors has led to lower reported emissions due to reduced emission factor values.

Other Emission

Air emissions are a critical aspect of environmental performance, particularly in manufacturing-intensive sectors. GPIL ensures full compliance with all applicable air emission regulations and maintains emissions well within permissible limits. Beyond compliance, targeted initiatives are in place to reduce pollutants such as NO_x, SO_x, and particulate matter. Both the factories are using PNG as fuel for process application & have implemented air filtration systems

and dust control mechanisms, resulting in consistent reduction in emissions.

The chart below presents the trend in NO_x, SO_x, and particulate matter emissions of our Company, reflecting year-on-year improvement driven by operational upgrades and emission control technologies.



Biodiversity Management

Biodiversity supports life and essential resources and is therefore critical to long-term business operations. From water for manufacturing to agricultural inputs across our supply chain, GPIL recognises that our business activities depend heavily on healthy ecosystems. We acknowledge that our industrial activities can impact the natural environment if we are not actively aware, monitoring and mitigating

the impact. Our commitment to biodiversity goes beyond regulatory compliance and we have embedded biodiversity considerations into every aspect of our decision-making. We believe that by aligning operational practices with ecological preservation, we reinforce long-term business resilience while protecting the stability of natural systems that our business and our communities depend on.

Biodiversity Policy and Governance Framework

GPIL has instituted a company-wide Biodiversity Policy that applies to all offices, facilities and subsidiaries, ensuring strict adherence and consistent implementation across operations. Our policy is anchored in three key pillars: compliance with applicable environmental regulations, periodic and consistent assessment of biodiversity risks across our operational and supply chain and development of targeted risk mitigation plans at identified sites.

We conduct regular reviews of our policy to reflect any new regulations, industry benchmarks and evolving science and technology to ensure proactive adaptation to the changing landscape and remain forward-looking in our biodiversity management.

Biodiversity Risk Assessment

In FY2023-24, we conducted a comprehensive biodiversity risk assessment across all three manufacturing facilities: Rabale in Maharashtra, Ongole in Andhra Pradesh, and Guldhar in Uttar Pradesh, covering 100% of our operational footprint. Our methodology combined primary and secondary data analysis using tools including ENCORE and the WWF Biodiversity Risk Filter. We conducted detailed Ecosystem Services Reviews (ESR) using the WBCSD tool, collecting data on provisioning, regulating, cultural and supporting services within a 10-kilometre buffer zone around each site.

The assessment included site proximity analyses relative to Wildlife Sanctuaries, Protected Areas, Key Biodiversity Areas, Tiger Corridors and habitats

supporting IUCN Red-listed species. Results revealed our significant dependency on crop production and freshwater resources, while identifying a substantial impact on freshwater ecosystems. A critical concern was the Guldhar facility in Ghaziabad facing heightened water stress vulnerability due to its location within a CGWB-classified water-stressed region. The continued over-exploitation of groundwater resources presents risks of increased operational costs and potential production capacity reductions. Based on these findings, we have aligned our biodiversity initiatives and mitigation plans to address identified risks, with a strategic focus on water conservation, sustainable agricultural practices and community engagement.

Biodiversity Mitigation Actions

We have adopted a systematic approach to biodiversity mitigation based on the internationally recognised mitigation hierarchy, ensuring our interventions follow the sequence of avoid, reduce, restore and regenerate, and transform. This hierarchical approach prioritises the prevention of negative impacts while establishing clear pathways for addressing unavoidable impacts through targeted restoration and regeneration activities.

Mitigation Level	Our Actions and Commitments
Avoid	<ul style="list-style-type: none"> Commitment to avoid establishing new factories and offices near biodiversity hotspots Expansion strategy prioritising biodiversity conservation alongside operational considerations
Reduce	<ul style="list-style-type: none"> Water wastage reduction through recycling and reusing Implementation of check dams, contour bunding, mulching, cover crops and rainwater harvesting to maintain ecosystem services Sustainable farming techniques including crop rotation, reduced chemical input and conservation tillage Wood sustainability through plantation programs and permanent structures of sustainable material Community engagement in reviving ponds and tanks, maintaining existing dug wells and rehabilitating dried wells for groundwater recharge Programs to sustain local water resources and enhance the overall groundwater table
Restore and Regenerate	<ul style="list-style-type: none"> Preserve and restore local wetlands, including village ponds, lakes and river remnants Long-term planning is underway to protect natural wetlands and develop rejuvenated dried water bodies and enhance ecosystems that regulate water flow, recharge aquifers, and provide habitat for biodiversity
Transform	<ul style="list-style-type: none"> Active involvement of local communities, especially farmers, in environmental stewardship Educational and awareness programs for sustainable practices Capacity building and collaborative decision-making processes Strategic partnerships with local NGOs and government bodies Embedding conservation principles within community structures for long-term sustainability

This comprehensive mitigation framework ensures our conservation efforts create sustainable pathways for biodiversity protection that extend beyond our direct operational influence, while generating positive outcomes for both our business and the ecosystems we depend on.

Waste Management

Effective waste management is essential for operational efficiency, regulatory compliance and environmental responsibility. GPIL is cognisant of its corporate responsibility and structured systems are in place to manage diverse waste streams across manufacturing, office operations and products. Our waste management framework follows the waste hierarchy that prioritises removal, reduction, reuse or recycling with safe disposal as a last resort.

Specialised protocols address both organic, inorganic and hazardous waste from our manufacturing

processes, including tobacco processing residues, packaging materials and facility operations waste. We especially focus on resource recovery and circular economy principles, converting waste into inputs for other industries and reducing landfill dependency.

In FY 2024-25, we conducted a sustainable packaging assessment, which also enabled us to identify the types of packaging-related waste generated across our operations, allowing us to determine areas of significant waste generation and identify opportunities for improving resource efficiency.

Waste Management Framework and Governance

Achieving effective waste management requires active participation across all levels in both the organisation and communities. At GPIL, waste management is not a top-down mandate as we recognise that informed and engaged employees and workers play a crucial part in achieving our waste management goals. To this end, we conduct regular training and awareness programs to equip employees with waste management knowledge, best practices and tools. Our operations comply

fully with India's regulatory framework, including Solid Waste Management Rules, Hazardous Waste Management Rules, and Plastic Waste Management Rules. Accountability is integrated into the governance structure as designated leads in facilities and locations work closely with the central ESG team and Head to ensure consistent oversight, performance monitoring and projects for reduction and neutrality.

Waste Management Hierarchy

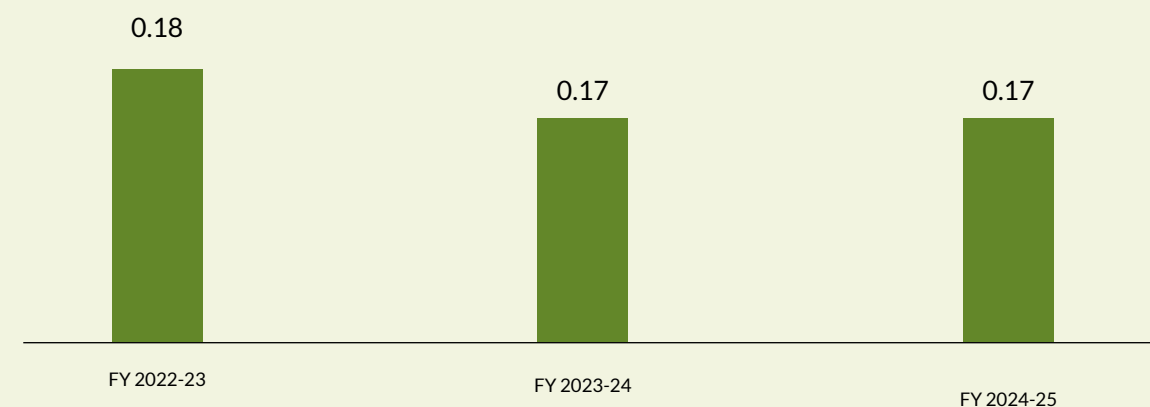


We have implemented a six -tier approach to waste management aligned with the waste hierarchy principles.

- 1 Avoid** forms our primary strategy, where we comprehensively study entire processes and identify innovative solutions to eliminate waste generation from our supply chain and operational practices at the source.
- 2 Minimise** represents our organisational philosophy, where we continuously focus on reducing waste volume through efficient resource utilisation, process optimisation, and lean manufacturing principles.
- 3 Reuse:** Materials are reintegrated within our production cycle, including packaging materials, facility maintenance supplies, and processed organic waste, with repurposing applied where direct reuse isn't feasible
- 4 Recycling:** Strategic partnerships with CPCB/SPCB certified companies to process materials like plastics and e-waste, while collaborating with suppliers for recycling input and intermediate packaging materials. We ensure that recyclable packaging materials generated during our production processes and within our premises are effectively recycled through CPCB/SPCB certified recyclers
- 5 Treat & Process operations** transform tobacco processing residues into valuable secondary products, converting waste streams into biofuel pellets and organic fertilisers that serve as inputs for other industries, demonstrating our commitment to resource recovery.
- 6 Dispose** practices ensure responsible management of residual waste through CPCB/SPCB-certified agencies in full regulatory compliance, with all hazardous waste processed through authorised Treatment, Storage and Disposal Facilities (TSDFs) maintaining complete traceability from generation to final disposal.

Our Performance

Waste Intensity (MT/ million cigarette sticks manufactured)



Sustainable Packaging

Sustainable packaging is a key focus area in our efforts to reduce environmental impact across the value chain. We are actively working to minimise the ecological footprint of our packaging by adopting strategies that emphasise material reduction, recyclability, reuse and innovation. To guide this transition, we conducted a comprehensive sustainable packaging assessment for our cigarette packaging. This included an appraisal of the regulatory landscape for packaging materials, evaluation of policy maturity, supplier assessments based on material types, certifications, governance frameworks, and standard operating procedures. Peer benchmarking was also undertaken to identify industry best practices and innovative solutions. These systematic research efforts enable us to evaluate current packaging inputs and identify evidence-based pathways to enhance packaging sustainability.

Based on these research insights, we are working closely with certified packaging suppliers to explore

both short- and long-term eco-efficient packaging solutions that minimise waste generation and improve recyclability. Our packaging is mainly sustainable with the use of compostable materials such as TOR, self-adhesive tapes (Gum Tapes) and polybags and paper that is recyclable. We are working closely with our vendors to procure key packaging material from FSC-certified manufacturers.

Additionally, we are actively working to reduce the use of single-use plastic packaging while increasing the incorporation of recycled packaging materials in our packaging portfolio. These initiatives reflect our broader commitment to achieving fully recyclable and compostable packaging, while embedding sustainability across the value chain, from sourcing to the final product delivered to our consumers.

Our initiatives also include stakeholder collaboration, ensuring employees and communities are involved in a collective approach to using water efficiently, promoting water recycling, and enabling access to better water quality. GPI has set measurable targets to drive progress, and our aim to replenish 30% of water consumed and reduce water consumption by 5% per million cigarettes manufactured by 2030 was met this year.

usage, helping us implement targeted conservation measures and measure the effectiveness of our water management initiatives.

Additionally, we conduct regular training programs to educate employees on water efficiency measures, creating awareness and building capacity for water conservation across all levels of our organisation. These programs promote behavioural change and encourage active participation in water management initiatives through workshops and awareness campaigns.

Water Management

Water is a shared and finite resource, essential to both environmental stability, sustenance and for any industrial continuity. For GPI, water plays a critical role owing to our reliance on agricultural commodities and manufacturing processes for our product, cigarette production and tobacco processing. Responsible water management is therefore integral to our long-term resource security. We deploy advanced technologies, systems & process optimisation to reduce freshwater and groundwater usage, supported by continuous monitoring and reporting of consumption patterns.

Water Management Framework

Our comprehensive water management approach integrates conservation, efficiency, and quality protection across all manufacturing facilities and operations. We maintain strict compliance with all applicable water regulations while promoting innovative approaches to water conservation and reuse.

We have established robust internal water use monitoring processes that track consumption patterns, identify inefficiencies, and enable data-driven decision-making for water optimisation across our operations. These monitoring systems provide insights into water

Water Conservation Initiatives at GPI

Our water conservation measures focus on process optimisation, technology upgrades, and system efficiency improvements. Our multi-faceted approach addresses water usage at every stage of our operations:

Process Optimisation and Technology Integration

- Elimination of water use in vacuum generation processes, reducing overall process water requirements
- Section-wise monitoring of water consumption enabling targeted efficiency improvements and immediate leak detection
- Online metering of installed borewells on a real-time basis, providing continuous monitoring and data-driven decision making
- Technology-based monitoring of groundwater levels, ensuring sustainable extraction rates and aquifer protection
- Adoption of water-efficient technology across manufacturing processes, reducing consumption while maintaining quality standards

Infrastructure Improvements and Maintenance

- Upkeep and maintenance of rainwater harvesting systems, ensuring optimal capture and storage of monsoon water
- Upgradation of plumbing systems, reducing losses and improving distribution efficiency
- Controlling overflow from overhead storage tanks, preventing waste through better system management
- Renovation of underground tanks, maintaining storage capacity and preventing contamination
- Replacement of conventional taps with sensor-based taps, foot-operated taps, and push-type taps, reducing consumption through automated and efficient dispensing

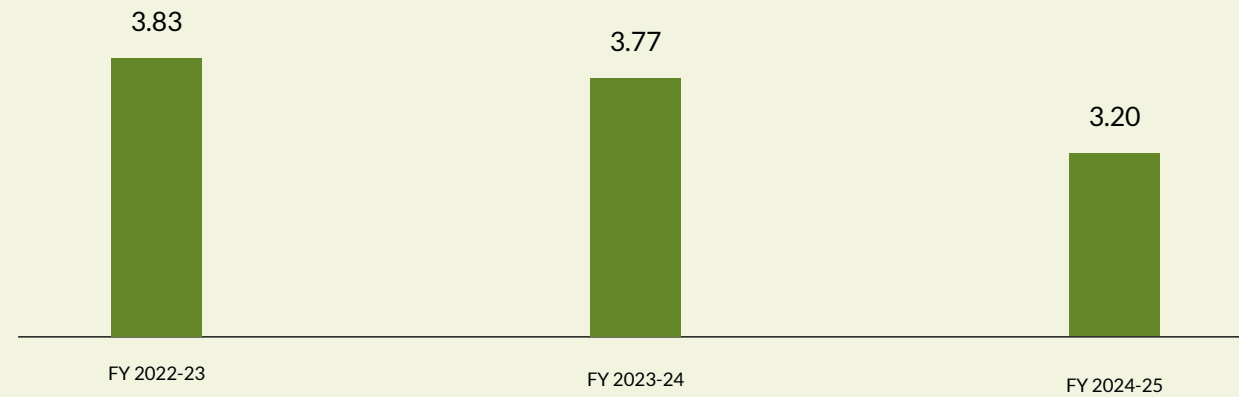
Water Recovery and Reuse Systems

- Storage and use of condensate water from AHU units, capturing and reusing water that would otherwise be lost
- Use of ETP-treated water for flushing and horticulture applications, maximising water utility through appropriate reuse
- Identification of areas to replace fresh water and raw water with ETP-treated water, systematically reducing freshwater consumption
- Treatment of operational wastewater through ETPs at manufacturing locations to improve water quality standards and enhance recycling potential, enabling greater water recovery and reuse.

Operational Efficiency Measures

- Usage of high-pressure pumps for filter cleaning reduces water requirements while maintaining cleaning effectiveness
- Regular maintenance of water distribution systems, preventing losses and ensuring optimal performance

Water Intensity (KL/ million cigarette sticks manufactured)



Water Risk Assessment

In FY 2024-25, we initiated a comprehensive water stewardship strategy aimed at strengthening sustainable water management across our operations and tobacco supply chain. To support this, a detailed water risk assessment was conducted across our operations and supply chain using scientific methodologies, including the WRI Aqueduct tool and established frameworks. This assessment covered our three manufacturing facilities, 33 tobacco suppliers and 9 non-tobacco suppliers, enabling a thorough evaluation

of water-related vulnerabilities and dependencies across our value chain.

While water management has been a conscious focus for several years, this formal assessment provided deeper insights into specific risks and helped us develop more targeted mitigation strategies. It enhanced our understanding of water-related challenges at both operational and basin levels, allowing us to prioritise interventions based on risk severity and implement more effective water stewardship practices.



The assessment identified three key categories of water-related risks:

Risk Category	Description	Mitigation Measures
Risks related to the quantity and quality of water	<ul style="list-style-type: none"> Our operations face water quantity risks, with one-third located in water-stressed regions, particularly the Guldhar facility in a CGWB-classified stressed area, where groundwater over-exploitation threatens availability and increases operational costs. In our tobacco supply chain, the majority of suppliers face high to extremely high water risks, with suppliers in baseline water stress regions and facing drought risks. Water quality risks include contamination from untreated wastewater affecting suppliers, potentially impacting the local water bodies. 	<ul style="list-style-type: none"> Own Operations: Monitor site-wise water intensity targets, adopt advanced technologies including automation and sensors, promote water circularity, and explore AWS certification. Tobacco Suppliers: Gather monthly water consumption data, implement water-saving technologies, develop Good Agricultural Practices (GAP) program, support water-efficient tobacco varieties, shift procurement to less water-stressed regions, and develop farm pond projects for irrigation efficiency.
Risks related to regulatory changes or changes in pricing structures	<ul style="list-style-type: none"> Evolving water regulations present compliance risks through potential changes in water tariffs, withdrawal restrictions, and discharge standards. Pricing structure changes could significantly impact operational costs, particularly in water-stressed regions facing premium pricing or restricted access. Enhanced discharge standards may require additional wastewater treatment investments. Extended Producer Responsibility frameworks could impose new compliance obligations and reporting requirements across operations and the supply chain. 	<ul style="list-style-type: none"> Implement a comprehensive water-related policy with clear KPIs for water reduction, water intensity decrease, regular stakeholder sessions, and zero water non-compliance incidents. Establish governance structures with regular reviews for continuous improvement and accountability. Monitor and review regulatory changes proactively to ensure compliance.
Risks related to stakeholder conflicts	<ul style="list-style-type: none"> Water scarcity creates potential conflicts with local communities competing for limited resources, particularly in water-stressed areas like Ghaziabad. Poor sanitation infrastructure affecting tobacco suppliers poses reputational risks, damaging community relations. Environmental advocacy scrutiny of water usage practices and community concerns about groundwater depletion may affect our social license to operate and stakeholder trust, potentially leading to negative media coverage. 	<ul style="list-style-type: none"> Collaborate with local authorities for Hindon River floodplain revival and management near Guldhar factory. Develop projects to improve irrigation efficiency and provide access to WASH interventions. Focus on restoring water resources in high-risk areas. Conduct water awareness workshops for suppliers and communities. Engage with stakeholders through partnerships for shared water management strategies.

Annexure

ESG Performance

Environment

Energy

Energy Consumption (MJ)	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
From renewable energy sources				
Total renewable energy consumed	15,247,004.4	18,386,971.2	24,174,137	23,127,897.6
From non-renewable energy sources				
Total electricity purchased for consumption (Grid electricity)	56,830,782.0	65,241,531	59,149,359	71,576,999.5
Total fuel consumption	20,478,871.3	27,228,098	23,956,240	26,037,655.8
Total non-renewable energy consumed	77,309,653.3	92,469,629	83,105,598	97,614,655.3
Total energy consumed (Renewable + Non-renewable sources)	92,556,657.1	110,856,600	107,279,735	120,742,553

Emissions

Scope 1 and Scope 2				
GHG Emissions (MT of CO ₂ e)	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Direct (Scope 1) Emissions	1,362.3	1,595	2,210	2,460
Indirect (Scope 2) GHG Emissions	12,376.5	12,867	11,764	14,455
Total GHG Emissions	13,738.80	14,462	13,974	16,915

Non-GHG Air Emissions				
Air and Stack Emissions (KG)	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
SO _x	392.8	402.6	361.9	383
NO _x	927.5	943.1	1061.3	1,038
PM	5,007.5	5,993.1	4,093	4,250

Scope 3		
Parameters	FY 2023-24	FY 2024-25
Category 1 & Category 2: Purchased Goods & Services and Capital Goods	205,487	182,871
Category 3: Fuel & Energy	3,654	2,832
Category 4: Upstream T&D	8,471	6,034
Category 5: Waste Generated	68	17
Category 6: Business Travel	1,430	1,159
Category 7: Employee Commute	1,478	1,410
Category 10: Processing of sold products	-	46,574
Category 11: Use of sold products	81	100
Overall	220,699	240,997

We have updated our category 3 emissions data for FY 2023-24 to include electricity transmission and distribution (T&D) losses, which have resulted in higher reported emissions compared to our previous year's disclosure. Additionally, for Category 5 emissions in FY 2024-25, the adoption of updated DEFRA emission factors has led to lower reported emissions due to reduced emission factor values.

Water Consumption

Water Consumption (KL)	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Water Withdrawal	65,901.7	75,148	76,875	76,363 .2
Water Discharge	2,917.5	7,486.6	6,487.6	2,579.4
Water Consumption	62,984.2	67,661	70,388	73783.8

Water Risk Assessment

% of Sourced Agricultural Commodities Originating from Water-Stressed Areas (e.g. <1700 m ³ /(person*year)	FY 2024-25
Tobacco Suppliers	90%

In FY 2024-25, we conducted a comprehensive water risk assessment across our entire supplier network, encompassing both tobacco and non-tobacco suppliers. The assessment covered 41 suppliers, revealing that 28 suppliers (72%) operate in regions classified as high water-risk areas.

Waste

Particulars (in MT)	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Waste generated	1,059.8	2,830	3,207	3591
Waste Recycled/ Reused	22.3	86	3,058	3,570
Waste Disposed (Incineration/ Landfilling)	1,037.1	1,142	144	17

Packaging

Particulars (in MT)	Coverage (% of cost of goods sold)	Total Weight (metric tonnes)	Recycled and/or Certified Material (% of total weight)
Wood/Paper Fibre and Aluminium Foil packaging	12%	26,715	0%*

Given the food-grade nature of our products, we utilise packaging materials made from virgin materials to maintain product integrity and compliance.

Particulars (in MT)	FY 2022-23	FY 2023-24	FY 2024-25
Total weight (tons) of all plastic packaging	781.8	354.6	529
Percentage of recyclable plastic packaging (as a % of the total weight of all plastic packaging)	100%	100%	90%
Percentage of compostable plastic packaging (as a % of the total weight of all plastic packaging)	0%	0%	10%
Percentage of recycled content within the company's plastic packaging (as a % of the total weight of all plastic packaging)	0%	0%	0%
Coverage (as a % of cost of goods sold)	1%	1%	1%

Given the food-grade nature of our products, we utilise packaging materials made from virgin materials to maintain product integrity and compliance.

Environmental Policy Management

Environmental Management System	Coverage*
ISO 14001: 2015	100%

Coverage is measured against our total cigarette manufacturing facilities. Our two cigarette manufacturing sites, Guldhar and Rabale, both maintain ISO 14001 certification.

Biodiversity

Biodiversity Exposure & Assessment		
Particulars	Number	Area (Hectare)
Total operational sites*	03	10.8
Sites covered under the Biodiversity Risk Assessment	03	10.8
Sites identified with limited biodiversity impact and proximity to a critical biodiversity region	1	4.3
Sites covered under the Biodiversity Management Plan with significant impact and proximity to a critical biodiversity region	0	0

Social

Total Workforce

Parameters	FY 2021-22		FY 2022-23		FY 2023-24		FY 2024-25	
	Male	Female	Male	Female	Male	Female	Male	Female
Full-Time Employees	977	49	989	95	1004	66	979	62
Workers	75	0	65	0	53	0	36	0
Overall	1052	49	1054	95	1057	66	1015	62

New Hires

Employee Hiring									
Parameters		FY 2021-22		FY 2022-23		FY 2023-24		FY 2024-25	
		Male	Female	Male	Female	Male	Female	Male	Female
Age	18-30 years	82	3	101	9	79	9	91	9
	30-50 years	25	2	44	6	31	3	19	1
	Over 50 years	1	0	0	0	0	0	0	0
Management Level	Junior	79	0	107	6	86	7	94	7
	Middle	28	5	36	9	23	4	14	2
	Top	1	0	2	0	1	1	2	1

Average Amount Spent per FTE on Recruitment			
FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
70,468	56,660	77,407	111,439

Employee Turnover

Employee Turnover Rate (Only for Management Employees)									
Parameters		2022		2023		2024		2025	
		Male	Female	Male	Female	Male	Female	Male	Female
Age	18-30 years	31.0%	0.0%	37.5%	9.1%	34.3%	5.4%	26.6%	30.4%
	30-50 years	16.3%	19.5%	17.4%	19.0%	13.5%	14.0%	30.6%	37.8%
	Over 50 years	15.7%	20.0%	19.8%	0.0%	7.2%	0.0%	16.2%	66.7%
Management Level	Junior	23.0%	16.7%	25.5%	11.8%	25.2%	7.4%	31.8%	18.2%
	Middle	15.4%	13.3%	20.3%	15.4%	10.5%	10.7%	24.1%	46.2%
	Top	14.5%	40.0%	13.7%	0.0%	7.0%	0.0%	17.9%	57.1%
Total		19.0%		21.8%		17.1%		28.2%	

Attrition

Voluntary Turnover Rate (Only for Management Employees)									
Parameters		2022		2023		2024		2025	
		Male	Female	Male	Female	Male	Female	Male	Female
Age	18-30 years	28.6%	0.0%	28.0%	9.1%	30.4%	5.4%	24.1%	26.1%
	30-50 years	14.5%	19.5%	15.9%	9.5%	12.8%	14.0%	9.5%	10.8%
	Over 50 years	4.8%	0.0%	6.2%	0.0%	3.6%	0.0%	1.2%	0.0%
Management Level	Junior	19.6%	16.7%	19.9%	11.8%	23.4%	7.4%	17.1%	12.1%
	Middle	13.9%	13.3%	16.4%	7.7%	8.5%	10.7%	7.9%	23.1%
	Top	6.5%	0.0%	8.5%	0.0%	5.2%	0.0%	1.8%	0.0%
Total		15.8%		16.9%		15.04%		12.5%	

Lost Time Injury Frequency Rate

LTIFR	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Contractors	0	0	0	0
Employees	0	0	0	0
Total	0	0	0	0

Fatalities

Parameters (million man-hours)	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Contractors	0	0	0	0
Employees	0	0	0	0
Total	0	0	0	0

Human Rights Assessment*

Parameters	% of Total Assessed	% of Total assessed where Risks have been Identified	% of Risks with Mitigation Actions Taken
Own operations	100%	8.9%	100%
Tier-1 Suppliers	43%	0%	0%

The results are from the Human Rights Assessment conducted in FY 2023-24

CEO-to-Employee Pay Ratio

Particular (INR)	FY 2024-25
CEO Compensation*	109,664,695
Median Employee Compensation	1,014,524
Ratio (Median)	108.09
Mean Employee Compensation	1,941,305
Ratio (Mean)	56.49

*CEO compensation is exclusive of ESOPs

KPIs for Supplier Screening

Supplier Screening	FY 2024-25
Total number of Tier-1 suppliers	3775
Total number of significant suppliers in Tier-1	15
% of total spend on significant suppliers in Tier-1	40%
Total number of significant suppliers in non-Tier-1	0
Total number of significant suppliers (Tier-1 and non-Tier-1)	15

The scope covers non-tobacco suppliers accounting for 45% of total procurement spend. Supplier criticality was determined by selecting those with individual procurement spend exceeding 1%

Supplier Assessment	FY 2024-25
Total number of suppliers assessed via desk assessments/on-site assessments	11
% of unique significant suppliers assessed	73%
Number of suppliers assessed with substantial actual/potential negative impacts	0
Number of suppliers with substantial actual/potential negative impacts with agreed corrective action/improvement plan	0
Number of suppliers with substantial actual/potential negative impacts that were terminated	0

Corrective Action Plan Support	FY 2024-25
Total number of suppliers supported in the corrective action plan implementation	0
% of suppliers assessed with substantial actual/potential negative impacts supported in corrective action plan implementation	0

Capacity Building Programs	FY 2024-25
Total number of suppliers in capacity building programs	2*
% of unique significant suppliers in capacity building programs	0%

*All our contract tobacco farmers are categorised under the Sundry Farmers category, with 100% of FCV tobacco procured through the Tobacco Board. We conduct periodic capacity-building programs to support these farmers in enhancing their agricultural practices and sustainability standards.

Further, none of our non-tobacco suppliers were identified as high-risk through this supplier's assessment. We will now implement a capacity-building program, beginning with the lowest-scoring suppliers (5), to further enhance their capabilities.

Governance

Reporting on Breaches

Breaches	FY 2024-25
Corruption or Bribery	0
Discrimination or Harassment	0
Customer Privacy Data	0
Conflicts of Interest	0
Money Laundering or Insider Trading	0

Environmental Compliance

Particulars	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Number of violations of legal obligations/regulations	0	0	0	0

Policy Influence

Parameters (INR)*	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Trade Associations	2,149,640	2,193,300	2,252,300	2,258,200

This includes the membership fees paid to the Trade Associations

The Company engages with relevant authorities to balance stakeholder expectations and participates in forums that address industry and stakeholder interests. The industry bodies represent GPII through evidence-based advocacy, when necessary.

GRI Index

GRI Standard		Report Section/ Explanation	Location
2-1	Organizational details	About Godfrey Phillips India Limited	IR - Page No.12
2-2	Entities included in the organization's sustainability reporting	About the Report	IR - Page No. 2 and 5
2-3	Reporting period, frequency and contact point	About the Report	IR - Page No. 2 and 5
2-4	Restatements of information	Not Applicable	Not Applicable
2-5	External assurance	Assurance Statement for IR and BRSR Core	IR - Page No. 132
2-6	Activities, value chain, and other business relationships	About Godfrey Phillips India Limited and Section A - General Disclosure of BRSR	IR - Page No. 12, Annual Report - Page No. 53 and 54
2-7	Employees	Annexure	IR - Page No. 119
2-8	Workers who are not employees	Annexure	IR - Page No. 119
2-9	Governance structure and composition	Governance Structure	IR - Page No. 34-40
2-10	Nomination and selection of the highest governance body	Nomination and Remuneration Policy	Annual Report - Page No. 11 and 12
2-11	Chair of the highest governance body	Governance Structure	IR - Page No. 34
2-12	Role of the highest governance body in overseeing the management of impacts	Sustainability Governance	IR - Page No. 39 and 40
2-13	Delegation of responsibility for managing impacts	Sustainability Governance	IR - Page No. 39 and 40
2-14	Role of the highest governance body in sustainability reporting	Sustainability Governance	IR - Page No. 39 and 40
2-15	Conflicts of interest	Annexure (Reporting on Breaches)	IR - Page No. 123
2-16	Communication of critical concerns	Stakeholder Engagement	IR - Page No. 22 and 26

GRI Standard		Report Section/ Explanation	Location
2-17	Collective knowledge of the highest governance body	Governance Structure	IR - Page No. 34
2-18	Evaluation of the performance of the highest governance body	Performance Evaluation of the Board	Annual Report - Page No. 10
2-19	Remuneration policies	Nomination and Remuneration Policy	Annual Report - Page No. 11 and 12
2-20	Process to determine remuneration	Nomination and Remuneration Policy	Annual Report - Page No. 11 and 12
2-21	Annual total compensation ratio	Annexure	IR - Page No. 121
2-22	Statement on Sustainable Development Strategy	Materiality Assessment	IR - Page No. 28
2-23	Policy commitments	Section B of BRSR	Annual Report - Page No. 64
2-24	Embedding policy commitments	Section A of BRSR	Annual Report - Page No. 57 and 58
2-25	Processes to remediate negative impacts	Section A of BRSR	Annual Report - Page No. 57 and 58
2-26	Mechanisms for seeking advice and raising concerns	Section A of BRSR	Annual Report - Page No. 57 and 58
2-27	Compliance with laws and regulations	Director's Report in Annual Report	Annual Report - Page No. 5
2-28	Membership associations	Principle 7 of BRSR	Annual Report - Page No. 99
2-29	Approach to stakeholder engagement	Stakeholder Engagement	IR - Page No. 22 to 26
2-30	Collective bargaining agreements	Principle 3 of BRSR	Annual Report - Page No. 80
3-1	Process to determine material topics	Materiality Assessment	IR - Page No. 28
3-2	List of material topics	Materiality Assessment	IR - Page No. 28
3-3	Management of material topics	Materiality Assessment	IR - Page No. 28
201-1	Direct economic value generated and distributed	Value Creation Model and Financial Capital	IR - Page No. 20 and 48

GRI Standard		Report Section/ Explanation	Location
201-2	Financial implications and other risks and opportunities due to climate change	Energy and Emissions	IR - Page No. 28 to 33
201-3	Defined benefit plan obligations and other retirement plans	Principle 3 of BRSR	Annual Report - Page No. 78
201-4	Financial assistance received from the government	None	-
204-1	Proportion of spending on local suppliers	Key ESG Highlights; Principle 8 of BRSR	IR - Page No. 14; Annual Report - Page No. 101
205-1	Operations assessed for risks related to corruption	Annexure (Reporting on Breaches)	IR - Page No. 123
205-2	Communication and training about anti-corruption policies and procedures	Principle 1 of BRSR	Annual Report - Page No. 71
205-3	Confirmed incidents of corruption and actions taken	Annexure (Reporting on Breaches)	IR - Page No. 123
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Principle 7 of BRSR	Annual Report - Page No. 100
207-1	Approach to tax	Standalone Balance Sheet	Annual Report - Page No. 118
207-2	Tax governance, control, and risk management	Standalone Balance Sheet	Annual Report - Page No. 118
207-3	Stakeholder engagement and management of concerns related to tax	Standalone Balance Sheet	Annual Report - Page No. 118
207-4	Country-by-country reporting	Standalone Balance Sheet	Annual Report - Page No. 118
301-2	Recycled input materials used	Principle 2 of BRSR	Annual Report - Page No. 76

GRI Standard		Report Section/ Explanation	Location
301-3	Reclaimed products and their packaging materials	Principle 2 of BRSR	Annual Report - Page No. 76
302-1	Energy consumption within the organisation	Energy and Emissions; Annexure	IR - Page No. 99 IR - Page No. 115
302-2	Energy consumption outside of the organisation	-	-
302-3	Energy intensity	Energy and Emissions; Annexure	IR - Page No. 99 IR - Page No. 115
302-4	Reduction of energy consumption	Energy and Emissions; Annexure	IR - Page No. 99 IR - Page No. 115
302-5	Reductions in the energy requirements of products and services	Energy and Emissions; Annexure	IR - Page No. 99 IR - Page No. 115
303-1	Interactions with water as a shared resource	Water Management; Annexure	IR - Page No. 112; Page No. 116-117
303-2	Management of water discharge-related impacts	Water Management; Annexure	IR - Page No. 112; Page No. 116-117
303-3	Water withdrawal	Water Management; Annexure	IR - Page No. 112; Page No. 116-117
303-4	Water discharge	Water Management; Annexure	IR - Page No. 112; Page No. 116-117
303-5	Water consumption	Water Management; Annexure	IR - Page No. 112; Page No. 116-117
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Biodiversity Management	IR - Page No. 108
304-2	Significant impacts of activities, products and services on biodiversity	Biodiversity Management	IR - Page No. 108
304-3	Habitats protected or restored	Biodiversity Management	IR - Page No. 108
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Biodiversity Management	IR - Page No. 108

GRI Standard		Report Section/ Explanation	Location
305-1	Direct (Scope 1) GHG emissions	Energy and Emissions; Annexure	IR – Page No. 99 IR - Page No. 115
305-2	Energy indirect (Scope 2) GHG emissions	Energy and Emissions; Annexure	IR – Page No. 99 IR - Page No. 115
305-3	Other indirect (Scope 3) GHG emissions	Energy and Emissions; Annexure	IR – Page No. 99 IR - Page No. 116
305-4	GHG emissions intensity	Energy and Emissions; Annexure	IR – Page No. 99 IR - Page No. 116
305-5	Reduction of GHG emissions	Energy and Emissions; Annexure	IR – Page No. 99 IR - Page No. 116
305-6	Emissions of ozone-depleting substances (ODS)	Not Applicable	Not Applicable
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Annexure	Page No. 116
306-1	Waste generation and significant waste-related impacts	Waste Management; Annexure	IR – Page No. 110; IR - Page No. 118
306-2	Management of significant waste-related impacts	Waste Management	IR – Page No. 110
306-3	Waste generated	Waste Management	IR – Page No. 110
306-4	Waste diverted from disposal	Waste Management	IR – Page No. 110
306-5	Waste directed to disposal	Waste Management	IR – Page No. 110
307-1	Non-compliance with environmental laws and regulations	Annexure	Page No. 123
308-1	New suppliers that were screened using environmental criteria	Social and Relationship Capital	IR – Page No. 84

GRI Standard		Report Section/ Explanation	Location
308-2	Negative environmental impacts in the supply chain and actions taken	Social and Relationship Capital	IR – Page No. 84
401-1	New employee hires and employee turnover	Diversity and Inclusion; Annexure	IR- Page No. 65; Page No. 120
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Well-Being Programs	IR- Page No. 74 and 75
401-3	Parental leave	Employee Well-Being Programs	IR- Page No. 74 and 75
403-1	Occupational health and safety management system	Occupational Health and Safety	IR- Page No. 76-79
403-2	Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety	IR- Page No. 76-79
403-3	Occupational health services	Occupational Health and Safety	IR- Page No. 76-79
403-4	Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety	IR- Page No. 76-79
403-5	Worker training on occupational health and safety	Occupational Health and Safety	IR- Page No. 76-79
403-6	Promotion of worker health	Occupational Health and Safety	IR- Page No. 76-79
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety	IR- Page No. 76-79
403-8	Workers covered by an occupational health and safety management system	Occupational Health and Safety	IR- Page No. 76-79
403-9	Work-related injuries	Occupational Health and Safety	IR- Page No. 76-79

GRI Standard		Report Section/ Explanation	Location
403-10	Work-related ill health	Occupational Health and Safety	IR- Page No. 76-79
404-1	Average hours of training per year per employee	Talent Management	Page No. 68-75
404-2	Programs for upgrading employee skills and transition assistance programs	Talent Management	Page No. 68-75
404-3	Percentage of employees receiving regular performance and career development reviews	Talent Management	Page No. 68-75
405-1	Diversity of governance bodies and employees	Governance Structure	IR - Page No. 34-40
405-2	Ratio of basic salary and remuneration of women to men	Gender Pay Gap Report	IR - Page No. 67
406-1	Incidents of discrimination and corrective actions taken	Annexure (Reporting on Breaches)	IR - Page No. 123
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	None	None
408-1	Operations and suppliers at significant risk for incidents of child labour	Human Rights	IR - Page No. 79-83
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Human Rights	IR - Page No. 79-83
411-1	Incidents of violations involving the rights of indigenous peoples	None of our operational sites is located in the vicinity of the indigenous community	-
413-1	Operations with local community engagement, impact assessments, and development programs	Social and Relationship Capital	IR - Page No. 84

GRI Standard		Report Section/ Explanation	Location
413-2	Operations with significant actual and potential negative impacts on local communities	Social and Relationship Capital	IR - Page No. 84
414-1	New suppliers that were screened using social criteria	Social and Relationship Capital	IR - Page No. 84
414-2	Negative social impacts in the supply chain and actions taken	Social and Relationship Capital	IR - Page No. 84
415-1	Political contributions	GPIL at a Glance (GPIL makes zero contributions to the political activities, such as lobbying, interest representation, political campaigns, ballot measures, etc. It only makes a contribution as the membership fees to the trade associations.	IR - Page No. 123
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	No incident of non-compliance concerning the health & safety impact of products and services was reported during the reporting period	-
417-1	Requirements for product and service information and labeling	Principle 9 of the BRSR	Annual Report - Page No. 103
417-2	Incidents of non-compliance concerning product and service information and labeling	No incident of non-compliance concerning the product and services information, and labelling was reported during the reporting period	Annual Report - Page No. 103
417-3	Incidents of non-compliance concerning marketing communications	This indicator is not applicable to GPIL. In compliance with the Cigarette and Other Tobacco Products Act (COTPA), GPIL does not promote its products to consumers.	Not Applicable
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Principle 9 of BRSR	Annual Report - Page No. 104

Assurance Statement

Sustainability and Integrated Report FY 2024-25



Assurance statement on third-party verification of sustainability information

Unique identification no.: **3153192863**

TÜV SÜD South Asia Pvt. Ltd. (hereinafter TÜV SÜD) has been engaged by **Godfrey Phillips India Limited**, 14, Omaxe Square, Jasola District Centre, New Delhi-110025 to perform an independent assurance of disclosure of sustainability information in the Sustainability and Integrated Report by **Godfrey Phillips India Limited** (hereinafter "Company") for the period from 01 April 2024 to 31 March 2025. The verification was carried out according to the steps and methods described below.

Scope of the verification

The third-party verification was conducted to obtain limited assurance about whether the sustainability information is prepared "with accordance to" the reporting criteria of the Sustainability Reporting Standards of the Global Reporting Initiative 2021 version (hereinafter "Reporting Criteria").

The following selected disclosures are included in the scope of the assurance engagement for reporting year 01 April 2024 to 31 March 2025 the disclosures of following sustainability indicators in the Sustainability Report", published at **Godfrey Phillips India Limited** Website

- GRI 2: General Disclosure
- GRI 3: Materiality Assessment – 3-1, 3-2, 3-3
- GRI 201: Economic Performance 2016 - 201-1,201-2, 201-3
- GRI 203-1: Infrastructure investments and services supported
- GRI 204: Procurement Practices – 204-1
- GRI 205: Anti-corruption – 205-1, 205-3
- GRI 304: Biodiversity 2016 -304-1
- GRI 308: Supplier Environmental Assessment 2016- 308-1
- GRI 401: Employment– 401-1, 401-2, 401-3
- GRI 403: Occupational Health and Safety – 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10
- GRI 404: Training and Education – 404-1, 404-2, 404-3
- GRI 405: Diversity and Equal Opportunity – 405-1,405-2
- GRI 406: Non-discrimination – 406-1
- GRI 407: Freedom of Association and Collective Bargaining – 407-1
- GRI 408: Child Labor – 408-1
- GRI 409: Forced or Compulsory Labor – 409-1
- GRI 411: Rights of Indigenous People – 411-1
- GRI 413: Local Communities- 413-1, 413-2

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- GRI 414: Supplier Social Assessment 2016 -414-1, 414-2
- GRI 416: Customer Health & Safety 2016 -416-1, 416-2
- GRI 417: Marketing & Labelling 2016 -417-1, 417-2

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the integrated reporting, and accordingly, we do not express a conclusion on this information. It was not part of our engagement to review product- or service-related information, references to external information sources, expert opinions and future-related statements in the Report.

Responsibility of the Company

The legal representatives of the Company are responsible for the preparation of the sustainability information in accordance with the Reporting Criteria. This responsibility includes in particular the selection and use of appropriate methods for sustainability reporting, the collection and compilation of information and the making of appropriate assumptions or, where appropriate, the making of appropriate estimates. Furthermore, the legal representatives are responsible for necessary internal controls to enable the preparation of a sustainability report that is free of material - intentional or unintentional - erroneous information.

Verification methodology and procedures performed

The verification engagement has been planned and performed in accordance with the verification methodology developed by the TÜV SÜD Group, which is based upon the ISAE 3000, and ISO 17029. The applied level of assurance was "limited assurance". Because the level of assurance obtained in a limited assurance, the engagement is lower than in a reasonable assurance engagement, the procedures the verification team performs in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Sustainability information and applying analytical and other limited assurance procedures.

The verification was based on a systematic and evidence-based assurance process limited as stated above. The selection of assurance procedures is subject to the auditor's own judgment. The procedures included amongst others:

- Inquiries of personnel who are responsible for the stakeholder engagement und materiality analysis to understand the reporting boundaries.
- Evaluation of the design and implementation of the systems and processes for compiling, analysing, and aggregating sustainability information as well as for internal controls
- Inquiries of company's representatives responsible for collecting, preparing and consolidating sustainability information and performing internal controls
- Analytical procedures and inspection of sustainability information as reported at group level by all locations.
- Assessment of local data collection and management procedures, along with control mechanisms, through offsite verification and onsite survey at selected multiple sites: Below sites were selected for onsite/offsite review:

Sl. No.	Company Name	Site Address
1	Godfrey Phillips India Limited	Godfrey Phillips India Limited 14, Omaxe Square, Jasola District Centre New Delhi- 110025
2		Godfrey Phillips India Limited Delhi- Meerut Road, Guldhar, Uttar Pradesh Ghaziabad- 201003
3		Godfrey Phillips India Limited Plot No 19, TTC Industrial Area, Rabale MIDC, Opposite Rabale Railway Station Navi Mumbai- 400701, Maharashtra
4		Godfrey Phillips India Limited,

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Plot No. 289-300, APIIC Growth Centre,
Gundlapally - 523 211,

Conclusion

On the basis of the assessment procedures carried out from 12-11-2025 to 14-12-2025, TÜV SÜD has not become aware of any facts that lead to the conclusion that the selected sustainability information has not been prepared, in all material aspects, in reference to the Reporting Criteria.

Limitations

The assurance process was subject to the following limitations:
The subject matter information covered by the engagement are described in the "scope of the engagement". Assurance of further information included in the integrated reporting was not performed. Accordingly, TÜV SÜD do not express a conclusion on this information.

Financial data were only considered to the extent to check the compliance with the economic indicators provided by the GRI Standards and were drawn directly from independently audited financial accounts. TÜV SÜD did not perform any further assurance procedures on data, which were subject of the annual financial audit.

The assurance scope excluded forward-looking statements, product- or service-related information, external information sources and expert opinions.

Use of this Statement

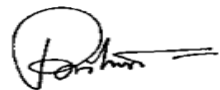
The Company must reproduce the TÜV SÜD statement and possible attachments in full and without omissions, changes, or additions.

This statement is by the scope of the engagement solely intended to inform the Company as to the results of the mandated assessment. TÜV SÜD has not considered the interest of any other party in the selected sustainability information, this assurance report or the conclusions TÜV SÜD has reached. Therefore, nothing in the engagement or this statement provides third parties with any rights or claims whatsoever.

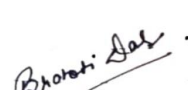
Independence and competence of the verifier

TÜV SÜD South Asia Pvt Ltd. is an independent certification and testing organization and member of the international TÜV SÜD Group, with accreditations also in the areas of social responsibility and environmental protection. The assurance team was assembled based on the knowledge, experience and qualification of the auditors. TÜV SÜD South Asia Pvt Ltd hereby declares that there is no conflict of interest with the Company.

Kolkata, 16 December 2025



Mr Prosenjit Mitra
General Manager- Verification, Validation
and Audit Management System Assurance



Ms Brotoji Das
Verification Team Leader, TÜV SÜD
Management System Assurance

Assurance Statement

BRSR Core



Assurance statement on third-party verification of sustainability information

Unique identification no.: 3153110866

TÜV SÜD South Asia Pvt Ltd. (hereinafter TÜV SÜD) has been engaged by Godfrey Phillips India Limited, 14, Omaxe Square, Jasola District Centre, New Delhi -10025, India, to perform an independent assurance of the Company's disclosures in Business Responsibility and Sustainability Report (hereafter referred as 'BRSR') of Godfrey Phillips India Limited for the period from 1st April 2024 to 31st March 2025.

The verification was carried out according to the steps and methods described below.

Scope of the verification

The third-party verification was conducted to obtain independent assurance about whether the Sustainability information is prepared in reference to BRSR standard/framework (hereinafter referred as "Reporting Criteria").

Reporting standard/framework

The disclosures have been prepared by Godfrey Phillips India Limited in reference to:

BRSR Core – Framework for assurance and ESG disclosures for value chain as per SEBI (Securities and Exchange Board of India) Circular No. SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122 dated July12, 2023.

The following sustainability indicators' reporting are included in the scope of the assurance engagement during the reporting period Financial Year (FY) 2024-25 as listed below

Reasonable level of assurance of 'BRSR 9 Core Attributes'

Note-The non-financial quantitative disclosures have been reviewed in accordance with the audited figures provided by the Finance Auditor. These numbers are provisional and may be subject to revision upon final declaration.

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the BRSR reporting, and accordingly, we do not express a conclusion on this information.

It was not part of our engagement to review product- or service-related information, references to external information sources, expert opinions and future-related statements in the Report.

Responsibility of the Company

The legal representatives of the Company are responsible for the preparation of the BRSR report in accordance with the Reporting Criteria. This responsibility includes in particular the selection and use of appropriate methods for measurement, calculation, collection and compilation of information and the making of appropriate assumptions or, where appropriate, the making of appropriate estimates. Furthermore, the legal representatives are responsible for necessary internal controls to enable the preparation of a BRSR report that is free of material - intentional or unintentional - erroneous information.



Verification methodology and procedures performed

The verification engagement has been planned and performed in accordance with the verification methodology developed by the TÜV SÜD Group which is based on ISAE 3000 assurance engagement standard and ISO 17029.

Level of Assurance

Reasonable Level of assurance for the 9 core attributes of BRSR (Ref: Annexure I of SEBI circular)

The verification was based on a systematic and evidence-based assurance process limited as stated above. The selection of assurance procedures is subject to the auditor's own judgment.

- Inquiries of personnel who are responsible for the stakeholder engagement und materiality analysis to understand the reporting boundaries
- Evaluation of the design and implementation of the systems and processes for compiling, analysing, and aggregating sustainability information as well as for internal controls
- Inquiries of company's representatives responsible for collecting, preparing and consolidating sustainability information and performing internal controls
- Analytical procedures and inspection of sustainability information as reported at group level by all locations
- Assessment of local data collection and management procedures, along with control mechanisms, through onsite and offsite verification and Below sites are selected for Onsite Visit.

Sl. No.	Company Name	Site Address
1	Godfrey Phillips India Limited 14, Omaxe Square, Jasola District Centre New Delhi- 110025 India	Godfrey Phillips India Limited 14, Omaxe Square, Jasola District Centre, Jasola, New Delhi- 110025 India
2		Godfrey Phillips India Limited Plot No 19, TTC Industrial Area, Rabale MIDC, Opposite Rabale Railway Station Navi Mumbai- 400701, Maharashtra India
3		Godfrey Phillips India Limited Delhi- Meerut Road, Guldhar, Uttar Pradesh Ghaziabad- 201003 India
4		Godfrey Phillips India Limited, Plot No. 289-300, APIIC Growth Centre, Gundlapally - 523 211, India

Conclusion

Reasonable level of Assurance- BRSR 9 Core Attributes

On the basis of the assessment procedures carried out & evidence we have collected during 2025-04-29 - 2025-05-12, the identified sustainability indicators of 9 Core Attributes (Listed in Annexure I of this statement) of BRSR for FY 2024-25 are prepared in all material respect in accordance with the reporting requirements outlined in BRSR Core.

Issued By: Rahul Kale Doc No. TSSA_MS_543 Rev. 00 Effective Date: 11/02/2025



Limited Level of Assurance- BRSR Reporting Format

On the basis of the assessment procedures carried out from 2025-04-29 - 2025-05-12, TÜV SÜD has not become aware of any facts that lead to the conclusion that the selected non-core indicators have not been prepared, in all material aspects, in accordance with the Reporting Criteria.

Limitations

The assurance process was subject to the following limitations:

- The subject matter information covered by the engagement are described in the "scope of the engagement". Assurance of further information included in the BRSR reporting was not performed. Accordingly, TÜV SÜD do not express a conclusion on this information.
- The assurance scope excluded forward-looking statements, product- or service-related information, external information sources and expert opinions.

Use of this Statement

The Company must reproduce the TÜV SÜD statement and possible attachments like Assurance report in full and without omissions, changes, or additions.

This statement is by the scope of the engagement solely intended to inform the Company as to the results of the mandated assessment. TÜV SÜD has not considered the interest of any other party in the selected sustainability information, this assurance report or the conclusions TÜV SÜD has reached. Therefore, nothing in the engagement or this statement provides third parties with any rights or claims whatsoever.

Independence and competence of the verifier

TÜV SÜD South Asia Pvt Ltd. is an independent certification and testing organization and member of the international TÜV SÜD Group, with accreditations also in the areas of social responsibility and environmental protection. The assurance team was assembled based on the knowledge, experience and qualification of the auditors. TÜV SÜD South Asia Pvt Ltd. hereby declares that there is no conflict of interest with the Company.

Place, Date

Mumbai, DD-MM-YYYY.


28th May 2025

GM- Certification

Signature Panel



Verification Team Leader, TÜV SÜD.

Issued By: Rahul Kale Doc No. TSSA_MS_543 Rev. 00 Effective Date: 11/02/2025



Annexure I

S.N o.	Attribute	Parameter	Cross reference to BRSR (P-Principles/ E- Essential Indicator)
1.	Green-house gas (GHG) footprint Greenhouse gas emissions may be measured in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard*	Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available) Total Scope 2 emissions (Break-up of the GHG (CO ₂ e) into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available) GHG Emission Intensity (Scope 1 +2)	P6-E7
2.	Water footprint	Total water consumption Water consumption intensity Water Discharge by destination and levels of Treatment	P6-E3 P6-E4
3.	Energy footprint	Total energy consumed % of energy consumed from renewable sources Energy intensity	P6-E1
4.	Embracing circularity - details related to waste management by the entity	Plastic waste (A) E-waste (B) Bio-medical waste (C) Construction and demolition waste (D) Battery waste (E) Other Hazardous waste. Please specify, if any. (G) Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector) Total waste generated ((A+B + C + D + E + F + G + H) Waste intensity Each category of waste generated, total waste recovered through recycling, re-using or other recovery operations For each category of waste generated, total waste disposed by nature of disposal method	P6-E9

Issued By: Rahul Kale

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Rev. 00

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5.	Enhancing Employee Wellbeing and Safety	Spending on measures towards well being of employees and workers – cost incurred as a % of total revenue of the company Details of safety related incidents for employees and workers (including contract-workforce e.g. workers in the company's construction sites)	P3-E1 P3-E11
6.	Enabling Gender Diversity in Business	Gross wages paid to females as % of wages paid Complaints on POSH	P5-E3 P5-E7
7.	Enabling Inclusive Development	Input material sourced from following sources as % of total purchases – Directly sourced from MSMEs/ small producers and from within India Job creation in smaller towns – Wages paid to persons employed in smaller towns (permanent or non-permanent /on contract) as % of total wage cost	P8-E4 P8-E5
8.	Fairness in Engaging with Customers and Suppliers	Instances involving loss / breach of data of customers as a percentage of total data breaches or cyber security events Number of days of accounts payable	P9-E7 P1-E8
9.	Open-ness of business	Concentration of purchases & sales done with trading houses, dealers, and related parties Loans and advances & investments with related parties	P1-E9

Issued By: Rahul Kale

Doc No. TSSA_MS_543

Rev. 00

Effective Date: 11/02/2025



GODFREY PHILLIPS
— I N D I A L I M I T E D —

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Corporate Office

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